



DRAKENSTEIN

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Section 72 MFMA, Mid-Year Performance Assessment Report

2022/2023

01 July – 31 December 2022

This report is compiled in terms Section 72 of the Local Government: Municipal Finance Management Act (MFMA), Act. 56 of 2003 and is unaudited.

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**2022/2023 Mid-Year Performance Assessment, Section 72(1) of the Local Government:
Municipal Finance Management Act No. 56 of 2003 (1 July 2022 to 31 December 2022)**

QUALITY CERTIFICATE

I, Johan Leibbrandt, the City Manager of Drakenstein Municipality, hereby certify that the Mid-Year Performance Assessment Report for the period 1 July 2022 to 31 December 2022 has been prepared in accordance with Sections 72(1)(a) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA) and regulations made under the Act and accordingly submit the required progress made with the achievement of expenditure targets, key performance indicators, development priorities and targets as determined in the 2022/2023 Budget and 2022/2023 Top Layer Service Delivery and Budget Implementation Plan (SDBIP).

Dr. Johan Leibbrandt

City Manager of Drakenstein Municipality

Signature: _____



25 January 2023

2022/2023 Mid-Year Performance Assessment, Section 72(1) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (1 July 2022 to 31 December 2022)

To Council

In accordance with Section 72(1)(a) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA) and regulations made under the Act, I hereby submit the Mid-Year Performance Report for the 1st six months of the municipal financial year (1 July 2022 to 31 December 2022) reflecting the progress made with the achievement of expenditure targets, key performance indicators, development priorities and targets as determined in the 2022/2023 Budget and 2022/2023 Top Layer Service Delivery and Budget Implementation Plan (SDBIP).

Ald. Conrad Poole

Executive Mayor of Drakenstein Municipality

Signature: _____



25 January 2023

1. INTRODUCTION

In terms of Section 72(1)(a) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003 the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury.

Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

Drakenstein Municipality's Mid-Year Performance Assessment Report and supporting tables is prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

2. FINANCIAL PERFORMANCE

A report assessing the Municipality's financial performance for the period 01 July - 31 December 2022 will be submitted to Council as a separate item.

3. SERVICE DELIVERY PERFORMANCE ANALYSIS

To Create A Culture of Performance through a Performance Framework, Performance Management is prescribed by Chapter 6 of the Municipal Systems Act (MSA), Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players."* This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP) and individual and service provider performance.

The Drakenstein Municipality's Performance Management Policy was approved by Council on 31 May 2021.

4. IMPLEMENTATION OF PERFORMANCE MANAGEMENT

The 2022/2027 IDP was approved by Council on 31 May 2022. Performance is evaluated by means of a municipal scorecard (the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP)) at an organisational level and through the Departmental SDBIP at a departmental level.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality is implemented. It also allocates responsibilities to Departments to deliver services in terms of the IDP and Budget.

The TL SDBIP was prepared and approved by the Executive Mayor on 22 June 2022.

5. MONITORING PERFORMANCE

The SDBIP is loaded on an electronic web-based system (after approval). The web-based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against Key Performance Indicator (KPI) Targets for the previous month's performance. The actual results against monthly targets set, are discussed at Strategic Management level to determine early warning indicators as well as to discuss corrective measures if needed.

Table 1: Ratings

Colour	Rating	Category
	0	No KPI Target This Quarter
	1	Unacceptable Performance
	2	Not fully Effective
	3	Fully Effective
	4	Above Expectation
	5	Outstanding Performance


The First Quarterly Performance Assessment Report (01 July - 30 September 2022) was submitted to the Mayoral Committee and Council for review on 21 October 2022 and thereafter to the Internal Audit Unit for auditing.

National Performance Indicators (NKPIs) are required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the Municipal Systems Act (MSA), Act 32 of 2000. These key performance indicators are linked to the National Key Performance Areas as listed below:

6. SUMMARY PERFORMANCE AGAINST THE MUNICIPAL KEY PERFORMANCE AREAS

The graph below illustrates the performance of the Drakenstein Municipality against the Municipality's Key Performance Areas (MKPAs), for the period 01 July- 31 December 2022, as derived from the Municipality's Integrated Development Plan (IDP).

Table 2: Drakenstein Municipality KPAs (01 July- 31 December 2022)

Drakenstein Municipality		KPA 1: Governance and Compliance	KPA 2: Finance	KPA 3: Organisation and Human Capital	KPA 4: Infrastructure and Services	KPA 5: Planning and Development	KPA 6: Community Development
 No KPI Target for the period under review	15	-	5	3	5	1	1
 Unacceptable Performance	1	-	1	-	-	-	-
 Not fully Effective	0	-	-	-	-	-	-
 Fully Effective	12	3	3	1	5	-	-
 Above Expectation	3	-	1	-	2	-	-
 Outstanding Performance	1	-	-	-	1	-	-
Total:	32	3	10	4	13	1	1

7. ADJUSTMENT BUDGET

Regulation 23 of the Municipal Budget and Reporting Regulations provides, *inter alia*, for the following:

“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year.”

A revised Top Layer SDBIP will be submitted with the Adjustments Budget to Council by 28 February 2023 with the necessary motivation where key performance indicators require adjustment/ amendment/s as a result of the Adjustments Budget.

8. SUMMARY AND CHALLENGES

Annexure A is the unaudited Top Layer SDBIP for the first half of the financial year 2022/2023 ending 31 December 2022, which measures the Drakenstein Municipality's overall performance per KPA. The report, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.



DR JOHAN LEIBBRANDT
CITY MANAGER

DATE: 20/01/2023

ANNEXURE A — TOP LAYER SDBIP 2022/2023 PER MUNICIPAL KPA
AND ASSESSMENT OF TARGETS ACHIEVED
(1 JULY- 31 DECEMBER 2022)
(S72, MFMA MID-YEAR ASSESSMENT)

9. ANNEXURE A — TOP LAYER SDBIP 2022/2023 PER MUNICIPAL KPA AND ASSESSMENT OF TARGETS ACHIEVED (MID-YEAR, MFMA S72 ASSESSMENT)

KPA 1: GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL1	KPI113	To ensure good governance and the active participation of all relevant stakeholders	Investigation of all formally reported fraud, theft and corruption incidents initiated	Percentage of formally reported fraud, theft and corruption cases initiated within 14 days of receipt	100%	100%	100%	100%	G		
TL2	KPI004	To ensure good governance and the active participation of all relevant stakeholders	Submission of Audit Committee reports to Council	Number of Audit Committee reports submitted to Council	4	4	2	2	G		
TL3	KPI005	To ensure good governance and the active participation of all relevant stakeholders	IDP/Budget/SDF time schedule (process plan) submitted to Mayco/Council	Number of IDP/Budget/SDF time schedules (process plans) submitted to Mayco/Council by 31 August	1	1	1	1	G		

Table 3: Summary of Results: Governance and Compliance (KPA 1)

	No KPI Target This Quarter	0
	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	3
	Above Expectation	0
	Outstanding Performance	0
Total KPIs		3

KPA 2: FINANCE

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL4	KPIO11	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Raise/collect Operating Budget revenue as per approved budget	Percentage of Total Annual Operating Budget revenue raised/collected	95%	95%	95%	100.09%	G2	Dedicated focused revenue enhancement initiatives has led to the increased raising of revenue that exceeded the budget.	
TL5	KPIO15	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Submission of the MTREF (aligned to the IDP) to Council by 31 May	Number of MTREFs submitted to council by 31 May	1	1	0	0	N/A		
TL6 NKPI	KPIO17	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MFMA, Reg. S10(c))	Percentage of approved Capital Budget actually spent	90%	90%	0	0	N/A		
TL7	KPIO22	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Ratio in respect of Debtor Payment Days (Collect all billed revenue to ensure that sufficient cash is generated to meet Drakenstein's debt and operating commitments)	Net Debtors Days Ratio ((Gross Debtors – Bad Debt Provision)/Billed Revenue) x 365 (Target Number of days)	≤45	≤45	≤45	47	R	=430051885(Gross Total Debtors) less 129042911 (Provision for doubtful debt) 2,336,969,993 R (Budgeted Total Billed Revenue From Rates & Services x 365 days.	Credit control on outstanding accounts

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL8	KPI022	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Submission of the Annual Financial Statements (AFS) to the Auditor-General of South Africa	Number of Annual Financial Statements (AFS) submitted to the Auditor-General of South Africa by 31 August	1	1	1	1	G		
TL9 NKPI	KPI023	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MFMA, Reg. S10(g)(iii))	Cost coverage ratio (Available cash + investments)/Monthly fixed operating expenditure	1	N/A	N/A	N/A	N/A		
TL10 NKPI	KPI024	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MFMA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received)/(Debt service payments due within the year))	6.7	6.7	N/A	N/A	N/A		
TL11 NKPI	KPI025	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MFMA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors/revenue received for services)	<0.25 (less than)	<0.25 (less than)	N/A	N/A	N/A		
TL12	KPI121	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Implement electronic contract management system	Number of electronic contract management systems implemented	1	1	1	1	G		

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL22 NKPI	KPI115	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Updated Indigent Register (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of all qualifying indigent applications processed	100%	100%	100%	100%	G		

Table 4: Summary of Results: Finance (KPA 2)

	No KPI Target This Quarter	5
	Unacceptable Performance	1
	Not Fully Effective	0
	Fully Effective	3
	Above Expectation	1
	Outstanding Performance	0
Total KPIs		10

KPA 3: ORGANISATION AND HUMAN CAPITAL

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL13 NKPI	KPI026	To transform the municipality into an effective and efficient organization	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan reports (NKPI Proxy - MFMA, Reg. S10(e))	Number of reports on the number of people from employment equity groups employed in the three highest levels of management submitted to the City Manager by 30 November and 30 June	2	2	1	1	G		
TL14 NKPI	KPI116	To transform the municipality into an effective and efficient organization	The percentage of the municipality's budget actually spent on implementing its workplace skills plan (NKPI Proxy - MFMA, Reg. S10(f))	Percentage of the approved budget actually spent on implementing its Workplace Skills Plan	98%	98%	0	0	N/A		
TL15	KPI030	To ensure good governance and the active participation of all relevant stakeholders	Submission of the Mid-year MFMA S72 Performance Report to the Mayor	Number of Mid-year MFMA S72 Performance Reports submitted to the Mayor by 25 January	1	1	0	0	N/A		
TL21 NKPI	KPI057	To transform the municipality into an effective and efficient organization	Job creation through the municipality's local economic development initiatives including capital projects (NKPI Proxy – MFMA, Reg. S10(d))	Number of EPWP job opportunities created	1118	1118	N/A	N/A	N/A		

Table 5: Summary of Results: Organisation and Human Capital (KPA 3)

	No KPI Target This Quarter	3
	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	1
	Above Expectation	0
	Outstanding Performance	0
Total KPIs		4

KPA 4: INFRASTRUCTURE AND SERVICES

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL16	KPI118	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Limit water network losses to less than 19% measured annually (Difference between water units supplied and water units billed as percentage of water supplied)	Percentage water losses	19%	19%	N/A	N/A	N/A		
TL17	KPI119	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Water quality managed and measured quarterly i.e., the SANS 241 physical and micro parameters	Percentage water quality	90%	90%	90%	97,7%	G2	Good control and monitoring	
TL18	KPI120	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Waste water quality managed and measured quarterly i.e. the SANS Accreditation physical and micro parameters quality	Percentage waste water quality	75%	75%	75%	80,35%	G2	Good control and monitoring	
TL19	KPI047	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Submission of a Report on Available Air Space (Landfill Site) to the Mayoral Committee	Number of reports on Available Air Space (Landfill site) submitted to the Mayoral Committee	1	1	N/A	N/A	N/A		

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL20	KPI037	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Limit the electricity losses to less than 10% annually (Average energy purchased to date - Average energy sold to date)/(Average energy purchased to date) X 100 = Average energy losses for reporting period	Percentage electricity losses	<10% (Less than)	<10% (Less than)	<10% (Less than)	1,76%	B	The TID Program has been instrumental in managing electricity losses. Furthermore, meter audits are done continuously, and consumptions are metered as far as possible.	
TL23 NKPI	KPI107	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of formal households with access to basic level of electricity	100%	100%	100%	100%	G		
TL24 NKPI	KPI109	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator – S10(a))	Percentage of formal households with access to basic level of sanitation	100%	100%	100%	100%	G		
TL25 NKPI	KPI110	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator – S10 (a))	Percentage of formal households with access to basic level of water	100%	100%	100%	100%	G		

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL26 NKPI	KPI110	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy indicator – S10 (a))	Percentage of formal households with access to basic level of solid waste removal	100%	100%	100%	100%	G		
TL27 NKPI	KPI111	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Number of new electricity connections installed in the registered informal settlements	35	35	0	0	N/A		
TL28 NKPI	KPI112	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Number of new/upgraded sanitation service points (toilets) provided to registered informal settlements	30	30	0	0	N/A		
TL29 NKPI	KPI113	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Number of new/upgraded water service points(taps) provided to registered informal settlements	20	20	0	0	N/A		
TL30 NKPI	KPI114	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10(a))	Number of registered informal settlements receiving a refuse collection service	41	41	41	41	G		

Table 6: Summary of Results: Infrastructure and Services (KPA 4)

	No KPI Target This Quarter	5
	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	5
	Above Expectation	2
	Outstanding Performance	1
Total KPIs		13

KPA 5: PLANNING AND DEVELOPMENT

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL31	KPI092	To plan, promote investment and facilitate economic growth.	Provision of housing opportunities in terms of the Integrated Human Settlement Plan	Number of housing opportunities provided in terms of the Integrated Human Settlement Plan	216	216	0	0	N/A		

Table 7: Summary of Results: Planning and Development (KPA 5)

	No KPI Target This Quarter	1
	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	0
	Above Expectation	0
	Outstanding Performance	0
Total KPIs		1

KPA 6: COMMUNITY DEVELOPMENT

Ref	IDP Ref	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	Overall Performance 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
							Target	Actual	R		
TL32	KPI085	To ensure a safe community and a healthy and protected environment	Submit Disaster Management Plan to Portfolio Committee (Community Services)/ Mayco	Number of Disaster Management Plans submitted to Portfolio Committee (Community Services)/Mayco	1	1	0	0	N/A		

Table 8: Summary of Results: Community Development (KPA 6)

	No KPI Target This Quarter	1
	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	0
	Above Expectation	0
	Outstanding Performance	0
Total KPIs		1