

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.1 INTRODUCTION

#### 3.1.1 Legislative Framework

The municipality is required to prepare the Annual Performance Report annually in terms of section 46(1) of the Local Government: Municipal Systems Act 32 of 2000, which stipulates that: A municipality must prepare for each financial year a performance report reflecting —

- (a) the performance of the Municipality and each external service provider during that financial year;
- (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- (c) measures taken to improve performance.

As guided by Section 46(2) MSA, this Annual Performance Report, amongst other documents, will form part of the consolidated Annual Report of the Municipality in terms of Chapter 12 of the Municipal Finance Management Act 56 of 2003, which must be submitted to Council by the end of January each year.

Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), Individual and Service Provider performance. The annual performance report therefore gives a progress made on achievement of the municipal predetermined objectives and goals as set out in the IDP and SDBIP.

This annual performance report was prepared and submitted to the Office of the Auditor General on 31 August 2023, as guided by Section 45(1)(b) of the MSA.

The MSA states that the result of performance measurement in terms of Section 41(1)(c) must be audited annually by the Auditor-General.

Section 41(1)(c) states that the auditing should take place with regard to each of the development priorities and objectives and against key performance indicators and targets to monitor, measure and review municipal performance at least once per annum.

### 3.1.2 Vision, Mission and Purpose of Amajuba District Municipality

**Vision:** The Amajuba District Municipality vision provides insight on what the municipality aims to achieve in terms of its medium and long term developmental goals. The vision of the municipality is as follows:

***“By 2035 Amajuba will be a leading and pioneering District characterized by sustainable development and quality services”.***

**Mission Statement:** The Amajuba District Municipality will champion in good governance through:

- Effective public participation
- Vibrant local economic development
- Integrated service delivery
- Intergovernmental relations

**Values:** The values followed by Amajuba District Municipality are as follows:

- Integrity
- Responsibility
- Accountability
- Commitment
- Effectiveness

**Purpose:** The priorities of the Amajuba District Municipality are embedded strongly in the provision of water and sanitation as it is a Water Service Authority for Emadlangeni and Dannhauser local municipalities respectively. The municipality is also vested in the programmes aimed at the upliftment of the communities within its jurisdiction in partnership with sector departments.

## 3.2 PERFORMANCE MANAGEMENT OVERVIEW

This section looks at the alignment of the Performance Management System (PMS), Budget and Integrated Development Planning (IDP). Demonstration will be made on how municipal performance is derived from the IDP strategic objectives which are translated into the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP, Budget and IDP are interlinked through municipal strategic objectives and financial allocations, thus allowing for measurable municipal operations translated into key performance indicators (KPIs) stated in the SDBIP. Organisational performance management at the municipality is evaluated by the top layer SDBIP which contains mostly output indicators.

The MFMA Circular No.13 prescribes:

- That the IDP and Budget must be aligned;
- That the Budget must address the strategic priorities;
- That the SDBIP should indicate what the Municipality is going to do during next 12 months;

- That the SDBIP should form the basis for measuring the performance against goals set during the Budget /IDP processes.

Table 3.1 below indicates the status quo of documents required in order in to ensure alignment of the IDP, PMS and Budget.

**Table 3.1: IDP, PMS and Budget Alignment 2022/2023**

<b>Criteria</b>	<b>Established (Yes/ No/ Partial)</b>	<b>Comments</b>
Is there a Council adopted PMS Framework of the year under review?	Yes	Council adopted PMS Policy and Framework Review 2022/2023 and 2023/2024 on the 30 June 2022 and 30 June 2023 respectively.
Is there a Council adopted Budget of the year under review?	Yes	Council adopted Budget 2022/2023 on 30 June 2022 and Budget 2023/2024 on 25 May 2023 respectively.
Is there a Council adopted IDP of the year under review?	Yes	Council adopted IDP Review 2022/2023 on 30 June 2022 and IDP Review 2023/2024 on 25 May 2023 respectively.
Is there a Council adopted IDP Process Plan of the year under review?	Yes	Council adopted IDP Process Plan 2022/2023 on 29 August 2021 and IDP Process Plan 2023/2024 on 23 August 2022 respectively.
Is there a Council adopted SDBIP of the year under review?	Yes	Council approved the 2022/2023 SDBIP on 30 June 2022 and 2023/2024 SDBIP on 30 June 2023.
Was the SDBIP revised during the year under review?	Yes	Revised SDBIP 2022/2023 was approved by Council on 31 March 2023. During the revision of the SDBIP, the Municipality established the Top Layer SDBIP which is the Organisational SDBIP to be assessed for organisational performance. The Middle Layer SDBIP formed by Departmental SDBIPs which were translated into Performance Plans of each Section 56 Manager.
Were the above documents communicated with the community members?	Yes	Communicated through municipal website, advertisement on local newspapers.
Does the municipality have measurable indicators as per National Treasury Framework for Managing Programme Performance Information?	Yes	Municipality's preferred performance management technique is Logic Model.

Criteria	Established (Yes/ No/ Partial)	Comments
Does the IDP have priorities, strategic objectives, key performance indicators (KPIs)?	Yes	Strategic objectives, strategies and KPI outputs are translated into the municipal approved SDBIP.
Were all existing Section 54/56 Managers in possession of signed performance agreements during the year under review?	Yes	The Amajuba DM consist of a Section 54 Manager (Municipal Manager) and 5 Section 56 Managers (Head of Departments). During the year under review, there were 5 vacant posts which were occupied by acting incumbents; only Director Corporate Services was appointed in June 2022 and had a signed performance agreement. The Municipal Manager, Director Planning and Development Services, Director Engineering Services, Director Community Services were only appointed in June 2023 and signed performance agreements for the year. The Chief Financial Officer post is still vacant, occupied by the acting incumbent.
Are the IDP indicators aligned to the Section 54/56 Managers Performance Plans?	Yes	Output indicators contained in the approved SDBIP are translated into each Section 54/56 Manager Performance Plan. Indicators are grouped into relevant Key performance Areas (KPAs) and each KPA is provided a weighting depending on the significance of the KPIs and core functions of the specific department.
Were all quarterly performance reports developed and submitted to Council?	Yes	Assessments of the SDBIP were conducted on a quarterly basis; reports of which were submitted to Council for consideration. The first and second quarter report was submitted to Council as part of the Mid-Year Performance and Budget Report on 20 January 2023. The third quarter report was submitted to Council on 25 May 2023. Quarter 4 and annual performance report are to be submitted to Council by the 31 August 2023.
Is the municipality's PMS audited by an Internal Auditor for functionality and legal compliance?	Partial	Performance measurement internal audit report for quarter 1 was finalised and reviewed by the Audit and Performance. Quarter 4 audit in progress to be finalised before submission of APR to AG(SA).
Has the municipality established the Performance Evaluation Panel?	Yes	Performance Evaluation Panel is in terms of Municipal Performance Regulations for the

Criteria	Established (Yes/ No/ Partial)	Comments
Were all quarterly individual performance assessments conducted?	Yes	Municipal Managers and Managers directly accountable to the Municipal Manager.  Quarterly assessments performed for an appointed Section 56 Manager, Director Corporate Services.
Has the municipality cascaded PMS to levels below Senior Management?	No	Employee Performance Appraisal System has been established, however implementation is work in progress.
Is the municipality with appointed Audit Committee (AC) and / or Performance Audit Committee (PAC)?	Yes	There is a combined audit committee, meaning that it is a single audit committee responsible for both financial and performance management audit committee. Audit Committee established on 28 February 2017 (Resolution C84:28/02/2017).
Has the municipality established the Municipal Public Accounts Committee (MPAC)	Yes	MPAC established on the 30 <sup>th</sup> of November 2021.
Is there a Council adopted Adjustment Budget?	Yes	Adjustment budget for the year 2022/2023 was adopted by Council on 27 February 2023.
Did the municipality prepare and submit to the Mayor and Council the Mid-Year Performance and Budget Assessment Report (Section 72 Report)?	Yes	2022/2023 Mid-Year Performance and Budget Assessment Report (Section 72 Report) was submitted to the Mayor and approved by Council on 20 January 2023).
Does the municipality have a Council approved Annual Report and its Oversight Report for the year?	Yes	Council approved the 2021/2022 Annual Report on 20 January 2023. The Annual Report underwent publication for community comments and no comments were received. The Municipal Public Accounts Committee (MPAC) met on 28 February 2023 to discuss the Annual Report and prepare the Oversight Report. The Oversight Report on the Annual Report was adopted by Council on 31 March 2023. MPAC recommended to Council that the Annual Report be approved with reservation to investigate the material irregular namely Suspected: Supplier not evaluated for functionality on bib no. T2019/14.

### 3.3 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Service Delivery and Budget Implementation Plan (SDBIP) of Amajuba District Municipality consist of six (6) key performance areas namely:

- (a) Municipal Transformation and Institutional Development (MTID)
- (b) Basic Service Delivery (BSD)
- (c) Local Economic Development (LED)
- (d) Municipal Financial Viability and Management (MFVM)
- (e) Good Governance and Public Participation (GGPP)
- (f) Spatial Planning and Environment Management (SPEM)

During the process of revising the SDBIP, the Municipality initiated the process of establishing the top and middle layer SDBIPs. The top layer SDBIP is an organisational SDBIP which illustrates output indicators for the year and these indicators mostly translate services to be rendered to community members within Amajuba jurisdiction. Whereas the middle layer SDBIPs are departmental SDBIPs which form performance plans of each Directorate, the Section 56 Manager. The top layer SDBIP as an Organisational SDBIP is a performance plan of the Section 54 Manager, the Municipal Manager.

The top layer SDBIP as developed during the revision of the SDBIP consisted of the indicators as per table 3.2 below.

**Table 3.2:** Top Layer SDBIP 2022/2023 total number of Key Performance Indicators

Key Performance Areas (KPAs)	Acronyms	Number Key Indicator Performance		
		Total KPIs	KPIs Reduced to Zero	Applicable KPIs
<b>Municipal Transformation and Institutional Development</b>	MTID	04	00	04
<b>Basic Service Delivery</b>	BSD	29	06	23
<b>Local Economic Development</b>	LED	14	04	10
<b>Municipal Financial Viability and Management</b>	MFVM	14	00	14
<b>Good Governance and Public Participation</b>	GGPP	40	00	40
<b>Spatial Planning and Environmental Management</b>	SPEM	05	02	03
<b>Total</b>		<b>106</b>	<b>12</b>	<b>94</b>

### 3.4 ASSESSMENT METHODOLOGY OF KEY PERFORMANCE INDICATORS

The assessment of actual performance against targets set for each key performance indicator (KPI) as documented in the Revised SDBIP is conducted using assessment criteria explained in table 3.3 below.

**Table 3.3:** Assessment Criteria – Key Performance Indicators

Category	Explanation
KPI met (achieved)	Actual vs. target equal to or more than 100% achieved
KPI not met (not achieved)	Actual vs. target equal to or less than 99%

Where KPIs are not met, reasons for poor- or non-performance should be clearly outlined; in line with these reasons measurable corrective actions should be stipulated. Where target is overly achieved, reasons are deviation must be stipulated; the intention is to determine if the planned target was not underestimated.

### 3.5 PERFORMANCE RESULTS PER KEY PERFORMANCE AREA

Table 3.4 below illustrates performance of each of the KPAs outlined in the Revised Organisational SDBIP of the year under review.

**Table 3.4:** Performance per Key Performance Area

KPAs	2021/2022				2021/2022 alignment of indicators to Organisational SDBIP 2022/2023				2022/2023			
	Annual Targets	Achieved	Not Achieved	%age Achieved	Annual Targets	Achieved	Not Achieved	%age Achieved	Annual Targets	Achieved	Not Achieved	%age Achieved
MTID	33	26	7	79%	2	2	0	100%	4	2	2	50%
BSD	25	12	13	48%	18	9	9	50%	23	11	12	48%
LED	5	3	2	60%	5	3	2	60%	10	5	5	50%
MFVM	32	23	9	72%	12	7	5	58%	14	5	9	36%
GGPP	71	40	31	56%	39	24	15	62%	40	26	14	65%
SPEM	6	4	2	67%	1	1	0	100%	3	2	1	67%
<b>Total</b>	<b>172</b>	<b>108</b>	<b>64</b>	<b>63%</b>	<b>77</b>	<b>46</b>	<b>31</b>	<b>60%</b>	<b>94</b>	<b>51</b>	<b>43</b>	<b>54%</b>

**Source:** 2021/2022 Annual Performance Report and 2022/2023 SDBIP & Quarterly Assessment Reports

### 3.5.1 Performance Highlights, Challenges and Remedial Actions

This section indicates, in detail, the performance of the Municipality per key performance area (KPA).

**To note:**

- That Council approved the Revised Organisational SDBIP 2022/2023 on 31 March 2023.
- That during the revision of the SDBIP 2022/2023, the Municipality established the top (organisational) and middle layer SDBIP.
- That the middle layer SDBIP is departmental SDBIPs which are translated into performance plans of each Section 56 Manager.
- That during the revision of the SDBIP 2022/2023, there were performance targets which were reduced to zero (performance indicators removed) due to budget deficit, to address issues that can lead to repeated audit findings, to ensure that indicators and targets are in line with the available resources. Consequently, of the 106 KPIs (Targets) in the organisational SDBIP, 12 Targets were reduced to zero; leading to a balance of 94 Targets for the financial year under review.

**A. Municipal Transformation and Institutional Development – 50% achievement**

Municipal transformation and institutional development contained four (4) KPIs, of which two (2) were achieved and other two (2) was partially achieved.

<b>Municipal Transformation and Institution Development</b>				
<b>Period</b>	<b>Total Targets</b>	<b>Targets Met</b>	<b>Target Not Met</b>	<b>Percentage Achieved</b>
<b>2021/22</b>	33	26	7	<b>78.79%</b>
<b>2021/22 alignment of indicators to top layer SDBIP 2022/2023</b>	2	2	0	<b>50%</b>
<b>2022/23</b>	4	2	2	<b>50%</b>
<b>Adjustment of the SDBIP 2022/23 into a Top and Middle Layer SDBIPs</b>		<b>Targets reduced to zero</b>	0	
		<b>Targets added</b>	0	

### Performance highlights

- Employment Equity Report was successfully prepared and submitted to the Department of Labour in January 2023.
- Workplace Skills Plan was successfully prepared and submitted to the Local Government Sector of Education and Training Authority.

### Performance challenges and remedial actions

- Municipal policies, including the Information Technology Strategy, were workshopped and subsequently approved by Council on 30 June 2023.
- The performance agreements for 2022/2023 financial year were signed by respective appointed Section 54/56 Managers and subsequently forwarded to the KwaZulu Natal MEC for local government as guided by Section 53(3)(b) of the MFMA. However, these performance agreements were not tabled to Council. As a corrective measure, the revised performance agreements which were based on the revised SDBIP were tabled to Council. Going forward signed performance agreements will be table to Council before submission to the KwaZulu Natal MEC for local government.

### B. Basic Service Delivery - 48% achievement

In the year under review, this KPA initially had a total of 29 projects, which were then adjusted at mid-term to 23 projects and programmes: 16 capital projects (less 5 projects which were removed due to unavailability of approved budget and 1 project which was achieved previous financial year), 4 municipal health programmes, 1 development of the integrated district transport plan, 5 disaster management programmes, 1 management of rural roads, and 2 other services intervention programmes.

Basic Service Delivery				
Period	Total Targets	Targets Met	Targets Not Met	Percentage Achieved
2021/22	25	12	13	48%
2021/22 alignment of indicators to top layer SDBIP 2022/2023	18	9	9	50%
2022/23	23	11	12	48%
Adjustment of the SDBIP 2022/23 into a Top and Middle Layer SDBIPs		Targets reduced to zero	6 (no approved budget to implement 5 projects and 1 project achieved prior year)	
		Targets added	6 ( 4 municipal health and disaster management programmes and 2 disaster management programmes)	

### **Performance highlights**

- Winter and Summer Disaster Management Plans were approved by Council and submitted to CoGTA timeously.
- Twenty-two disaster-stricken households were provided with available relief material.
- Municipal health programmes were successfully achieved thereby ensuring safe water and food consumption to the Amajuba community. As part of these programmes, the municipality was able take:
  - 40 food samples of which 32 were compliant and 8 non-compliant
  - 117 water samples of which 106 were compliant and 11 non-compliantIn addition, 5 health educational sessions were conducted in particular to school in order to curb communicable diseases outbreak.
- Of the 10 capital projects, the following 4 projects planned annual targets were achieved:
  - Goedehoop Bulk Water and Sanitation Phase 2 in Emadlangeni ward 2: planned target of 5% was overachieved, as the project was at 9% at financial year end. Site establishment in process.
  - Hilltop Reservoir Settlement Water Supply Scheme in Dannhauser wards 3, 7 and 12: 180 planned standpipes were installed.
  - Reduction of Non-Revenue Water via Reduction of Real Losses in all wards in Dannhauser and ward 2 in Emadlangeni: process to install water meters is in progress, project at 28%.
  - Eastborne and Skombaren Water Supply Scheme in Dannhauser wards 2, 9 and 10: planned 1 554 households were provided with water at yard connection level.

### **Performance challenges and remedial actions**

- Disaster management unit was able to install 45 lightning conductors thereby ensure a secure and safer environment in a case of disastrous weather conditions. Lightning conductors were however installed in December 2022 and January 2023, which was not within the targeted deadline of the 31<sup>st</sup> December 2022. Delays were due to non-availability of aluminium.
- Integrated district transport plan was not developed due to lack of internal skills to undertake the task. Town Planning Unit requires the skills of a Professional Transport Engineer to complete the Plan. Procurement of the Engineer requires budget which will be allocated in the 2024/2025 financial year.
- Firebreaks could not be installed as planned due to climate change and high fire danger index. Weather focus unpredictability hindered Disaster Management Unit to timely implement appropriate corrective actions. The Disaster Management Unit has however initiated the process as the team managed to install one firebreak in June 2023 at Emadlangeni Water Treatment Plant in Ward 2.

- Disaster management volunteers were not recruited due to bottlenecks in the implementation of Disaster Management Volunteers Framework. Volunteers to be recruited in the 2023/2024 financial year.
- The upgrade of call centre communication system was delayed by building construction issues. System to be upgraded by the 31<sup>st</sup> of August 2023.
- Covid-19 intervention project was not achieved due to poor performance by the service provider. The revised program will be submitted by end of quarter 1 of the 2023/2024 financial year.

**C. Local Economic Development – 50% achievement**

In the year under review, this KPA initially had a total of 14 LED programmes and projects, of which 4 were reduced to zero during the revision of the SDBIP, leading to a total of 10 LED programmes and projects - 6 were programmes and projects from LED Unit (less 2 which were removed), 1 was an Environmental Management programme of trees planting, 4 were Tourism programmes (less 2 which were removed), 1 was employment of community care givers, and lastly job creation through EPWP and job creation through Capital projects.

Local Economic Development				
Period	Total Targets	Targets Met	Targets Not Met	Percentage Achieved
2021/22	5	3	2	60%
2021/22 alignment of indicators to top layer SDBIP 2022/2023	5	3	2	60%
2022/23	10	5	5	50%
Adjustment of the SDBIP 2022/23 into a Top and Middle Layer SDBIPs		Targets reduced to zero	4 (2 LED programmes and projects removed due to lack of resources, i.e. budget and skills shortage and 2 Tourism programmes removed due to budget constraints)	
		Targets added	0	

### **Performance highlights**

- Employment of community care givers (CCGs) was set at 40, the Municipality was able to employ 45 CCGs; this target was exceeded by 5 additional people.
- The Municipality is able to quantify and demonstrate the number of jobs created through capital projects and extended public works programme (EPWP): EPWP was set at 295, the Municipality was able to recruit and appoint 381 (an additional 86 jobs were thus created).
- On the 30<sup>th</sup> of August 2022, the Municipality hosted the Amajuba Business Engagement Summit in partnership with KwaZulu Natal Trade and Investment (TIKZN). Stakeholders which were invited in this Summit included Department of Economic Development, Tourism and Environmental Affairs (DEDTEA), Department of Agriculture and Rural Development (DARD), Department of Agriculture, Land Reform and Rural Development (DALRRD), Northern KwaZulu Natal Economic Chambers as well as Business Forums within the district. This Summit was an initiative to develop a platform where information to improve the district local economic development was shared. The intention was as well to revive and strengthen partnerships with businesses and companies within and around the district. In this Summit, it was mentioned that the district is suffering from the high unemployment rate of 53% and low investment opportunities to be gained through tourism.

On the 18<sup>th</sup> and 19<sup>th</sup> of May 2023, an LED Summit was held. Among other objectives, this Summit aimed at:

- ensuring centrality of LED in the implementation of District Development Model (DDM);
- addressing enablers to growth and development of Small, Medium, Micro Enterprises (SMMEs);
- ensuring implementation of Radical Agrarian Socio-Economic Transformation (RASET) programme;
- exploring the establishment of Amajuba District Development Agency (Amajuba DDA); and
- strengthening the role of local traditional leaders in economic development.

According to the LED Summit Resolutions Report, the above objectives were achieved. In addition, Township and Rural Economies (TRE) were recognised as a game changer in fast tracking economic growth and development.

### **Performance challenges and remedial actions**

- Three (3) LED programmes were not achieved due to challenges relating to supply chain management (SCM) processes and budget constraints. The Municipality has implemented corrective measures to improve the SCM processes. These projects will therefore be implemented in the 2023/2024 financial year.

- Environmental management programme of trees' planting was not achieved due challenges relating to SCM processes. The Municipality has implemented corrective measures to improve the SCM processes - SCM to produce monthly requisition status report to top management. This programme will therefore be implemented in the 2023/2024 financial year.
- Tourism marketing platforms could not be achieved due to vacancies at senior management level. Head of departments were appointed on the 1<sup>st</sup> of June 2023.
- The Municipality need to quantify and demonstrate the number of jobs created through LED. Some of the resolution taken at the LED Summit if efficiently implemented may address this indicator.

**D. Municipal Financial Viability and Management – 36% achievement**

In the year under review, this KPA had 14 programmes of which 5 were achieved and 9 not achieved.

<b>Municipal Financial Viability and Management</b>				
<b>Period</b>	<b>Total Targets</b>	<b>Targets Met</b>	<b>Target Not Met</b>	<b>Percentage Achieved</b>
<b>2021/22</b>	32	23	9	<b>72%</b>
<b>2021/22 alignment of indicators to top layer SDBIP 2022/2023</b>	12	7	5	<b>58%</b>
<b>2022/23</b>	14	5	9	<b>36%</b>
<b>Adjustment of the SDBIP 2022/23 into a Top and Middle Layer SDBIPs</b>		<b>Targets reduced to zero</b>	0	
		<b>Targets added</b>	10 (financial viability indicators as per MFMA Circular 71 and CoGTA C88)	

**Performance highlights**

- Timeous submission of annual financial statements (AFS) to Office of the Auditor General of South Africa: the AFS 2021/2022 were tabled to Council on 30 August 2022 and subsequently to AG(SA) on 31 August 2022.
- Liquidity Management:
  - *Cash/Cost Coverage (Excluding Unspent Conditional Grants)* norm ranges between 1 month to 3 months. In the year under review, this ratio was exactly 3 months which is an improvement from 1 month in the previous financial year.

- Asset Management:
  - *Capital Expenditure to Total Expenditure (norm 10% and 20%)*: this ratio remained relatively high as it was 33% in the previous financial year and at 26% in the year under review.

### **Performance challenges and remedial actions**

- Liquidity Management:
  - *Current ratio* is at 0.7 which is below a norm of between 1.5 to 2.1. In the previous financial year, this ratio was 0.87% which was as well far below the norm. Low current ratio is said to be due to high unspent conditional grants and uThukela Water (LTD) Pty (UTW) debt and not spending grants adequately.
- Grant spending: MIG expenditure at financial year-end was at 70,5%, indicating that some infrastructure projects were not achieved resulting in a lower level of basic services provision.
- Debt Management:
  - *Net debtors days*: this is below the norm of 30 days as it is current at 1 124 days, indicating poor debt collection.
  - *Collection Rate*: In the year under review, the percentage collection rate was at 32% which is below the norm of 95%. In the 2023/2024 financial year, the Municipality will be enforcing a revenue enhancement strategy of 50% incentive programme and indigent support programme. Additionally, the Municipality will also implement an aggressive collection strategy such as water cut-off in government departments.
- The Municipality has an indigent register however this was not verified during the financial year.
- Expenditure Management:
  - *Creditors payment period*: the average number of days taken for trade creditors to be paid was at 201 days which is above a norm of 30 days. Dealing with the root causes of financial difficulties facing the Municipality will assist in this regard.
  - *Irregular, Fruitless and Wasteful and Unauthorised Expenditure/Total Operating Expenditure*: Percentage of Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) increased from 0% UIFWE in the 2021/22 to 7% irregular Expenditure and this is above the norm of 0%. The 7% irregular expenditure is said to be due to irregular implementation of SCM processes emanating from the past financial years. Adherence to SCM processes to be strengthened and existing irregular expenditure to be investigated.
  - *Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure*: Employee related costs and councillors remuneration remained above 50% which is above the norm of between 25% to 40%. Placement of existing staff members to vacant positions (should a staff member resign or retire) rather than effecting new appointments. However, this exercise should not compromise quality of work.

**E. Good Governance and Public Participation – 65% achievement**

In the year under review, this KPA had 40 programmes, of which 26 were achieved and 14 not achieved.

Good Governance and Public Participation				
Period	Total Targets	Targets Met	Targets Not Met	Percentage Achieved
2021/22	71	40	31	56.34%
2021/22 alignment of indicators to top layer SDBIP 2022/2023	39	24	15	61,54%
2022/23	40	26	14	65%
Adjustment of the SDBIP 2022/23 into a Top and Middle Layer SDBIPs		Targets reduced to zero	0	
		Targets added	1 (indigent relief indicator)	

**Performance highlights**

- All governance forums, inter-governmental relations (IGR) structures, district development model (DDM) and council committees were functional.
  - Executive Committee (ExCo): 18 ExCo were coordinated, of which 15 were held.
  - Council: 34 council meetings were coordinated, of which 32 were held.
  - Municipal Public Accounts Committee (MPAC): 17 MPAC meetings were coordinated and held.
  - Audit and Performance Management Committee (A&PMC): 5 A&PMC meetings were coordinated, of which 4 were held.
  - Portfolio Committee (PoCo): 11 PoCo meetings were coordinated and 9 were held successfully - 3 Finance and Corporate PoCo; 3 Planning and Engineering Services PoCo; and 3 Socio-Economic and Community Services, LED and Tourism PoCo.
- Other governance compliance and public participation **issues achieved** include the following:
  - Council approved 2023/24 draft and final budget on 31 March and 25 May 2023 respectively.
  - 2022/23 budget adjustment approved by Council on 27 February 2023.
  - Section 71 monthly reports were prepared and timely submitted to legislated stakeholders.

- Section 52(d) quarterly reports were developed and submitted to Council for adoption.
- Council approved the Integrated Development Plan (IDP) Process and Framework Plan of 2023/2024 on 23rd August 2022.
- Council approved draft and final IDP 2023/2024 on 31 March 2023 and 25 May 2023 respectively.
- Council adopted 2023/24 Performance Management System (PMS) Policy and Framework Guide Review on 30 June 2023.
- 2023/24 draft Service Delivery Budget Implementation Plan (SDBIP) was approved by the Mayor by the 13th day after Budget approval by Council (07 June 2023) and final SDBIP was approved by the Mayor by the 28th day after Budget approval by Council (22 June 2023).
- 2021/22 Annual Performance Report (APR) submitted to Council and AG(SA) on 31 August 2022.
- 2012/22 Annual Report (AR) was tabled to Council on 20 January 2023.
- Oversight Report (OR) on the Annual Report (AR) 2021/2022 was adopted by Council on 31 March 2023.
- Eleven (11) disaster awareness campaigns were conducted in areas with high reported disaster incidences.
- One (1) awareness campaign was held in November 2022 and five (5) awareness campaigns held during the water and sanitation week on the last week of September 2022.
- SALGA KZN DSAC Games 2022 were hosted by Amajuba and held successfully from 8 to 11 Dec 2022.
- A customer satisfaction survey was conducted, 125 customers participated by completing a mini questionnaire.
- IDP/Budget Roadshows were held successfully on 11 May 2023 at Dannhauser, 17 May 2023 at Emadlangeni Local Municipalities.

### **Performance challenges and remedial actions**

- Section 72 report submitted to the Mayor on 20 January 2023 and to National and KZN Treasury on 02 February 2023 which is after the legislative due date of 25 January for each year.
- No reflection of percentage of operating budget spent on indigent relief for free basic services, due to the Municipality being in process of updating and verifying indigent register.
- Technical Hub and Political Hub meetings were not held quarterly as planned.
- No conduct of municipal enterprise-wide risk assessment, as such no risk-based internal audit plan (RBIA) for the year 2022/2023; consequently the A&PMC could not approve the RBIA.
  - Failure to conduct a municipal enterprise-wide risk assessment is due to not having a staff member to perform risk management functions.

- Assistance from Provincial Treasury will be received in September 2023; this way the Municipality can develop a 2023/2024 RBIA.
- Recruitment and appointment process of a risk management incumbent is in process.
- A vacancy of Manager Internal Audit also exists in the internal audit unit. Recruitment and appointment process of a suitably qualified and experienced candidate is in process.
- One Integrated Development Plan Representative Forum (IDPRF) was held in the year under review: Proper planning of 2023/2024 IDP RFs .
- Proper Conduct and implementation of social and special programmes:
  - Arts and culture programmes were not conducted due to human capital limitation; an official to conduct these programmes has been appointed.
  - Due to financial constraints, it was difficult for the Municipality to conduct its own HIV/AIDS awareness campaigns, senior citizens programmes, youth programmes, children programmes, gender programmes, disabled persons programmes and sport programmes. In collaboration with other government departments, a One Plan detailing social programmes is being developed for implementation 2023/24 financial year. In the 2023/24 financial year, at least two (2) social and special programmes will be conducted per quarter for each programme.

**F. Spatial Planning and Environmental Management – 67% achievement**

Spatial planning and environmental management initially had 5 indicators of which 2 were removed. Three (3) indicators were therefore considered in this KPA, of which 2 were achieved.

<b>Spatial Planning and Environmental Management</b>				
<b>Period</b>	<b>Total Targets</b>	<b>Targets Met</b>	<b>Targets Not Met</b>	<b>Percentage Achieved</b>
<b>2021/22</b>	6	4	2	<b>67%</b>
<b>2021/22 alignment of indicators to top layer SDBIP 2022/2023</b>	1	1	0	<b>100%</b>
<b>2022/23</b>	3	2	1	<b>67%</b>
<b>Adjustment of the SDBIP 2022/23 into a Top and Middle Layer SDBIPs</b>		<b>Targets reduced to zero</b>	2 (environmental management and air quality programmes/projects removed due to lack of resources, i.e. budget, human capital and shortage of skills)	
		<b>Targets added</b>	0	

**Performance highlights:**

- Draft Spatial Development Framework (SDF) 2022/2023 was submitted and approved by Council on 24 March 2022. Final SDF was submitted and adopted by Council on 30 June 2022.
- Draft Spatial Development Framework (SDF) 2023/2024 was submitted and approved by Council on 31 March 2023. Final SDF was submitted and adopted by Council on 31 May 2023.

**Performance challenges and remedial actions**

- Environmental and Air Quality Management Unit not being fully resources with suitably qualified staff. As a remedial action, the department aims to budget and appoint suitably qualified staff by June 2024.
  - processing of air emission licences (4 application received in the year under review; only 1 processed) and
  - processing of development applications (4 application received in the year under review; all 4 processed).

**3.6 OVERALL ORGANISATIONAL PERFORMANCE**

The table below illustrates an overall performance of the Municipality in achieving its KPIs.

**Table 3.5:** An overview of achievement of Key Performance Indicators

Category	Explanation	2021/2022		2021/2022 alignment of indicators to top layer SDBIP 2022/2023		2022/2023	
		Number of KPIs	%age	Number of KPIs	%age	Number of KPIs	%age
KPI met (achieved)	Actual vs. target equal to or more than 100% achieved	108	63%	46	60%	51	54%
KPI not met (not achieved)	Actual vs. target equal to or less than 99%	64	37%	31	40%	43	46%
<b>Total</b>		<b>172</b>	<b>100%</b>	<b>77</b>	<b>100%</b>	<b>94</b>	<b>100%</b>

### 3.7 ASSESSMENT OF GENERAL (NATIONAL) KEY PERFORMANCE INDICATORS

Assessment of the general (national) key performance indicator (GKPIs) as stipulated in the Regulations 10 of Local Government Municipal Planning and Performance Management Regulations of 2001 is as follows:

- *Percentage of households with access to basic level of water, sanitation, electricity and solid waste removal:* Amajuba District Municipality is only responsible for provision of water and sanitation to Emadlangeni and Dannhauser Local Municipalities. Performance information for this KPI is not available as the national statistical data is outdated.
- *Percentage of households earning less than R1,100 per month with access to free basic services:* According to Amajuba District Municipality Indigent Policy, households qualifying as indigent are those with total income of equal to or less than two times the government monthly pension (for the year under review this means equal to or less than R 4160 since monthly pension was R 2 080 in the year under review). The challenge in providing data for this KPI is that the existing indigent register is not verifiable.
- *Percentage of a capital budget actually spent on capital projects identified for a financial year under review in terms of the IDP:* Municipal infrastructure grant expenditure for the year under review was at 70.5% which is less than the expectation of 100%. Challenges that led to low spending include among other matters, objections during SCM processes and this delayed implementation of the project.
- *Number of jobs created through local economic development initiatives including capital projects:* No jobs were created through LED; 381 jobs were created through EPWP which is an over achievement by 86 jobs from the 295 planned target.
- *Number of people from employment equity target groups employed in the three highest levels of management in compliance with approved employment equity plan:* no achievement (0). In the year under review, the Municipality planned to appoint Indian male and female, white female and coloured male within the highest three management levels. This has not been achieved.
- *Percentage of budget actually spent on implementing its workplace skills plan (WSP):* the municipality's budget on WSP was R 671 783. At year end, R 775 791.33 was spent and this translates to 115% of the budget actual spent on implementing WSP.
- *Debt coverage:*  $(\text{Total Operating Revenue received} - \text{Operating Grants}) / \text{Debt Service Payments} = (R37\ 208\ 1703 - R30\ 709\ 3634) / R1\ 528\ 613.84 = 42.51$
- *Outstanding service debtors to revenue:*  $\text{Total Outstanding Service Debtors} / \text{Annual Revenue Actually Received for Services} = R10\ 817\ 139.76 / R13\ 836\ 302.27 = 0.78$
- *Cost coverage:*  $(\text{All available cash at the particular time} + \text{Investment}) / \text{Monthly Fixed Operating Expenditure} = R76\ 966\ 614 / R20\ 583\ 500 = 3.73$

### 3.8 PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

The monitoring of the service providers performance is ensured through the signing of the Service Level Agreement (SLA) which should be sealed within 30 days after an appointment is made.

- Signed SLA is imperative to ensure that both parties, the Service Provider and Municipality, know the kind of service expected and to be received at required timeframes.
- Signed SLA also legally enables the Municipality to measure and manage performance of the service provider; where there is poor performance necessary steps are to be taken promptly to avoid loss of resources such as valuable time and budget.
- Performance assessment of each service provider is performed by the relevant user department which is expected to provide to supply chain management (SCM) Unit monthly service providers report.
- Necessary action which includes the termination of contract or cancellation of order is taken when a service provider fails to perform duties as per SLA's key performance areas.

In the year under review, there may have been challenges pertaining to management and monitoring of service providers performance. According to legal services unit which assists the SCM with finalisation of SLA, 34 contract requests were received, of which 9 were finalised within 30 days of request, translating to 26% achievement of the set planned target of 100% finalisation of SLAs within 30 days from date of request. Challenges which led to poor performance include failure by SCM to provide outstanding documentation for legal services to finalise the contracts and failure by service provider to sign the contract and forward it back to the Municipality.

**Table 3.6: Assessment Criteria - External Service Providers**

Category	Explanation
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA / Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA / Contract
Poor (P)	The service has been provided below acceptable standards
Not Applicable	No services provided by service provider during the financial year under review

**Table 3.7: External Service Providers Performance**

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023				
							Performance		Assessment		Performance		Assessment		
							Target	Actual	G	S	P	Actual	G	S	P
ENGS	T2015/08	Supply and delivery of pipes and fittings – 2-year contract	2016/03/04	Yes	R2 692 450-15 and 15% escalation, total of unit prices	Total Number of items for plumbing fittings	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
PDS	T2016/07	Email and Archiving	2016/06/20	Yes	R13 000 per month = R156 000 per annum	Percentage of emails archived	None	N/A	N/A	N/A	N/A	G			
FINS	T2015/09	Short term insurance	2015/11/19	Yes	R 750 418.78	To provide insurance cover to all the Council's assets and staff members including Councillors for a period of 36 months	Insurance for Municipal Assets	completed	G					N/A	N/A
ENGS	T2015/18	Supply and delivery of maintenance spares and do repairs for mechanicals	2016/02/17	Yes	R 894 236 - 09	Supply and delivery of maintenance spares within 30 days	Supply and delivery of maintenance spares and do repairs for mechanicals	Achieved	G					N/A	N/A

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023				
							Performance		Assessment		Performance		Assessment		
							Target	Actual	G	S	P	Target	Actual	G	S
ENGS	T2016/13	Supply and delivery of water treatment chemicals	2016/06/30	Yes	R 1 412 134	To supply water and wastewater treatment chemical; To conduct jar test in different plants in order to set a sufficient chemical dosing rate; To conduct free training of process controllers		Achieved	G	S	P			N/A	N/A
FINS	T2016/05	Design and implementation of the Financial Management System (FMS)	2016/11/29	Yes	R 1 097 318.04 per Annum Excluding Vat (Fees escalate annually from the first day of July at the level of the prevailing CPI or 10%, whichever one is the higher)	Effective integrated financial management system		None	N/A	N/A	N/A				

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023					
							Performance		Assessment		Performance		Assessment			
							Target	Actual	G	S	P	Target	Actual	G	S	P
FINS	T2016/05	Design and implementation of the Municipal Standard Chart of Accounts (MScoa)	2016/11/29	Yes	R 1 347 356.15	MScoa live and compliant system by date	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
FINS	Quotation	Postage for billing invoices		Yes	R 251 665.01	Distribution of bills within turnaround time from the time of receiving invoices	Distribution of bills within turnaround time from the time of receiving invoices	Achieved	G							
FINS	T2017/07	Debt collection	2018/04/18	Yes	9.5% of monies collected	Number of accounts paid	Number of accounts paid	Achieved	G							N/A
ENGS	Data base appointment	Database: Water tanker services	2015/11/19	Yes	R 2600.00 per day	Total number of days delivering water and travelled km	Total number of days delivering water and travelled km	Partially Achieved	G							N/A
ENGS	Data base appointment	Database: Water tanker Services	2015/11/19	Yes	R 2600.00 per day at R7.00 per km	Total number of Days delivering water and travelled km	Total number of days delivering water and travelled km	Partially Achieved	G							N/A

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023								
							Performance		Assessment		Performance		Assessment						
							Target	Actual	G	S	P	Target	Actual	G	S	P			
ENGS	Data base appointment	Database: Water tanker Services	2015/11/19	Yes	R 2600.00 per day at R7.00 per km	Total number of days delivering water and travelled km	Partially Achieved	G											
ENGS	Data base appointment	Database: Jetting Machine	2016/05/04	No	R550 per hour	Database: Jetting Machine	Partially Achieved	G											
ENGS		Protective Clothing (PPE)			R235 785.00	Delivery of requested PPE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ENGS	T2016/09	Tractor Loader Backhoe (TLB) Services for a period of two years	2016/08/19	Yes	R350 per hour, wet rate	Total hours	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023								
							Performance		Assessment		Performance		Assessment						
							Target	Actual	G	S	P	Target	Actual	G	S	P			
		Schemes Improvement																	
ENGS	T2016/13	Supply and erection of security fencing in kwaPoliteni water point, Dannhauser CBD reservoir and inverness water point	2016/11/28	No	R483 628.69	Total fencing in meters: 600m	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ENGS	T2016/14	Construction of Goedehoop sewer outfall, water connection and elevated reservoir	2016/11/28	Yes	R9 193 375.84	Percentage of project complete	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023						
							Performance		Assessment		Performance		Assessment				
							Target	Actual	G	S	P	Target	Actual	G	S	P	
ENGS	2016/1 6	Supply and construction of single and double VIP abluitions in ward 1 and 3 of Dannhauser local municipality	2017/02/06	Yes	R4 419 169. 30	Number of units erected	None	Completed	G	S	P						
ENGS	T2016/ 17	Construction of Emxhakeni water scheme	2017/02/13	Yes	R7 978 349.28	Number of households connected to water services	None	Completed	G								N/A
ENGS	T2017/ 02	Installation of bulk meters together with the establishment of a spatially - enabled water management dashboard	2017/04/01	Yes	R15 000 000.00	Total number of bulk meters	None	Completed	G								N/A
ENGS	T2018/ 01	Skobaren Water Supply Schemes Improvement	2018/07/10	Yes	R32 943 526.44	Percentage of project completed	None	Completed	G								N/A

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023				
							Performance		Assessment		Performance		Assessment		
							Target	Actual	G	P	Target	Actual	G	P	
ENGS	T2018/06	Dannhauser Sanitation	2018/07/16	Yes	RHIP Grant of R3 516 643.08	Number of single pits precast VIP toilets infills constructed	None	Completed	G	S	P			N/A	N/A
ENGS	DB201 6/17/1	Electrical repairs at plants and pump station	2016/10/15	No	Approx.	Electrical repairs at plants and pump station as when necessary and during emergencies	None	Completed	G			N/A	N/A	N/A	N/A
CORP S	PR102 59	Security Services for Honourable Mayor – Body guards/ drivers with fire arms and backup vehicle	2018/12/01	Yes	R138 000.00 per month	Number of security reports developed for the provision of Security Services, Bodyguards, Firearms and vehicle	None	Completed	G			N/A	N/A	N/A	N/A

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023				
							Performance		Assessment		Performance		Assessment		
							Target	Actual	G	P	Target	Actual	G	P	
CORP S	T2016/04	Physical security for ADM 10 buildings	2016/06/01	Yes	R296 054.06 per month	Percentage decrease in incidences occurring in all 10 municipal sites, assets and people within the municipal premises	None	Completed	G	S	P	N/A	N/A	N/A	N/A
CORP S	Appointed through Deviation	Supply of firearms for VIP protection	2018/05/30	Yes	R34 615.00 per month	Number of security reports developed for the provision of security services and provision of firearms	None	Completed	G			N/A	N/A	N/A	N/A
CORP S	Quotation	Hygiene management services		Yes	R16 426,46 per month	Number of monthly service receipt documents / notes submitted by service provider	None	Completed	G				S		

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023						
							Performance		Assessment		Performance		Assessment				
							Target	Actual	G	S	P	Target	Actual	G	S	P	
CORP S		Telephone services		No	R40 800,18 on average per month depending on usage	Number of monthly statements produced by the service provider	None	Completed	G	S	P				S	P	
CORP S	Quotati on	Elevator management services	2012/04/01	Yes	R5 375,69 per month	Elevators operational all the time	None	Completed	G						S		
CORP S	T2015/02	Provision of fleet cards for all municipal vehicles	2015/06/01	Yes	R200 000,00 per month	Fleet cards provided enabled for all municipal vehicles maintenance purposes (fuel, services and repairs)	None	Completed	G							G	
FINS	T2109/04	Meter reading services	2019/03/27	Yes	R 923 525,00		None	Completed	G							G	
FINS	T2019/07	Preparation of fixed asset register	2019/05/27	Yes	R736 000,00		None	Completed	G							N/A	N/A

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Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023								
							Performance		Assessment		Performance		Assessment						
							Target	Actual	G	S	P	Target	Actual	G	S	P			
FINS	T2019/08	Annual Financial statement preparation for the 2018/2019	2019/07/03	Yes	R514 801,62		None	Completed	G	S	P								
PDS	T2018/17	WAN & VOIP	2019/03/13	Yes	R2,928,257	IT Business Continuity specific service effectively managed.	None	Completed	G										
PDS	T2019/09	Office 365	2018/08/19	Yes	R423,096.05	IT Business Continuity specific service effectively managed.	None	Completed	G										
FINS		Payroll system	2020/03/01	Yes	R471,389.93	IT Services	None	Completed	G										
PDS	T2021/05	Sophos Firewall	2021/08/03		R 289 000,00	Provision Sophos Firewall	None	Completed	G										
FINS	T2021/16	Short term insurance	2022/01/18	yes	R1 183 987,00	To provide insurance cover to all the Council's assets and staff members including Councillors for a	All claim submitted	Achieved	G										

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023						
							Performance		Assessment		Performance		Assessment				
							Target	Actual	G	S	P	Target	Actual	G	S	P	
						period of 36 months											
PDS	T2021/18	Provision of an online Satellite imagery portal for viewing, downloading satellite imagery and value added	2022/01/17	yes	R700 000,00	Online satellite imagery portal	None	Achieved	G	S	P						
PDS	T2021/15	Development of the Amajuba District Municipality spatial development framework 2022/20227	2021/11/18	yes	R442 865,00	Amajuba District Municipality spatial development framework	None	Achieved	G								
CORP S	T2022/08	Amajuba District Municipality security Services	2022/08/18	No	R19 251 000,00	Security Services	None	Achieved	G								
FINS	T2022/01	Preparation of fixed asset register	2022/05/06	No	R805 000	Compilation of GRAP compliant annual financial statements	None	Achieved	G								

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023				
							Performance		Assessment		Performance		Assessment		
							Target	Actual	G	S	P	Target	Actual	G	S
CORP S	Deviation	VIP Protection security services for the Speaker Cllr SO Zulu	2022/06/01	No	R599 610,00	VIP Protection	None	Achieved	G	S			G	S	P
CORP S	Deviation	VIP Protection security services for the Speaker Cllr Ndima	2021/12/02	No	R76 601,50	VIP Protection	None	Achieved	G				G		
CORP S	Deviation	Provision of firearms for honourable EXCO members and WHIP Council	2022/05/01	No	R445 050,00	VIP Protection	None	Achieved	G				G		
CORP S	T2022/02	Provision of Co - sourced internal Audit: Information Technology	R168 000,00	No	R168 000,00		100%	Achieved	G				G		
ENGS	T2021/07	Emergency water supply to Ramaphosa settlement, Skobaren and 2ML Reservoir at Hilltop phase1-1	2021/06/09		R44 673 218,95	Construction of water supply to Ramaphosa settlement Skobaren and 2ML	The contractor on progress	Achieved	G						P





Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023					
							Performance		Assessment		Performance		Assessment			
							Target	Actual	G	S	P	Target	Actual	G	S	P
ENGS	T2019/12	The construction of bulk water and sanitation services for Dannhauser housing development	2019/12/19	yes	R30 947 829,69	Construction	Not yet started	Achieved	G	S	P					
CORP S	Deviation	VIP Protection security service for Cllr Mayor	2022/04/23	Yes	R672 750,00	VIP Protection	None	Achieved	G							
FINS	P2021/01	VAT Recovery	2021/07/22	Yes	as per panel rates	VAT Recovery	None	Achieved	G							
ENGS	Deviation	Completion of buffalo flats water supply scheme phase 3B	2020/03/09	Yes	R4 604 241,20		None	Completed	G							
CORP S	Deviation	VIP Protection security services for Deputy Mayor's	2021/12/23	Yes	R184 607,04	VIP Protection	100%	Achieved	G							
CORP S	Deviation	VIP Protection security services for Cllr Mayor	2021/12/23	Yes	270857,38	VIP Protection	100%	Achieved	G							

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023						
							Performance		Assessment		Performance		Assessment				
							Target	Actual	G	S	P	Target	Actual	G	S	P	
ENGS	T2022/20	Refurbishment of boreholes drilling of new boreholes and construction of spring protection	2022/06/30	Yes	R4 908 659,94	Construction	The contractor on progress	Achieved	G	S	P						
ENGS	T2021/22	Installation of back up generator, flow control valve and associated infrastructure Durnacol, Chelmsford and Braakfontein	2022/04/08	Yes	R7 981 068,99	Installation of back generators	All generators installed	Achieved	G								
ENGS	T2022/11	The construction of the Utrecht wastewater treatment works	2022/06/27	Yes	R46 168 831,36	Construction	The contractor on progress	Achieved	G								

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023							
							Performance		Assessment		Performance		Assessment					
							Target	Actual	G	S	P	Target	Actual	G	S	P		
FINS	T2022/19	General Financial Management and support :Post Audit Action Plan Implementation	2022/06/06	Yes	R600 000,00	Compilation of GRAP compliant annual financial statements	None	Achieved	G	S	P							
ENGS	T2021/23	NRW Reduction program via Revenue Enhancement domestic and bulk meter installation and associated ancillary works	2022/06/21	Yes	R39 442 052,84	Construction	Not yet started	On progress	G									
FINS	T2022/21	Develop/ Review Financial Management policies and	2022/06/09	Yes	R550 000,00	Compilation of GRAP compliant annual financial statements	None	Achieved	G									

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Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023							
							Performance		Assessment		Performance		Assessment					
							Target	Actual	G	S	P	Target	Actual	G	S	P		
		Standard operations																
ENGS	T2022/09	Development of Road asset Management system and Professional support	2022/06/21	Yes	R1 434 812,45	Professional support for Road Asset	None	Achieved	G	S	P							
CORP S	Deviation	VIP Protection Security services for Acting Municipal Manager	2022/05/27	Yes	R492 663,42	VIP Protection	None	Achieved	G									
ENGS	T2021/17	Supply and delivery of plumbing pipes, fitting, Tools and Watermeters	2022/04/08	Yes	BOQ	Total Number of items for plumbing fittings	Supply and delivery of pipes and fittings	Achieved	G									

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023								
							Performance		Assessment		Performance		Assessment						
							Target	Actual	G	S	P	Target	Actual	G	S	P			
PDS	T2017/04	Establishment of the information communication technology for Amajuba District Municipality - Disaster Management Central	2022/07/25	Yes	R1 677 942,27	Establishment of the information communication technology	None	Achieved	G	S	P								
ENGS	T2021/21	Construction of 4No. Booster pumpstations Re - location of a tanker filling station leak, detection remedial works	2022/07/29	Yes	R15 383 360,81	Construction	None	Achieved	G										

Resp. Dept.	Bid No.	Description of the Services	Date Contract Awarded	Service provided in terms of the SLA (Yes/No)	Value of Project	Key Performance Indicators	2021/2022				2022/2023							
							Performance		Assessment		Performance		Assessment					
							Target	Actual	G	S	P	Target	Actual	G	S	P		
FINS	T2022/18	Investigation of JIFWE for financial year 2020/2021	2022/06/06	Yes	R697 360,00	Compilation of GRAP compliant annual financial statements	None	Achieved	G	S	P							
ENGS	T2019/14	Construction of a 20ML Reinforced concrete reservoir and associated infrastructure at Braakfontein reservoirs	2020/06/18	Yes	R59 913 612,34	Construction of a 20ML Reinforced concrete reservoir and associated infrastructure at Braakfontein reservoirs	100%	Achieved	G					S				
ENGS	Deviation	Leasing a warehouse space due to challenges of the revival of Disaster Management Centre where the infrastructure	2022/02/11	Yes	R65 000,00	Leasing a warehouse	None	Completed	G									N/A





### 3.9 SERVICE DELIVERY PERFORMANCE CONCLUDING REMARKS

In the year under review, of the 94 planned targets, 51 were achieved. This translates to 54% achievement which is a decrease as compared to the previous financial year percentage achievement of 60% (46 targets met of the planned 77).

**Table 3.8:** Organisational Major Challenges and Corrective Measures

<b>Major challenges facing the Municipality include, but not limited to</b>	<b>Measures established to curb poor performance</b>
<i>Financial constraints:</i> financial difficulties that the Municipality has had over the past financial years	Both Council and Administration extensively evaluated ways to resolve the situation. Some of the ways are strict adherence to cost cutting measures agreed upon in terms of municipal spending; emphasise be put on the importance of revenue collection for financial stableness and proper functioning of the Municipality hence the service delivery to community of Amajuba district
<i>Vacancies at senior management level:</i> vacancy in the post of the Municipal Manager (Accounting Officer) since January 2021 due to resignation of the then Municipal Manager. Other 4 Senior Management positions (Chief Financial Officer, Director Engineering Services, Planning and Development, Director Community Services) which became vacant due to completion of the existing contracts according to their own terms	Council worked tirelessly to speed up the process of filling the vacant positions. Vacancies as indicated, with an exception of Chief Financial Officer, were indeed filled on 01 June 2023.
<i>Poor service delivery:</i> slow progress in relation to delivering water and sanitation services , lack of implementation of sustainable local economic development initiatives, inadequate attention placed on environmental and air quality management	The Municipality has established ways to manage potential risks that may hinder performance of the Municipality. This includes cascading performance management system so that staff performance is regularly monitored and managed so that internal capacity is exhausted before attempting to source assistance through appointment of external service providers and consultants
<i>Inadequate monitoring of external service providers and consultants</i>	Manage and monitor performance of the external service providers so that each service provider is held accountable on agreed upon terms and conditions of service.

As a Municipality, we remain committed to the alignment of our plans in realisation of the National Development Plan Vision 2035 and District Development Model Strategy. We will continuously deal with challenges that led to poor performance!

### 3.10 UTHUKELA WATER (PTY) LTD PERFORMANCE INFORMATION

uThukela Water (Pty) Ltd is a Water Service Provider (WSP) which was initially the first Municipal entity which provided a full spectrum of bulk and reticulation water and sanitation services, and in this case, on a regional basis to its three fully owned shareholders, Water Service Authorities (WSAs), namely:

- Amajuba District Municipality (DC25) - 33% shareholding
- uMzinyathi District Municipality (DC24) - 33% shareholding and
- Newcastle Local Municipality - 34% shareholding

Following a Section 78 assessment undertaken in 2011, the Entity has transferred the water reticulation services back to the municipalities, and now only operates as a bulk water services provider to the shareholders. uThukela Water has established itself to be an industry leader with emphasis on a high-quality water product, and prides itself on this achievement. The Company provides bulk water from its Ngagane and Biggarsberg water plants and services approximately 250 000 households. The Company's head office and laboratory facilities are situated in Newcastle.

uThukela Water (Pty) Ltd's business focus is on the provision of quality bulk water services to its shareholders for distribution by them directly to customers. The Entity also provides local laboratory services to the municipalities at affordable prices.

uThukela Water Vision Statement is as follows: *"uThukela Water, Your Partner in Growth" - "Amanzi oThukela Umngani Wakho Entuthukweni"*. The uThukela Water Strategy is based upon the following, agreed, Mission Statements:

- The provisioning of bulk water services and related environmental services.
- Bulk water planning and the safeguarding of water resources to maximize customer benefit.
- To support the WSAs with water services wherever required to do so.

Strategic objectives of uThukela Water are as follows:

- Manage stakeholder relationships
- Communicate company performance to stakeholders and public through the WSAs
- Ensure good cooperative governance
- Increase financial sustainability
- Improve service delivery
- Increase water resource sustainability
- Maintain water infrastructure

In the 2022/2023 financial year, uThukela Water had sixteen (16) performance targets for Amajuba DM of which five (5) were not achieved. This translates to 68,75% achievement. Table 3.9 below illustrates the uThukela Water (Pty) Ltd Key Performance Indicators for Amajuba DM.

**Table 3.9: uThukela Water (Pty) Ltd Key Performance Indicators for Amajuba DM**

Strategic Objectives	Key Performance Area	Key Performance Indicator	Annual Target	Annual Actual	Target Met/ Not Met	Reason for Variance	Recommended Corrective Action
Manage Stakeholder Relationships	Align Business Plans and Budgets with Municipal IDPs, Budgets & Plans	Submit an annual business plan to WSA's as per MFMA on the 31 <sup>st</sup> January 2023	1 Submission of Annual Business Plan per WSA by the 31 <sup>st</sup> January 2023	1 Business Plan submitted to WSAs on the 31 <sup>st</sup> of January 2023	Met	-	-
		To submit an annual budget for 2023/2024 by the 31 <sup>st</sup> January 2023	1 Budget submission per WSA by the 31 <sup>st</sup> January 2023	1 Draft Budget submission per WSA on the 31 <sup>st</sup> of January 2023	Met	-	-
		Schedule one meeting per WSA to align budgets and SDBIPs	1 SDBIP Alignment Meeting per WSA to align the 2023/2024 SDBIP of the entity and WSAs	No SDBIP Alignment Meeting	Not Met	SDBIP Alignment was done via email due to time constraints with one parent municipality	The entity will schedule meetings to align to the SBIPs of uMzinyathi and Amajuba District Municipality in December 2023
Manage Stakeholder Relationships	Schedule and attend regular operational, admin, and financial meetings with parent municipalities	To coordinate monthly operations, admin, and finance meetings with each WSA	To coordinate 12 Monthly Operations, Admin and Finance Meetings Scheduled with all WSAs	10 Monthly Meetings scheduled with all WSAs	Not Met	Operational Commitments did not allow the entity to schedule meetings in December 2022 and April 2023	The entity to commit to developing an annual meeting planner for meetings with parent municipalities

Strategic Objectives	Key Performance Area	Key Performance Indicator	Annual Target	Annual Actual	Target Met/ Not Met	Reason for Variance	Recommended Corrective Action
Manage Stakeholder Relationships	Coordinate Quarterly Board Meetings, Quarterly Meetings, Quarterly Audit Committee Meetings and One Annual Shareholder Meeting	To schedule quarterly Board Meetings, Quarterly Audit Committee Meetings and at least 1 Annual Shareholder Meeting	4 Board meetings scheduled. 1 Shareholders meetings scheduled.	13 Board Meetings  6 Shareholders Meetings	Met  Met	-	-
Communicate Company Performance to Stakeholders and Public through WSAs	Submission of Monthly Section 71 Oversight Reports and quarterly performance	Compile and submit Monthly Reports to Shareholders. Compile and submit quarterly Performance monitoring templates to all 3 WSA's	12 Monthly Section 71 Reports	10 Monthly Section 71 Reports submitted to WSAs (March and April reports not submitted)	Not Met	Due to the resignation of the Acting Chief Financial Officer due to ill-health	The Chief Financial Officer completed both April and May Reports, however only June reports were subsequently submitted to shareholder municipalities as June

Strategic Objectives	Key Performance Area	Key Performance Indicator	Annual Target	Annual Actual	Target Met/ Not Met	Reason for Variance	Recommended Corrective Action
	reports to Shareholders		4 Quarterly Performance Monitoring Templates to each WSA	4 Quarterly Performance Monitoring Templates submitted to all WSAs	Met	-	reports included April and May activities as the reports are cumulative in nature
Communicate Company Performance to Stakeholders and Public through WSAs	Submission of Mid- Year Performance Report and Annual Performance Report of the entity as per MFMA	Submit a Mid-Year Performance Assessment Report to all WSA's by the 20th of January 2023	Submit a Mid-Year Performance Assessment Report to all WSA's by the 20th of January 2023	1 Mid-Year Performance Assessment Report submitted to WSA on 20 January 2023	Met	-	-
		Submit an Annual Performance Report to all Municipalities by the 20th of August 2022	Submit an Annual Performance Report to all Municipalities by the 20th August 2022	1 Annual Performance Report submitted to all municipalities on the 20 <sup>th</sup> of August 2022	Met	-	-
Communicate Company Performance to Stakeholders and Public through WSAs	Compile Draft Annual Report with input from stakeholders	Compile and submit Draft Annual Report to the stakeholders and public by the 31st of October 2022	1 Draft Annual Report Compiled and submitted to WSA's by the 31st of October 2022	1 Draft Annual Report compiled and submitted to WSAs by the 31 <sup>st</sup> of October 2022	Met	-	The Final Annual Report was submitted to all WSAs on the 31 <sup>st</sup> of December 2022, in line with MFMA requirements

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Strategic Objectives	Key Performance Area	Key Performance Indicator	Annual Target	Annual Actual	Target Met/ Not Met	Reason for Variance	Recommended Corrective Action
Improve Service Delivery	To supply agreed bulk water volumes to WSAs	To supply bulk water volumes in terms of WSP / WSA Agreements and budgeted volumes.	Amajuba 5 263 200KL	Amajuba 4 466 858 KL	Not Met	The Amajuba DM shares a reservoir with the Newcastle LM. If Newcastle exceeds its budgeted volumes, it directly impacts the volumes supplied to the Amajuba DM	A designated reservoir for the Amajuba District Municipality is in the process of construction, once the reservoir is commissioned and in use, the entity will be able to supply the budgeted volumes to the Amajuba District Municipality
Improve Service Delivery	Reliability of Bulk Water Supply	To minimise unavoidable or planned maintenance interruptions of bulk water supply to less than 24 hours in any one instance	All planned and unplanned maintenance disruptions of bulk water should be less than 24 hours per disruption	107 Maintenance Disruptions July 2021-December 2022 < 24 hours per disruption	Met	-	-
Improve Service Delivery	Water Conservation Management	To restrict bulk water losses on raw and potable bulk pipelines to less than 15% per annum	To restrict water loss on total bulk water system raw and potable pipelines to an average of less than 15% per annum	Total Water Loss 6.96 %	Met	-	-

Strategic Objectives	Key Performance Area	Key Performance Indicator	Annual Target	Annual Actual	Target Met/ Not Met	Reason for Variance	Recommended Corrective Action
Increase Water Resource Sustainability	To coordinate the regional bulk water master plan	To coordinate bi-annual meetings of the regional bulk water master plan	Schedule 2 Meetings	2 Meetings Scheduled	Met	-	-