



ABAQULUSI MUNICIPALITY

**MID – TERM PERFORMANCE
ASSEMENT REPORT 2018/19
JANUARY 2019**

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VISION

To be the progressive, prosperous and sustainable economic hub of Zululand by 2035

MISSION

By creating a conducive environment focused on Agricultural, Industrial and Tourism Development in order to attract Investment and Provision of Basic Service Delivery

The Abaqulusi Municipal Mission is as follows:

VALUES

1. INTRODUCTION

The Local Government: Municipal Performance Regulations 2006 requires that all Section 54 and 56 Managers performance must be monitored on regular bases. This monitoring process provides early warning signs on issues pertaining to performance for the purposes of establishing adequate and responsive corrective measures timeously.

It must further be noted that the institutional performance is influenced by four key aspects, namely; Leadership, Service Delivery and Budget performance and Governance

Taking into cognisance the above I am pleased to report that the municipality through its different departments has performed enormously considering the challenges experienced Abaqulusi LM as at 31 December 2018.

The departmental performance is summarised and indicated under 3.2 of this document for the following departments, further information is available on departmental scorecards

- Development Planning
- Financial Services
- Community Services
- Technical Services
- Corporate Services
- Office of the Municipal Manager

Performance at an Organisational level is indicated in the scorecard under annexure annexure "A"

Integrated Development Planning:

The municipality prepared and adopted 2018/2019 that is also approved by COGTA

The 2018/19 IDP has therefore been implemented since 1st July 2018 through Service Delivery and Implementation Plans 2018/19(SDBIPs)

Local Economic Development

SMMEs Support

- Capacity building of SMMEs is also considered as one of the important programmes and training was conducted on the 1st of November 2018 and the 2nd training is scheduled for quarter 4.

EPWP

The EPWP programme is in place and 60 (sixty) jobs were created in the 2nd quarter and appointments made in November 2018.

TECHNICAL SERVICES

The Department has progressed well in the following programmes:-

- a) **Water infrastructure maintenance** and replacement in various ward e.g. Coronation, Mondlo and Bloemveld
- b) Basic level of water, electricity and sanitation was also provided to
- c) Service provider have been appointed for the following projects
 - Mpongoza gravel road
 - Kwabalele
 - Paving of Lakeside road
 - Construction of Ezingadini Causeway
 - Upgrading of Coronation Hall and
 - Cecil Emmet Hall
 - Construction of Ward 11 Library
- d) Basic level on water, sanitation and electricity was also provided

To ensure provision of early childhood, progress was also made, service provider was appointed for the construction of Ncengumusa creche

The detailed information regarding the above-mentioned projects is on annexure "A"

2. LEGISLATIVE FRAMEWORK

2.1 INTRODUCTION AND BACKGROUND

Section 72 of the MFMA requires the accounting officer to prepare and submit a report on the performance of the municipality during the first half of the financial year. The report must be submitted to the Mayor, National Treasury as well as the relevant Provincial Treasury. As with all other reports this is a crucial report for the Council to consider Mid-Year Performance and what adjustments should be made, if necessary.

2.1.1 Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act. 56 of 2003) (hereinafter referred to as a MFMA), requires the accounting officer of a municipality on 25 January of each year to:-

- a) Assess the performance of the municipality during the first half of the financial year, and taking into account-
 - i) the monthly statements referred to in section 71 for the first half of the financial year;
 - ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in service delivery and budget implementation plan;
 - iii) the past year's annual report and progress on resolving problems identified in the annual report and
 - iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- b) submit a report on such assessment to-
 - i) The mayor of the municipality;
 - ii) The National Treasury; and
 - iii) The relevant provincial treasury.

2.1.2 The statement referred to in section 71 (1) for the sixth month of a financial year may be incorporated into the report referred in sub-section (1) (b) of this section

2.1.3 the accounting officer must, as part of the review-

- (a) make recommendations as to whether an adjustments budget is necessary
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

The Mid –term performance assessment of Abaqulusi was conducted on the 18th of January 2019.

3. EXECUTIVE SUMMARY ON PERFORMANCE REPORTING

Reporting requires that the municipality takes the priorities of the organization, its performance objectives, indicators, targets, measurements and analysis, and presents this information in a simple and accessible format, relevant and useful to the specific target group for review. The Service Delivery Budget and Implementation Plan (SDBIP) is the basis for Abaqulusi Local Municipality's reporting.

Abaqulusi Local Municipality has prepared this Mid-Year Performance Assessment Report starting from 1st July 2018 to 31 December 2018. The Mid-Year Report is done in order to comply with Section 72 of the Municipal Finance Management Act, 2003. It is then submitted to the Mayor, Executive Committee and the Council for consideration and adoption.

This Mid-Year Report is based on un-evaluated, un-audited information and includes preliminary assessment on the Organizational Service Delivery Budget and Implementation Plan. Detailed assessment of the Mid-Year Report is available for inspection with the Portfolio of Evidence (POE).

3.1 ORGANIZATIONAL PERFORMANCE

A two-level scorecard approach is implemented. The Strategic Organisational Scorecard reflecting the following: -

- National Key Performance Area'
- Strategic Objective,
- Project Name,
- Performance Indicator Number,
- Annual Target

This scorecard follows along the lines of the Service Delivery Budget and Implementation Plan and does not have the monthly financial cash-flow projects. The performance of the organisation is indicated per department and key performance area under tabled no. 3.2.2 to 3.3.6. Table 3.3.7 indicates organisational performance. The preliminary assessment is done on reported Actual where applicable, with the portfolio of evidence being subjected to auditing and verification process. This report is also subjected to a formal evaluation

process being conducted by the Municipal Manager pending an internal audit process.

The second-level scorecard is service or departmental scorecards that reflect objectives, indicators and targets at a departmental level. This scorecard informs the individual scorecards of the Section 54/56 managers.

3.2 ORGANISATIONAL AND DEPARTMENTAL PERFORMANCE

Variance on SDBIP is analysed on all departmental scorecards and organisational scorecards with corrective measures where necessary.

Total KPIs is the number of Key Performance Indicators (KPI) under each Key Performance Area (KPA)

KPIs met is total numbers of key performance indicators that were achieved as planned

KPIs not met is total number of KPIs that were projected for the mid-term period but were not achieved

3.2.2 Corporate Services

	Municipal Transformation & Inst. Development
Total KPIs	12
KPIs met	11
KPIs not met	1
% Achievement	92%
Overall performance	92%

3.3.3 Finance Services

	Financial Viability and Management
Total KPIs	8
KPIs met	5
KPIs not met	3
% Achievement	63%
Overall performance	63%

3.3.4 Planning and Development

	Basic Service Delivery and Infrastructure Development	Social & Local Economic Development	Cross Cutting Interventions
Total KPIs	2	6	1
KPIs met	2	5	1
KPIs not met	0	1	0
% Achievement	100%	83%	100%
Overall performance		89%	

3.3.5 Community Services

	Basic Service Delivery & Infrastructure Development	Social & Local Economic Development	Cross Cutting Interventions
Total KPIs	1	6	3
KPIs met	1	6	3
KPIs not met	0	0	0
% Achievement	100%	100%	100%
Overall performance	100%		

3.3.6 Technical Services

	Basic Service Delivery & Infrastructure Development
Total KPIs	21
KPIs met	5
KPIs not met	16
% Achievement	24%
Overall performance	24%

ORGANISATIONAL PERFORMANCE /OFFICE OF THE MUNICIPAL MANAGERS’S PERFORMANCE

	Basic Service Delivery and Infrastructure Development	Municipal Transformation & Institutional Development	Social & Local Economic Development	Good Governance & Public Participation	Financial Viability & Management	Cross Cutting Interventions	Overall Performance
Total KPIs	24	12	14	12	8	4	
KPIs met	8	10	13	5	5	4	
KPIs not met	16	2	1	7	3	0	
% Achievement	33%	83%	93%	41%	63%	100%	
Total KPIs							
OVERALL PERFORMANCE							61%

4. SUMMARY OF PAST YEAR ANNUAL REPORT AND PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN 2016/2017 ANNUAL AUDIT REPORTS

4.1 In response to the issues raised on the 2017/2018 Annual Report, the municipality has captured all the issues with progress report in the Management/Audit Action Plan to the Auditor General. The Management Action Plan has been developed and will be monitored through the Office of the Municipal Manager and Internal Auditor.

5. OBSERVATION

5.1 This Assessment is based on un-audited performance information. The report will be submitted to Internal Audit. Issues raised by Internal audit will be taken into consideration and will inform the SDBP review process

5.2 The actual in respect of reportable indicators have been given in all targets, although most targets are still in progress for completion end June 2019.

5.3 It is also important to note that some targets set but not met in the departmental SDBIPs have been moved to Quarter 3 & 4 and are in progress.

5.4 The revision of KPI's and targets on assessment was necessary due to technical irregularities, adjustment budget and refinement process as recommended and this will be addressed during the revision of SDBIP's to be complied with in the approval of the Adjustment Budget.

5.5 A review will be undertaken on the performance reporting SDBIP template to ensure the development priorities and objectives in the IDP, SDBIP and Annual Performance Report are aligned. PMS Manager will ensure that the development priorities listed in the IDP, SDBIP and APR are aligned.

5.6 Some of the municipality's planned performance indicators and targets in the Service Delivery Budget Implementation Plan (SDBIP), and reported performance

indicators and targets, in the Annual Performance Report (APR), were not consistent as indicated in AG findings. Management will ensure that no changes are made to the planned and reported performance indicators and targets without approval from council. These changes can only be made during their adjustment budget process in January/February every year.

5.7 The filling of the critical vacant management positions for Community Services and Director Technical Services is in progress and should be finalised by end of the 3rd quarter to improve the performance monitoring process. Furthermore, more regular reporting, monitoring and review process will need to be practiced by the senior managers to ensure that targets set are realistic and attainable.

6. RECOMMENDATIONS BY THE MUNICIPAL MANAGER

6.1 That the Mid-Year Performance Assessment submitted in terms of section 72 of Municipal Finance Management Act (Act 56 of 2003) be noted for onward submission to National and Provincial Treasury

6.2 That the SDBIP be reviewed in line the adjustment budget and consider the monthly revenue projections and issues raised by AG.

6.3 That Departments to re-align the Mid-Year Review to Monthly Projections of expenditure on the Operational and Capital Budget based on the Mid-Year assessed SDBIP's;

6.4 That the Budget and SDBIP's be re-aligned to the organizational structure in terms of powers and functions in the 2018/19 financial year, to ensure improved high level reporting aligned to the budget;

6.5 That the Mid-Year Budget Review (as presented by the Mayor/Manager) and the Mid-year performance assessment, and the recommendation contained therein be approved for preparation of an Adjustment budget for the 2018/19 and the review of the SDBIP's accordingly;

6.6 That revision on the SDBIP's forming part of the Mid-Year Assessments (where applicable) be approved, and Performance Agreements of section 54/56 employees be amended accordingly.

6.7 Review on the Top layer SDBIP Scorecard be undertaken and focus be on Strategic KPIs, Legislative KPIs in line with the IDP and Budget

ANNEXURES

ANNEXURE A – ORGANISATIONAL SCORECARD 2018/19