

# AM AHLATHI LOCAL MUNICIPALITY



## MID YEAR PERFORMANCE REPORT 2024/25

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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 2024/2025 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 2022/23 financial year where the municipality received a Disclaimer.

### PURPOSE

The purpose of this report is to account to public on the 2024/2025 mid-year institutional performance of Amahlathi Local Municipality. The report contains information entailed in the SDBIP formulated for the financial year 2024/2025. 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 2023/24 AUDIT SUMMARY

The Amahlathi Local Municipality received an unqualified audit opinion in 2023/2024 audit and the following matters were identified.

**Material uncertainty relating to going concern-** note 48 to the financial statements, indicates that the municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 48, these events or conditions, along with the other matters as set forth in note 48, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

**Emphasis of matters**

- Restatement of corresponding figures - As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024
- Material losses – electricity - As disclosed in note 53 to the financial statements, material electricity losses of R18,36 million (2022-23: R18,16 million) were incurred, which represents 35,31% (2022-23: 42,07%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.
- Material impairments – receivables - As disclosed in note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R89,01 million (2022-23: R73,69 million) and R53,72 million (2022-23: R47,19 million) was incurred as a result of a provision for impairment of consumer debtors.

**Report on the annual performance report**

The report was evaluated on the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives. AG performed the procedures to report material findings only; and not to express an assurance opinion or conclusion and did not identify any material findings on the reported performance information for the selected indicators.

**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 2024/2025 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 2024 to 31 December 2024.

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 2024/2025 SDBIP PERFORMANCE

#### INSTITUTIONAL SDBIP PERFORMANCE OVERALL SUCCESS RATE

The ALM overall performance level stands at **87.7%** for the mid-year assessment reflecting a slight decrease compared to performance of the first quarter which was **89.78%**. The second quarter performance is **85.39%** just about **4.61%** 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	80,00	90,32	85,16
MFV	90,00	80,00	85
GGP	100,00	72,73	86,4
LED	100,00	92,31	96,2
MTI	85,71	92,31	89,01
OVERALL PERFORMANCE	90,00	88,39	87,7

### 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 2024 in line with the municipality's Service Delivery and Budget implementation Plan (SDBIP).

#### ENGINEERING SERVICES

KPA	% Q1	% Q2	% Mid-year
SDI	73,68	90,00	81,84
MFV	100,00	100,00	100
GGP	100,00	100,00	100
LED	100,00	100,00	100
MTI	0,00	0,00	0
Overall Performance	75,00	88,00	81,5

**COMMUNITY SERVICES**

KPA	% Q1	% Q2	% Mid-year
SDI	100,00	85,71	92,86
MFV	100,00	100,00	100
GGP	100,00	100,00	100
LED	100,00	100,00	100
<b>Overall Performance</b>	<b>100,00</b>	<b>80,00</b>	<b>90</b>

**BUDGET AND TREASURY OFFICE**

KPA	%Q1	%Q2	% Mid-year
MFV	85,71	85,71	85,71
GGP	100,00	66,67	83,34
LED	100,00	100,00	100
<b>Overall Performance</b>	<b>90,91</b>	<b>81,82</b>	<b>86,37</b>

**EXECUTIVE SERVICES**

KPA	% Q1	% Q2	% Mid-year
SDI	100,00	100,00	100
MFV	100,00	100,00	100
GGP	100,00	70,59	85,295
LED	100,00	0,00	50
MTI	100,00	100,00	100
<b>Overall Performance</b>	<b>100,00</b>	<b>73,00</b>	<b>87,5</b>

**PLANNING AND DEVELOPMENT DEPARTMENT**

KPA	Q1	Q2	Mid-year
SDI	50,00	100,00	75
LED	100,00	87,50	93,75
GGP	100,00	100,00	100
<b>Overall Performance</b>	<b>91,87</b>	<b>90,91</b>	<b>91,39</b>

## CORPORATE SERVICES

KPA	% Q2	% Q2	% Mid-year
GGP	100	100,00	100
MTI	93	100	96,5
<b>Overall Performance</b>	<b>93,75</b>	<b>100</b>	<b>96,5</b>

## 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 and public infrastructure within Amahlathi LM by 2027.	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>• 46% progress achieved on the paving of 2.3 kilometers at Xhologha.</li> <li>• 100% progress achieved 3.9km on the rehabilitation of Mandlakapheli Village road.</li> <li>• 100% progress achieved at 2.1km of Laangdraai internal road</li> <li>• 100% progress achieved - 2km road and culvert reconstruction of Sutterheim landfill site road</li> <li>• 100% progress achieved of 3.6km Upper to Lower Ngqumeya road in Keiskammahoek</li> <li>• 100% progress achieved on the rehabilitation of 2.4km of Tshoxa road in Keiskammahoek</li> <li>• 100% progress achieved on the rehabilitation of 7km of Area 5 to Mahanjane in Kubusie in Sutterheim</li> <li>• 100% progress achieved on the rehabilitation of 3km of Ohlson farm road in Sutterheim</li> <li>• 100% progress on the construction of Bridge between Rhawini and Bongweni</li> <li>• 73% progress achieved towards the completion of the rehabilitation of Amabele Road in Sutterheim.</li> </ul>



		<ul style="list-style-type: none"> <li>• 100% progress achieved on the rehabilitation of 2km of Stanhope to Jersey vale Road in Stutterheim</li> <li>• 100% progress achieved on the rehabilitation of 1km of Gasela Road in Stutterheim</li> <li>• 100% progress achieved on the rehabilitation of 3.6km of Mlungisi township roads in Stutterheim</li> <li>• 2 report on implementation of capital projects prepared</li> </ul>
		<p><b>CHALLENGES</b></p> <ul style="list-style-type: none"> <li>• Delays due termination of contractor that was not performing. A new contractor was appointed who required to be paid for the site establishment which had not been accommodated in the project budget. This left the budget inadequate to complete Amabele.</li> </ul>
<p><b>SDI</b></p>	<p><b>To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027.</b></p>	<ul style="list-style-type: none"> <li>• 105 electricity meters installed during first half of the financial year</li> <li>• 50% progress on the upgrade of streetlights and highmast lights</li> <li>• 75% progress achieved on pre engineering works-11kV Main Intake SwS upgrade phase 2</li> <li>• 75% progress on pre engineering works-3-5MVA 22/11kV Cathcart Substation upgrade phase 2.</li> </ul>
	<p><b>To promote safety and security in the municipality by 2027</b></p>	<ul style="list-style-type: none"> <li>• 2 Progress report on reported disaster incidents submitted to Development and Planning.</li> <li>• 07 Fire Awareness Campaigns Conducted</li> <li>• 13 Road blocks conducted</li> <li>• 5 paintable streets with faded road markings painted</li> </ul> <p><b>CHALLENGES</b></p> <p>Effects of strike period and ineffective planning due to shortage of staff negatively affected performance specifically road blocks as there is a variance of about 7 roadshows that were not conducted.</p> <p>Employees are using personal cell phones to take pictures when doing road marks as a result that leads to challenges on verification of streets painted as there are no coordinates on the pictures.</p>
<p><b>SDI</b></p>	<p><b>To ensure provision of sustainable public facilities by 2027</b></p>	<p><b>ACTUAL PERFORMANCE</b></p> <ul style="list-style-type: none"> <li>• 73% progress towards construction of Keiskammahoek Recreation Centre</li> <li>• 100% progress on the construction of Mbaxa Community Hall</li> <li>• 47% Progress on upgrades of sport facilities(Mlungisi).</li> </ul> <p><b>CHALLENGES</b></p> <ul style="list-style-type: none"> <li>• Slow progress in the installation of roof. The project engineer identified discrepancies between the design and the way the roof trusses were installed. An assessment to confirm if the way the contractor had done was adequate and recommendations for remedial works were issued.</li> </ul>



SDI	To promote the culture of reading and effective use of library resources	<ul style="list-style-type: none"> <li>• 12 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>• 2 Reports on solid waste programmes implemented (i.e. street cleaning , waste collection and disposal)</li> <li>• 8 waste awareness campaigns conducted</li> </ul>
SDI	To facilitate a balanced spatial development form for the Municipality	<ul style="list-style-type: none"> <li>• 2 progress reports submitted on Land Use Applications</li> <li>• 2 progress reports on municipal forestry management signed by MM</li> </ul>
SDI	To facilitate access to housing relief	<ul style="list-style-type: none"> <li>• 1 report on housing implementation status submitted to Standing Committee.</li> </ul> <p><b>CHALLENGES</b></p> <p>Delays from the Department of Human Settlements in providing an update</p>

KPA 2 : MUNICIPA 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><b>ACTUAL PERFORMANCE</b></p> <ul style="list-style-type: none"> <li>• 2 quarterly reports on (tenders awarded, deviations report, contract management report ) submitted to the Mayor within 15 days after the end of the quarter</li> </ul>
	To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2024	<p><b>ACTUAL PERFORMANCE</b></p> <ul style="list-style-type: none"> <li>• Zero material audit queries raised on the updated asset register by the AG.</li> </ul>
MFV	To ensure 100% expenditure of	<p><b>ACTUAL PERFORMANCE</b></p> <ul style="list-style-type: none"> <li>• 60% expenditure of capital budget as at end of December 2024</li> </ul>

	capital budget annually	
MFV	To improve collection of income due from consumer debtors annually.	ACTUAL PERFORMANCE <ul style="list-style-type: none"> <li>70% of billed income collected</li> <li>2 quarterly reports outlining achievements on implementation of Revenue Enhancement Strategy</li> </ul>
		CHALLENGES <ul style="list-style-type: none"> <li>85% Target was not achieved due to Supplementary valuation 5 that has not been uploaded in the system to bill department of rural Development currently. The system vendor has struggled for more than 2 months and still the issue has been resolved. Areas that are supplied electricity by Eskom have a very low collection rate.</li> </ul>
MFV	To ensure effective, compliant and credible financial planning, management and reporting by 2027.	ACTUAL PERFORMANCE <ul style="list-style-type: none"> <li>6 Financial reports ( Sec 71 reports 10 working days), 2Sec 52 Reports within 30 days submitted to Mayor and Treasury on the 10th working day of each month submitted Developed AFS plan for 2023/24 was signed by the CFO and MM.</li> <li>GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial &amp; National) by 31 August 2024 and Annual Financial Plan has been developed in preparation.</li> <li>Maintain 2,39 % Cost coverage ratio - (B+C)+D (B represents all available cash at a particular time, C represents investments, D represents monthly fixed operating expenditure.</li> <li>20 weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week</li> </ul>
		<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>IDP and Budget process plan prepared and submitted to council for approval by 31 August 2024 submitted.</li> </ul> <p>CHALLENGES</p> <p>The department did not Communicate with the departments the guide for the budget process</p>
<b>KPA 3 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>		
GGP	To strengthen democracy through improved public participation.	ACTUAL PERFORMANCE <ul style="list-style-type: none"> <li>2 reports analysing public participation trends submitted</li> <li>Baseline of followers exceeded by 919 more followers on social media following</li> <li>2 Quarterly petition Management status reports (1st quarter petitions) 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>Situational Analysis on Ward Based Service Delivery Plans prepared for the Q1 and submitted Standing Committee, there after Identification and training of ward committees on conducted on ward-based planning developed</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 IGR meeting convened as at end of December 2024</li> </ul>
GGP	To ensure a clean administration by 2027	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>2 quarterly risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting</li> <li>2 Risk committee meeting coordinated</li> <li>Terms of reference have been developed on Business Continuity Plan have been developed and follow up regarding the progress made in the to develop business continuity plan is done</li> <li>2 risk based internal audit assignments conducted by 30 September 2024</li> <li>2 Compliance based internal audit assignments conducted by end of December 2024</li> <li>Follow up audit reports on implementation of AGSA Audit Action Plan and Internal Audit Follow up has been performed</li> <li>Terms of reference Developed for Internal Audit Quality Assurance and follow-up regarding the progress made is done</li> <li>1 Anti-corruption and Fraud program conducted by 31 December 2024</li> <li>2 Audit and Performance Committee meeting coordinated</li> </ul> <p><u>CHALLENGES</u></p> <ul style="list-style-type: none"> <li>Budgetary constraints have led to changes on the implementation of the target as a result the municipality requested Treasury to assist. On both development of Business Continuity Plan and Internal Audit Quality Assurance.</li> <li>There were delays in receiving information from the auditee (Roads Management and Electricity Management), lack of coordination in planning between internal audit and corporate services (trainings), and staff unrest</li> </ul>
GGP	Ensure effective & efficient resolution of legal matters	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>1 report on Implementation of developed governance compliance plan submitted to Risk Committee Meeting</li> <li>1 report on legal matters and their status with financial implications and legal opinion submitted</li> </ul> <p><u>CHALLENGES</u></p> <p>The report is a specialised report developed by legal services unit. The only employee in that unit reported sick and the reports could not be received from him.</p>
GGP	To ensure quality life through	<p><u>ACTUAL PERFORMANCE</u></p> <ul style="list-style-type: none"> <li>2 Special Programs Unit Forums established</li> </ul>

	integrated welfare services for the children, women, youth, elderly, people with disability, HIV and AIDS by 2027	<b>CHALLENGES</b> <ul style="list-style-type: none"> <li>• Revival of Women's Forum was postponed on the 11 December 2024 due to poor attendance / availability of the targeted group on the day of the meeting.</li> <li>• Budget constraints</li> </ul>
GGP	To ensure proactive and effective communication	<b>ACTUAL PERFORMANCE</b> <ul style="list-style-type: none"> <li>• 2 quarterly newsletters developed and published on website and municipal facebook page</li> </ul>
GGP	Strengthening Amahlathi ICT systems and networks for future generations by 2027	<b>ACTUAL PERFORMANCE</b> <ul style="list-style-type: none"> <li>• 2 reports on the implementation of ICT infrastructure and Data Recovery</li> </ul>
GGP	To ensure compliant, effective and efficient customer management by 2027.	<b>ACTUAL PERFORMANCE</b> <ul style="list-style-type: none"> <li>• 0:44min working hours to attend to logged faults by users</li> <li>• 2 reports on ICT systems implemented with itemised usage and expenditure reports submitted to standing committee</li> <li>• 97% of system related queries resolved during first half of the year.</li> </ul>
GGP	To ensure business continuity in the event of a disaster by 2022 and beyond	<b>ACTUAL PERFORMANCE</b> <ul style="list-style-type: none"> <li>• Daily backups done on Financial system, Payroll and HR system</li> </ul>

## 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	<b>ACTUAL PERFORMANCE</b> <ul style="list-style-type: none"> <li>• 356 work opportunities work opportunities created as at end December 2024.</li> <li>• 2 Sub-contractors appointed as at end of December 2024</li> </ul>
LED		<b>ACTUAL PERFORMANCE</b>



KPA 4 : LOCAL ECONOMIC DEVELOPMENT		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES IN TARGETS
	To ensure holistic and economic growth and development by 2027	<ul style="list-style-type: none"> <li>• 25% of Amahlathi procurement expenditure should benefit SMMEs</li> <li>• 201 SMMEs supported to access government Support Programs</li> <li>• 55 businesses issued with new trading permits.</li> <li>• 22 businesses renewed their trading permits</li> <li>• 2 recycling initiative undertaken</li> <li>• 2 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>• 6 tourist attractions promoted at Amathole Mountain Lodge and Champion tree</li> <li>• Needs analysis has been done on support interventions needed by LTOs and CTOs and 1 support interventions for both LTOs and CTOs combined provided as at end of December 2024.</li> </ul>
LED	To Stimulate local economy through Agricultural development by 2022 and beyond	<p>ACTUAL PERFORMANCE</p> <ul style="list-style-type: none"> <li>• Formal request for farmer capacity building support has been provided.</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 done for timber cooperatives for capacity building areas and as such 2 capacity building programs provided for timber cooperatives as at end December 2024</li> </ul>
LED	To ensure development of the economic infrastructure required to enable increased economic growth	<ul style="list-style-type: none"> <li>• 2 reports on implementation of catalytic project have been prepared</li> </ul>
LED	To building resilient smart towns	<ul style="list-style-type: none"> <li>• 1 Business Breakfast Coordinated.</li> </ul>

## 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>• 2 implemented Organogram Action Plan Items {Change Management Session and 323 DJEC submitted Job Descriptions}</li> <li>• 2 implemented programme per Human Resource Strategy implementation plans (Recruitment Plan; Institutional &amp; HR Policies and Employee Verification)</li> <li>• 3 EAP programmes implemented per approved plan.</li> <li>• 2 Reports on health and productivity of the municipality</li> <li>• Situation analysis on staff moral report was presented to Management Meeting and the signed Proposal to improve staff morale has been prepared.</li> <li>• 1 quarterly report prepared on compliance with EEP targets</li> </ul>
		CHALLENGES <p>The department planned for 323 DJEC to be submitted and however they submitted 322 DJEC and further mentioned there are 322 jobs as per approved organogram.</p>
	Promote sound Labour Relations for a conducive work environment through education and legislative compliance	<ul style="list-style-type: none"> <li>• 1 LLF meeting held</li> <li>• 2 LR information sessions / training held</li> <li>• 7 training organized for employees.</li> </ul>
MTI	Efficient and economical utilization of council resources	ACTUAL PERFORMANCE <ul style="list-style-type: none"> <li>• 2 reports on fleet management systems with logistics management, fuel utilisation, Tracker, 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>• 2 implemented projects with file plan for active and archived documents for the prioritised Department</li> </ul>



KPA 5 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL		
No	OBJECTIVE	ACTUAL PERFORMANCE /CHALLENGES IN TARGETS
	To optimize and improve data security by 2027	ACTUAL PERFORMANCE <ul style="list-style-type: none"> <li>• 2 reports on the Implemented Digital Transformation Strategy</li> <li>• 1 implemented internet project in municipal office buildings.</li> </ul>
MTI	To ensure adequate and improved working environment	ACTUAL PERFORMANCE <ul style="list-style-type: none"> <li>• 9% progress achieved on the Construction of Amahlathi Municipal offices in Stutterheim</li> </ul> CHALLENGES <p>Delays due to additional demolition works of the existing building. Section of the existing building which were going to be reuse were found to be unsafe during the construction stage and had to be demolished as well.</p>
GENERAL CHALLENGES		
<ul style="list-style-type: none"> <li>• Financial constraints affected the municipal performance.</li> <li>• Poor service provider performance</li> <li>• Supplementary valuation 5 that has not been uploaded in the system so as to bill department of rural Development currently. The system vendor has struggled for more than 2 months and still the issue has been resolved. Areas that are supplied electricity by Eskom have a very low collection rate.</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 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 2024/25
- That the 2024/25 SDBIP be revised considering all the challenges encountered by the Municipality i.e. audit outcomes and 2023/24 annual report
- Performance Agreements of Municipal Manager and Head of Departments be amended accordingly.

  
 DR. Z. SHASHA  
 (MUNICIPAL MANAGER)

23 JANUARY 2025  
 DATE