

# AMAHLATHI LOCAL MUNICIPALITY



## MID YEAR PERFORMANCE REPORT 2023/24

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## 1. INTRODUCTION

Section 72 of the Municipal Finance Management Act requires that the Accounting Officer of a municipality should by the 25<sup>th</sup> of January each year:-

- (a) Assess the performance of a municipality during the first half of the financial year, taking into account.
  - (i) the monthly statements
  - (ii) the municipality service delivery performance during the first half of the financial year and the indicators and targets as per service delivery and budget implementation plan
- (b) Submit a report on such assessment to
  - (i) the mayor of the municipality
  - (ii) the National Treasury
  - (iii) the relevant Provincial Treasury

The Amahlathi Local Municipality is reporting for the institutional performance relating to 2023/2024 financial year, as required by the Municipal Systems Act No 32 of 2000 and Municipal Finance Management Act No 56 of 2003. In terms of section 72 of the Local Government: Municipal Finance Management Act (ActNo.56 of 2003) the accounting officer of a municipality must, by the 25 January of every year, assess the performance of the municipality during the first half of the financial year. In terms of section 51(1), the mayor must report to the council by the 31<sup>st</sup> of January of the financial year.

### 1.1 PERFORMANCE MANAGEMENT IMPLEMENTATION AT AMAHLATHI LOCAL MUNICIPALITY

It must be noted that the first half of the financial year was an audit period, where Auditor General conducted audits on both finance and performance information.

The municipality received a qualified audit opinion on Financial Statements which is a regression when compared to previous years and received qualified Performance management which is improvement compared to 2021/22 financial year where the municipality received a Disclaimer.

## PURPOSE

The purpose of this report is to account to public on the 2023/2024 mid-year institutional performance of Amahlathi Local Municipality. The report contains information entailed in the SDBIP formulated for the financial year 2023/2024. The information of the report concentrates on both the financial and service delivery performance assessment as contained in the municipality's Service delivery and budget Implementation plan. The report was compiled using 1<sup>st</sup> and 2<sup>nd</sup> quarter performance information received from departments.

### 1.2 2022/23 AUDIT SUMMARY

#### **Basis of Opinion on Annual Financial Statements**

**Property, plant, and equipment** - The municipality did not depreciate property, plant and equipment in accordance with GRAP 17, Property, plant and equipment. Consequently, property, plant and equipment disclosed in note 10 to the financial statements and statement of financial position was overstated by R4.3 million

and depreciation understated by R4.3 million, respectively. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

**General expenses** - The municipality did not record invoices in the accounting system when the transactions occurred in accordance with GRAP 1, Presentation of financial statements. As a result, general expenses were also recorded in the incorrect financial period. Consequently, general expenses disclosed in note 33 to the financial statements and statement of financial performance were overstated by R6.5 million, and trade payables understated by R6.5 million, respectively. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

The material findings on the reported performance information for the development priority are as follows.

KPI	FINDING	ACTIONS TO BE TAKEN
KPI 26: % of inspected damaged road markings and signs maintained	Inability to obtain sufficient appropriate audit evidence for the reported achievement of the percentage of inspected damaged road markings and signs maintained, as the indicator was not based on the planned performance and reporting management processes and systems.	Recommendations to do assessment prior the reporting period to enable determination of accurate percentage. 2. Unit of measurements to be consistent for KPI, quarterly and annual reporting 3. Quarterly PMS meetings for review of reports
KPI 9- % progress towards roads constructed at Border Post (gravelled)	Inability to obtain sufficient appropriate audit evidence that systems and processes were established to enable measurement and reliable reporting of performance against indicator definitions. This has resulted in the municipality not properly defining the units of measure and means of verification of reported information	Development of Technical Indicator Description (TIDs) and review of Standard Operating Procedures (SOPs) for proper definition of unit of measurement. Improve reporting on project progress to be in line with TIDs and SOPs
KPI 12- % progress towards paving of Cathcart Road by June 2023 (KPI NO. 10)	Inability to obtain sufficient appropriate audit evidence that systems and processes were established to enable measurement and reliable reporting of performance against indicator definitions. This has resulted in the municipality not properly defining the units of measure and means of verification of reported information	Development of Technical Indicator Description (TIDs) and review of Standard Operating Procedures (SOPs) for proper definition of unit of measurement. Improve reporting on project progress to be in line with TIDs and SOPs
KPI 14- % progress towards construction of Stutterheim Recreation Centre	Inability to obtain sufficient appropriate audit evidence that systems and processes were established to enable measurement and reliable reporting of performance against indicator definitions. This has resulted in the municipality not properly defining the units of measure and	Development of Technical Indicator Description (TIDs) and review of Standard Operating Procedures (SOPs) for proper definition of unit of measurement. Improve

	means of verification of reported information	reporting on project progress to be in line with TIDs and SOPs
KPI 15- % progress towards construction of Stutterheim Recreation Centre	Inability to obtain sufficient appropriate audit evidence that systems and processes were established to enable measurement and reliable reporting of performance against indicator definitions. This has resulted in the municipality not properly defining the units of measure and means of verification of reported information	Development of Technical Indicator Description (TIDs) and review of Standard Operating Procedures (SOPs) for proper definition of unit of measurement. Improve reporting on project progress to be in line with TIDs and SOPs

## 2. SERVICE DELIVERY PERFORMANCE ASSESSMENT

The report is based on the analysed and evaluated information through a process whereby information of the key performance area, objectives, key performance indicators, programmes /projects reflect the Integrated Development Plan objectives of the Municipality for 2023/2024 financial year. Institutional and departmental performance of Amahlathi Local Municipality is based on the Service Delivery Budget Implementation Plan (SDBIP) scorecard. The SDBIP of the municipality comprises of five Key Performance Areas which are derived from Local Government's Strategic Agenda and are aligned to our IDP cluster approach. These are:

- Basic Service Delivery and Infrastructure.
- Local Economic Development.
- Financial Viability and Management.
- Institutional Transformation and Organizational Development; and
- Good Governance and Public Participation

A Service Delivery Budget Implementation Plan (SDBIP), and Departmental Service Delivery and Budget Implementation Plans for each of the departments of the municipality, in line with appropriate guidelines and legislation, must be developed annually. Section 56 Employees are required to sign a Performance Agreement, as prescribed in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to the Municipal Manager, in line with published regulations and/or amendments.

The Midyear assessment is therefore based on the Service Delivery Budget Implementation Plans for the period 01 July 2023 to 31 December 2023.

The Amahlathi Local Municipality will be conducting its strategic planning which will culminate in a review of its Organizational structure and business processes as part of addressing all the challenges relating to under-performance in certain areas of service delivery.

## 3. MID-YEAR 2023/2024 SDBIP PERFORMANCE

### INSTITUTIONAL SDBIP PERFORMANCE OVERALL SUCCESS RATE

The ALM overall performance level stands at **89.78%** for the mid-year assessment reflecting a slight decrease compared to performance of the first quarter which was **91.92%**. The second quarter performance is **87.63%** just about **4.29%** lower than the first quarter performance.

The table below depicts the performance of the municipality per Key Performance Area. A more detailed look into each department is outlined in the next pages.

KPA	Q1	Q2	Mid-year
SDI	90,91	90,91	89.4%
MFV	86,67	80,00	83.33%
GGP	100,00	100,00	100%
LED	87,50	75,00	81.25%
MTI	94,44	88,24	94,28%
<b>OVERALL PERFORMANCE</b>	<b>91,02</b>	<b>87,03</b>	<b>89,78%</b>

#### 4. DEPARTMENTAL SDBIP PERFORMANCE

The following tables and graphs reflect a narrative of the mid-year service delivery performance assessment for the period July – December 2023 in line with the municipality's Service Delivery and Budget implementation Plan (SDBIP).

##### ENGINEERING SERVICES

KPA	% Q1	% Q2	% Mid-year
SDI	85,00	85,00	85%
MFV	100,00	100,00	100,00%
GGP	100,00	100,00	100,00%
LED	100,00	66,67	83.34%
MTI	100,00	100,00	100,00%
<b>Overall Performance</b>	<b>90,20</b>	<b>85,71</b>	<b>73,59%</b>

##### COMMUNITY SERVICES

KPA	% Q1	% Q2	% Mid-year
SDI	100,00	100,00	95,00%
MFV	100,00	100,00	100,00%
GGP	100,00	100,00	100,00%
LED	100,00	100,00	100,00%
MTI	100,00	100,00	100,00%
<b>Overall Performance</b>	<b>100,00</b>	<b>100%</b>	<b>100%</b>



**BUDGET AND TREASURY OFFICE**

KPA	% Q1	% Q2	% Mid-year
MFV	87,50	75,00	83,33%
GGP	100,00	100,00	100,00%
LED	100,00	0,00	100,00%
MTI	100,00	100,00	100,00%
Overall Performance	92,86	78,57	90,63%

**EXECUTIVE SERVICES**

KPA	% Q1	% Q2	% Mid-year
SDI	100,00	100,00	100,00%
MFV	0,00	0,00	0,00%
GGP	100,00	100	100%
LED	0,00	0,00	0,00%
MTI	100,00	100,00	100,00%
Overall Performance	90,00	84,21	89,47%

**PLANNING AND DEVELOPMENT DEPARTMENT**

KPA	Q1	Q2	Mid-year
SDI	100,00	100,00	75%
LED	90,00	90,00	85,71%
MTI	100,00	100,00	100%
GGP	100,00	100,00	100%
Overall Performance	93,33	93,33	87,5%

**CORPORATE SERVICES**

KPA	% Q1	% Q2	% Mid-year
GGP	100,00	100,00	100,00%
MTI	93,33	86,67	93,33%
Overall Performance	93,74	89,47	92,105%



**5. SUMMARY OF ACHIEVEMENT AND CHALLENGES ON THE SDBIP**

Achievement and challenges pertaining to strategic objectives of the institution are narrated below. Targets were achieved in the following Key Performance Indicators per strategic Objective to reach annual targets.

KPA1 : BASIC SERVICE DELIVERY AND INFRASTRUCTURE		
No	OBJECTIVE	ACTUAL PERFORMANCE/CHALLENGES IN TARGETS
SDI	To ensure provision of a sustainable road network within Amahlathi by 2022 and beyond	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>A total number of 24.8 km of gravel access and internal roads were bladed during the first half of the 2023/24 financial year.</li> <li>10.79km of roads regavelled as at end of December 2023</li> <li>About 7.44km of potholes patched by end of December 2023.</li> <li>About 22.56km of storm water drains were unblocked</li> <li>50% progress towards development of designs for Izidenge internal roads has been achieved as at mid-year. Ngqeqe internal roads has been registered on MIG, there is a progress of 50.55% towards construction of Frankfort internal roads, bid for contractor has been advertised for Xhologha paving.</li> </ul> <p>Attached are signed quarterly report, weekly inspections made, and progress reports of work done, expenditure reports, consultant progress reports, Designs and MIG registration correspondences</p>
		<p>CHALLENGES</p> <ul style="list-style-type: none"> <li>MIG allocation was reduced and that resulted in targeted projects being revised and shifted to next financial year i.e Xhologha paving.</li> </ul>
		<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>All inspected faulty meters were repaired.</li> <li>175 new meters have been installed during the first half of the financial year.</li> </ul> <p>Report on maintenance of electrical infrastructure, query forms and quarterly progress reports have been received.</p>
SDI	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>13 Highmast lights and 108 streetlights were maintained during the first half.</li> <li>8 fire awareness campaigns were conducted during mid-year.</li> <li>04 Fire belts inspected and prepared during first 2 quarters of the year.</li> <li>05 Fire Hydrant inspected as at end December 2023</li> <li>All complying building plans were approved, and the non-complying have been communicated with the clients,</li> <li>22 Roadblocks have been conducted.</li> <li>237 tickets issued on law enforcement.</li> </ul>
	"To promote safety and security in the municipality by 2027.	

		<ul style="list-style-type: none"> <li>All inspected road markings and signs have been repaired as inspected.</li> </ul> <p>Report on disaster incidences, quarterly reports, attendance register, building plan registers, law enforcement plan and pictures have been received</p>
SDI	To ensure provision of sustainable public facilities by 2022 and beyond	<p><b>ACTUAL PERFORMANCE</b></p> <ul style="list-style-type: none"> <li>Construction of Stutterheim Recreation Centre was at 82.5% and Keiskammahoek at 47% as at end December 2023.</li> <li>Designs for Phumlani and Laangdraai Community Hall have been completed.</li> <li>Construction of Mbaxa Community Hall was at 30% by end December 2023</li> <li>10% progress of outstanding scope construction towards the Mlungisi Sportfield has been achieved during the 1<sup>st</sup> and 2<sup>nd</sup> quarter.</li> </ul> <p>Consultant Progress report, Expenditure report, Designs are attached.</p> <p><b>CHALLENGES</b></p> <ul style="list-style-type: none"> <li>The contractor had challenges in getting concrete deliveries for beams which needed to be constructed before the brickwork could be completed.</li> <li>The available funding was inadequate to complete the Mlungisi Sport field however the funding has been requested and approved.</li> </ul>
SDI	To promote the culture of reading and effective use of library resources	<ul style="list-style-type: none"> <li>06 library awareness campaigns conducted during mid-year</li> </ul>
SDI	Ensure that solid waste is managed in an Integrated environmentally friendly and sustainable manner.	<p><b>ACTUAL PERFORMANCE</b></p> <ul style="list-style-type: none"> <li>5 Waste and Environmental management campaign conducted in Keiskammahoek, Stutterheim Library and Stutterheim cleaning campaigns.</li> </ul> <p>Report on solid waste programmes implemented,</p>
SDI	To facilitate a balanced spatial development form for the Municipality	<ul style="list-style-type: none"> <li>2 reports on Spluma Compliance</li> </ul> <p>Spluma compliance register and reports have been received.</p>
SDI	To facilitate access to housing relief	<ul style="list-style-type: none"> <li>2 progress report on housing applications submitted to department of housing.</li> </ul>

KPA 2 : MUNICIPAL FINANCIAL VAIBILITY		
	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES IN TARGETS
MFV	To continuously ensure an equitable, economical, transparent, fair and value – add supply chain management system/function	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>2 quarterly reports on performance of service providers, tenders awarded, deviations report and contract management report were all submitted to the mayor within 15th days after end of the quarter.</li> </ul>
	To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2024	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>Copy of asset register and a proof of submission to AG and Council were provided during the first half of 2023/24 financial year.</li> </ul> <p>CHALLENGES</p> <p>1 material finding on calculation of depreciation, Quarter 3 fixed asset register be performed.</p>
MFV	To ensure 100% expenditure of capital budget annually	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>73% spending on MIG</li> <li>62.34% expenditure of electricity repairs and maintenance budget</li> </ul>
MFV	To improve collection of income due from consumer debtors annually.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>83.51% billed income collected for the first half of 2022/23</li> </ul>
		<p>CHALLENGES</p> <ul style="list-style-type: none"> <li>Under collection across all customer categories, full implementation of Revenue Enhancement Strategy</li> </ul>
	Ensure collection of income due from consumer by 2027	<ul style="list-style-type: none"> <li>100% collection of revenue on motor vehicle roadworthy registration and licenses</li> <li>100% collection of revenue on learners and drivers' licenses</li> <li>100% Collection on roadworthy testing station</li> <li>100% collection of revenue on cemetery management</li> </ul>
MFV	To ensure effective, compliant, and credible financial planning, management and reporting by 2027.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>GRAP Compliant AFS were submitted to AG and Treasury (Provincial and National) on the 31/08/2023.</li> <li>Developed AFS plan for 2023/24 was signed by the CFO and MM.</li> <li>6 Financial reports ( Sec 71 reports 10 working days), 2 Sec 52 Report within 30 days submitted to Mayor and Treasury on the 10th working day of each month</li> </ul>

	"To prepare a realistic and compliant budget in line with the objectives and strategies in the IDP by 2022	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>A budget process plan was tabled to Council for approval on the 31<sup>st</sup> of August 2023.</li> <li>Correspondence providing guidance for budget process was sent to all HODs in December 2023 in preparation for 2024/25 budget.</li> </ul>
MFV	To ensure effective, compliant, and credible financial planning, management and reporting by 2022 and beyond.	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>Maintained 0.66% Cost coverage ration</li> </ul>
		<p><u>CHALLENGES</u></p> <ul style="list-style-type: none"> <li>Cash flow challenges</li> </ul>
<b>KPA 3 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>		
GGP	To strengthen democracy through improved public participation.	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>100% implementation of activities on public participation action plan scheduled for the quarter such as (IDP Rep forum, Civic Education, Ward Committee functionality reported to council, annual report public hearing, war room, roadshows on priority needs identification)</li> <li>2 reports on petition management status submitted to Council.</li> </ul>
	To capacitate Satellite offices as one stop shops for service delivery by 2027.	<ul style="list-style-type: none"> <li>80% Implementation of Annual Program of Action for Satellite Offices (Cathcart and Keiskammahoek)</li> </ul>
GGP	To regularly coordinate provision of a comprehensive and integrated package of services by all spheres of government.	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>2 reports on implementation of IGR resolutions submitted to IGR Forum</li> </ul>
		<p><u>CHALLENGES</u></p> <ul style="list-style-type: none"> <li>2 IGR meeting Convened.</li> </ul>
GGP	To ensure a clean and accountable governance in Amahlathi by 2022	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>2 quarterly risk management reports</li> <li>87% implementation of internal audit assignments</li> <li>1 Anti-corruption and Fraud program conducted.</li> <li>2 reports submitted to the Audit Committee regarding implementation of AC resolutions.</li> </ul>
GGP	Ensure effective & efficient resolution of legal matters	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>2 reports on implementation of compliance plan were obtained.</li> </ul>



		<ul style="list-style-type: none"> <li>2 reports on legal matters and their status with financial implications and legal opinion</li> </ul>
GGP	To ensure quality life through integrated welfare services for the children, women, youth, elderly, people with disability, HIV and AIDS by 2027	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> <li>100% implementation of special programmes action plan (celebrating women in partnership with ADM in a form of GBV against women, assisted future eagles' netball club to the Twizza championship tournament finals, also conducted older persons forum program in KKH on the 22 August 2023 golden games and handover sport clubs that participated in the mayor's cup in 2023, Disabled forum evaluation programm for disabled people projects at eThembeni location 12 DEC 2023, Launch 16 days of activism no violence against women &amp; children in partnership with Kusile 24 Nov 2023, District world AIDS day in partnership with ADM, District council on the 27 Nov 2023.</li> </ul>
		CHALLENGES
		<ul style="list-style-type: none"> <li>Financial constraints</li> </ul>
GGP	To ensure proactive and effective communication	ACTUAL PERFORMANCE
		<p>100% implementation of communication Action Plan.</p> <ul style="list-style-type: none"> <li>2 Media statement issued 1on Nelson Mandela Day programmes and on IDP road shows priority needs identification.</li> <li>6 audio visuals were done as follows. State of the Municipality Adress held on 29<sup>th</sup> August 2023, Celebration of Heritage and Tourism month on 8 September 2023, Golden Games on the 22 August, revival of Mgwali Cultural village on the 22 November 2023, handover of agricultural implements to the young farmer on the 2<sup>nd</sup> of November, safe initiation awareness on the 4<sup>th</sup> of December 2023</li> </ul>
		CHALLENGES
		<ul style="list-style-type: none"> <li>Financial constraints</li> </ul>
GGP	Strengthening Amahlathi ICT systems and networks for future generations by 2027	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> <li>84.15% of information for municipal users back upped during second quarter of the financial year.</li> <li>1:27 minutes average working hours' time taken to attend logged faults.</li> <li>Currently reviewing ICT strategy</li> </ul>
		Draft ICT strategy, quarterly reports and register for log faults submitted
GGP	To ensure compliant, effective, and efficient customer management by 2027.	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> <li>100% of system related queries resolved during first half of the year.</li> </ul>
GGP		ACTUAL PERFORMANCE

To ensure business continuity in the event of a disaster by 2022 and beyond

- Daily backups done on financial system, Payroll and HR systems.

**KPA 4 : LOCAL ECONOMIC DEVELOPMENT**

No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES IN TARGETS
LED	To improve implementation of the government intervention programme to eliminate poverty by 2027.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>• 172 EPWP work opportunities created as at end December 2023.</li> <li>• 3 SMMEs have been subcontracted.</li> <li>• 97 Temporary local jobs created on MIG work opportunities.</li> </ul>
LED	To ensure holistic and economic growth and development by 2027	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>• 36% of Amahlathi procurement expenditure benefitted by SMMEs.</li> <li>• 59 SMMEs supported to access SMME support programmes.</li> <li>• 2 Business license awareness programs conducted Training in Cathcart and awareness programme in Cathcart.</li> <li>• 5 recycling initiative undertaken, Cenyu Primary School (15-09-2023), Nomathemba P.S(15-09-2023), Amatolaville Primary School (15-09-2023), Daliwe Primary School (15-09-2023), Cathcart Municipal Hall-11/10/2023.</li> <li>• 2 quarterly reports on implementation of signed twinning agreements with strategic institutions</li> </ul>
LED	Promotion of Tourism through identification of Tourist arrears.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>• 3 Funding proposal for tourism access infrastructure Improvement submitted to DSRAC for rehabilitation of Chief Sandile's grave, second one submitted to National Heritage Council for Building of Reverend Tiyo Soga Museum in Mgwali, National Heritage Council for fencing of Building Mgwali Cultural Village submitted to funders.</li> <li>• 3 tourist attractions (Chief Maqoma Grave and Forest way 7km hiking trail), Mgwali Presbyterian church and Mgwali Cultural Village profiled and uploaded on website.</li> <li>• Needs analysis on training of CTOs and LTOs report prepared and 1 support interventions for LTOs and CTOs (promotion of Cathcart as a destination of choice)</li> </ul>
LED	To Stimulate local economy through Agricultural development by 2022	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>• Request to Umtiza for capacity building of farmers submitted and confirmation of support received and 1 Training conducted in Keiskammahoek for 15 farmers at DRDAR building, 13 farmers trained.</li> </ul>

KPA 4 : LOCAL ECONOMIC DEVELOPMENT		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES IN TARGETS
LED	To ensure development of the economic infrastructure required to enable increased economic growth	<ul style="list-style-type: none"> <li>2 Funding proposal submitted ( SEDA regarding Furniture Incubation Centre, ASPIRE for Hawker Stalls at Keiskammahoek and Cathcart.</li> <li>Developed Statical overview report and submitted to Standing Committee</li> </ul> <p><u>CHALLENGES</u></p> <ul style="list-style-type: none"> <li>Financial Constraints hindered development of Economic Growth Development Strategy (EGDS)</li> </ul>
LED	"To ensure value-maximization of the forestry natural resource in line with local economic development by 2027." "	<ul style="list-style-type: none"> <li>Needs analysis conducted on timber cooperatives.</li> <li>2 support interventions on timber cooperative for Amahlathi Wethu Secondary Cooperatives by DRDAR and Department of Forestry and Fisheries.</li> </ul>
LED	To building resilient smart towns	<ul style="list-style-type: none"> <li>Developed Statical overview report.</li> </ul> <p><u>CHALLENGES</u> The municipal relies on Cogta of which they were only able to develop the Statistical Overview which will assist towards the development of Situational Analysis. Draft Situational Analysis will be presented to the Municipality by the 13th of October 2023 as per resolution of previous meeting.</p>



KPA 5 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES IN TARGETS
MTI	To attract, retain, build capacity and maximise utilisation of Amahlathi Human Capital by 2022 and beyond.	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> <li>• 53% Implementation of the Change Management sessions Situation analysis report</li> <li>• 2 implemented programme per Human Resource Strategy implementation plans.</li> <li>• 2 EAP programme implemented per approved plan Cancer Awareness and World Aids Day</li> <li>• 2 Reports on health and productivity of the municipality have been prepared.</li> <li>• 2 quarterly reports prepared on compliance with EEP.</li> <li>• 2 quarterly reports on health and productivity of the municipality prepared.</li> </ul>
	Promote sound Labour Relations for a conducive work environment through education and legislative compliance	<ul style="list-style-type: none"> <li>• 2 LLF meeting</li> <li>• 2 Report on health and productivity of the municipality submitted.</li> <li>• 2 LR information sessions</li> <li>• 6 training organized for employees</li> </ul>
MTI	Efficient and economical utilization of council resources	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> <li>• Draft Funding Proposal developed and submitted to Budget and Treasury Office in preparation for Budget Task Team</li> <li>• 2 reports on fleet management systems with logistics management, fuel utilisation, accidents and maintenance submitted to fleet management committee.</li> </ul>
MTI	To ensure compliant and prudent safeguarding and preservation of institutional memory by 2027	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> <li>• 20% implementation of the file plan for all active and archived documents</li> </ul>
	To optimize and improve data security by 2027.	<ul style="list-style-type: none"> <li>• Service Provider appointed for (Microsoft License) and Microsoft has been installed to employees</li> </ul>
MTI	To develop and implement effective and compliant frameworks to improve planning and performance management by 2022.	ACTUAL PERFORMANCE
		<ul style="list-style-type: none"> <li>• The 2024/25 Budget and IDP process plan was tabled to Council by 31 August 2023</li> <li>• Performance Agreements for MM and HODs and MM and Mayor were signed and submitted to Cogta and Treasury within required times frames.</li> <li>• All departments are conducting their individual performance reviews for employees from task grade 12 upwards.</li> </ul>

KPA 5 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES IN TARGETS
		<ul style="list-style-type: none"> <li>• 2 quarterly performance assessment report (Q4 – 2022/23) &amp; (Q1 2023/24) were prepared and submitted to Council.</li> <li>• Copy of 2022/23 Draft Annual Report was prepared and submitted to the Council and Auditor General by the 31<sup>st</sup> of August 2023 as legislated.</li> </ul>
GENERAL CHALLENGES		
<ul style="list-style-type: none"> <li>• Financial constraints affected the municipal performance.</li> <li>• Capacity Constraints hindered development of Economic Growth Development Strategy (EGDS)</li> <li>• The municipality obtained qualified audit opinion which isa regression in terms of audit outcomes compared to previous financial years.</li> <li>• Lack of Office Space and tools of trade remains a challenge.</li> </ul>		

#### 6. GENERAL RECOMMENDATIONS BY THE MUNICIPAL MANAGER

- That Directorates re-align the Mid-Year Review to Monthly Projections of expenditure on the Operational and Capital budget based on the Midyear assessed SDBIP's.
- That monthly monitoring of SDBIP's and Capital Program through the respective Portfolio Committees be strengthened
- That options for the implementation of the capital program be reviewed to ensure the effective and timeous implementation of the projects.
- That internal project management processes be improved to ensure effective implementation of the capital program,
- That the Mid-Year Budget and performance assessment report and the recommendations contained therein be noted for preparation of an Adjustment budget for the 2023/24
- That the 2023/24 SDBIP be revised considering all the challenges encountered by the Municipality i.e. audit outcomes and 2022/23 annual report
- Performance Agreements of Municipal Manager and Head of Departments be amended accordingly.



DR. Z. SHASHA  
(MUNICIPAL MANAGER)

24/01/2024

DATE

