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Annexure A

Section 52 (MFMA) Quarterly Performance Assessment Report

Non-Financial Performance Report

Top Layer (TL) Service Delivery Budget Implementation Report (SDBIP)

2023/2024

Quarter 4 (01 April – 30 June 2024)

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Disclaimer

This Quarterly Performance Assessment Report is based on reported information only and is un-audited. This report is subject to change on finalisation of the internal Performance Audit Report for the 4th Quarter of the 2023/2024 financial year.

1. PURPOSE

The purpose of this report is to inform Council of the progress made with the implementation of the Key Performance Indicators (KPIs) in the realisation of the development priorities and objectives as determined in the Municipality's Integrated Development Plan (IDP) as well as in the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the fourth quarter (01 April – 30 June 2024) of the 2023/2024 financial year.

2. LEGISLATIVE REQUIREMENTS

2.1 The SDBIP is defined in terms of Section 1 of the Local Government: Municipal Finance Management Act, 56 (Act 56 of 2003) (MFMA), and the format of the SDBIP is prescribed by the MFMA Circular 13.

2.2 Section 41(1)(e) of the Local Government: Municipal Systems Act, 32 (Act 32 of 2000) (MSA), prescribes that a process must be established of regular reporting to Council.

2.3 This report is a requirement in terms of Section 52 of the MFMA which provides for:

2.3.1 The Executive Mayor, to submit to Council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality;

2.3.2 The Accounting Officer, while conducting the above, must consider:

a. Section 71 Reports; and the

b. Performance in line with the SDBIP.

3. PERFORMANCE ASSESSMENT PROCESS

3.1 The SDBIP consists of a TL as well as a Departmental Plan for each department.

3.2 For purposes of reporting, the TL SDBIP is used to report on the organisational performance of the Municipality to Council and the Community.

3.3 The TL SDBIP measures the achievement of performance indicators with regards to the provision of basic services as prescribed by Section 10 of the Local

Government Municipal Planning and Performance Regulations of 2001, National Key Performance Areas and Strategic Objectives as detailed in the IDP of the Municipality. The TL SDBIP 2023/2024 was approved by the Executive Mayor on 28 June 2023.

3.4 The Departmental SDBIP measures the achievement of pre-determined performance indicators that are based on operational service delivery requirements aligned to the TL SDBIP. The Departmental Plans have been approved by the City Manager.

3.5 The Quarterly Performance Assessment Report is structured to report on the following six (6) Key Performance Areas (KPAs):

- Governance and Compliance (KPA 1);
- Finance (KPA 2);
- Organisation and Human Capital (KPA 3);
- Infrastructure and Services (KPA 4);
- Planning and Development (KPA 5); and
- Community Development (KPA 6).

3.6 The overall assessment of actual performance against targets set for the KPIs as documented in the SDBIP are illustrated in terms of the following assessment methodology:

Table 1: Explanation of Colour Codes

Colour	Rating	Category
(grey)	0	No KPI Target This Quarter
(red)	1	Unacceptable Performance
(orange)	2	Not Fully Effective
(green)	3	Fully Effective
(dark green)	4	Above Expectation
(blue)	5	Outstanding Performance

3.7 The Performance Management System is a web-based system, and it uses, as its basis, the approved SDBIP. The SDBIP is a layered plan comprising of the TL SDBIP and Departmental SDBIPs.

3.8 Performance reports on the TL SDBIP are submitted to the Mayoral Committee and Council on a quarterly, half yearly (Mid-Year Budget and Performance Assessment Report) and annual basis (annual amendments to the TL SDBIP must be approved by Council following the submission of the Mid-Year Budget and Performance Assessment Report and the approval of the adjustments budget).

4. PERFORMANCE MANAGEMENT SYSTEM

4.1 The Municipality utilises an electronic web-based system that is monthly updated with actual performance.

4.2 The system closes every month between the 8th to the 15th day for updates of the previous month's actual performance as a control measure to ensure that performance is updated and monitored on a monthly basis. No access is available to a month's performance indicators after closure of the system. This is to ensure that the level of performance is consistent for a particular period in the various levels at which reporting takes place. Departments must motivate to the City Manager should they require the system to be re-opened once the system is closed.

4.3 The system requires KPI owners to update performance comments for each actual result captured, which provides a clear indication of how the actual was calculated/reached and serves as part of the Portfolio of Evidence (PoE) for auditing purposes.

4.4 In terms of Section 46(1)(a)(iii) of the MSA, the Municipality must reflect annually in the Annual Performance Report on measures taken to improve performance, in other words targets not achieved. The system utilised requires corrective actions to be captured for targets not achieved.

5. ACTUAL PERFORMANCE FOR THE FOURTH QUARTER (01 APRIL – 30 JUNE 2024)

5.1 The TL SDBIP contains performance indicators per KPA and comments with corrective measures with regard to targets not achieved.

5.2 A detailed analysis of actual performance for the fourth quarter of the financial year 2023/2024 is provided for in section 7 of this report.

6. DRAKENSTEIN PERFORMANCE PER MUNICIPAL KPA (01 APRIL – 30 JUNE 2024)

Table 2: Overall Performance per KPA (01 APRIL – 30 JUNE 2024)

		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 This Quarter	4	1	2	-	-	-	1
Unacceptable Performance	0	-	-	-	-	-	-
Not Fully Effective	1	-	-	-	1	-	-
Fully Effective	11	2	2	1	6	-	-
Above Expectation	5	-	1	2	1	1	-
Outstanding Performance	8	-	4	-	4	-	-
Total:	**29**	**3**	**9**	**3**	**12**	**1**	**1**

7. ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED WHERE NECESSARY

7.1 KPA 1: Governance and Compliance

TL Nr.	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL1	To ensure good governance and compliance	Submission of Audit Committee reports to Council	Number of quarterly Audit Committee reports submitted to Council	4	4	1	1	G		
TL2	To ensure good governance and compliance	Investigation of all formally reported fraud, theft and corruption incidents initiated	Percentage of formally reported fraud, theft and corruption incidents initiated within 14 days of receipt	100%	100%	100%	100%	G		
TL3	To ensure good governance and compliance	IDP/Budget/SDF time schedule (process plan) submitted to Mayco/Council	Number of IDP/Budget/SDF time schedules (process plan) submitted to Mayco/Council by 31 August	1	1	0	0	N/A		

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

No KPI Target This Quarter	1
Unacceptable Performance	0
Not Fully Effective	0
Fully Effective	2
Above Expectation	0
Outstanding Performance	0
Total KPIs	**3**

7.2 KPI 2: Finance

TL Nr	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL4	To ensure financial sustainability in order to meet statutory requirements	Submission of the MTREF (aligned to the IDP) to Council for approval by 31 May	Number of MTREFs submitted to Council by 31 May	1	1	1	1	G		
TL5	To ensure financial sustainability in order to meet 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	43.8	B	Days achieved, less than target	
TL6	To ensure financial sustainability in order to meet 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	N/A	N/A	N/A		
TL7 NKPI	To ensure financial sustainability in order to meet 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	>1.0 (More than)	>1.0 (More than)	1	3,48	B		
TL8 NKPI	To ensure financial sustainability in order to meet 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 (More than)	>6.7 (More than)	>6.7	11.8	B		
TL9	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)	>0.25	0.2	B	Target met	

TL Nr	Strategic Objective	Indicator	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL10 **NKPI**	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Updating of the Indigent Register (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of all qualifying indigent applications processed	100%	100%	100%	100%	G		
TL11 **NKPI**	To ensure the financial sustainability of the Municipality in order to meet the statutory requirements	Submission of the Adjustments Budget to Council for approval by 28 February	Number of Adjustment Budgets submitted to Council for approval by 28 February	1	1	N/A	N/A	N/A		
TL12 **NKPI**	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%	90%	98.55%	G2		

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

	No KPI Target This Quarter	2
	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	2
	Above Expectation	1
	Outstanding Performance	4
Total KPIs		**9**

7.3 KPA 3: Organisation and Human Capital

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL13 **NKPI**	To ensure an efficient and effective organization supported by a competent and skilled workforce	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 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.	2	2	1	1	G		
TL14 **NKPI**	To ensure an efficient and effective organization supported by a competent and skilled workforce	The percentage budget actually spent on implementing its workplace skills plan (NKPI Proxy - MFMA, Reg. S10(f))	Percentage of the Municipality's approved budget actually spent on implementing its Workplace Skills Plan by 30 June	98%	98%	98%	99.78	G2	Target met	
TL15 **NKPI**	To ensure an efficient and effective organization supported by a competent and skilled workforce	Job creation through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MFMA, Reg. S10(d))	Number of EPWP (inclusive of ward projects) job opportunities created	1,118	1,118	1,118	1,308	G2	The total number of job opportunities created comprises of the EPWP programme as well as the job creation created through the municipality's CETA funded skilled development programmes and also temporary jobs created through the municipality's HR jobseeker database	

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

	No KPI Target This Quarter	0
	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	1
	Above Expectation	2
	Outstanding Performance	0
Total KPIs		**3**

7.4 KPA 4: Infrastructure and Services

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL16	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 level as per analysis certificate	90%	90%	90%	98.12%	G2	Target Met	
TL17 **NKPI**	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 water	100%	100%	100%	100%	G		
TL18	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 average water distribution losses	<19%	<19%	19%	19%	G		
TL19 **NKPI**	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 water service points (taps) provided to registered informal settlements	10	10	10	28	B		

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL20	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Wastewater quality managed and measured quarterly i.e., the SANS Accreditation physical and micro parameters	Percentage wastewater quality compliance as per analysis	75%	75%	75%	73.50%	O	Load shedding compromised wastewater treatment at some facilities, prompting an action plan involving additional generators and alternative treatments. Since load shedding ended in early April 2024, a gradual improvement of the wastewater quality has been observed. The latest wastewater quality results, measured in June 2024, show an 80.1% achievement. The full implementation of the action plan is expected to be in place by the end of 24/25 Quarter 2.	The full implementation of the action plan will be in place by the end of Quarter 2, 2024/25.
TL21 **NKPI**	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 sanitation	100%	100%	100%	100%	G		
TL22	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 average electricity distribution losses	<10% (less than)	<10% (less than)	10%	7.09	B	Target Met	
TL23 **NKPI**	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		

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL24 **NKPI**	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	50	50	50	228	B		
TL25 **NKPI**	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	42	42	42	136	B	With the adjustment budget, additional funding was made available for basic services, which enable the Department to install more toilets and taps	
TL26 **NKPI**	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 solid waste removal	100%	100%	100%	100%	G		
TL27 **NKPI**	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	43	43	43	43	G		

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

	No KPI Target This Quarter	0
	Unacceptable Performance	0
	Not Fully Effective	1
	Fully Effective	6
	Above Expectation	1
	Outstanding Performance	4
Total KPIs		**12**

7.5 KPA 5: Planning and Development

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL28	To plan, promote investment and facilitate economic growth.	Processing of building plans exceeding 500 square meters within 40 days	Percentage of building plans exceeding 500 square meters processed within 40 days.	90%	90%	90%	100%	G2	Target Met	

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

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

7.6 KPA 6: Community Development

TL Nr.	Strategic Objective	KPI	Unit of Measurement	Annual Target	Revised Target	01 APRIL – 30 JUNE 2024				
						4th Quarter Target	4th Quarter Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures
TL29	To facilitate, support and promote social and community development	Submit Disaster Management Plan to the Portfolio Committee (Public Safety)/ Mayco	Number of Disaster Management Plans submitted to the Portfolio Committee (Public Safety)/ 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**

8. Conclusion

The TL SDBIP 2023/2024 comprises of 29 KPIs. The table below depicts the performance for the fourth quarter:

Table 9: Performance for the Fourth Quarter

	No KPI Target This Quarter	4
	Unacceptable Performance	0
	Not Fully Effective	1
	Fully Effective	11
	Above Expectation	5
	Outstanding Performance	8
Total KPIs		**29**

See key below explaining the above results:

Table 10: Performance Assessment Criteria

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

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CITY MANAGER

DATE: 22/07/2024