



NDWEDWE LOCAL MUNICIPALITY
AUDITED QUARTER 4 PERFORMANCE REPORT
1 APRIL - JUNE 2024

JULY 2024

THIS REPORT IS PREPARED IN TERMS OF SECTION 72 OF THE MFMA AND IS AUDITED.

Annexure to the Quarter 4 Budget and Performance Assessment Report.

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1. INTRODUCTION

The Municipal Systems Act (MSA) of 2000 mandates municipalities to establish performance management systems, and the Planning and Performance Management Regulations of 2001 describes the Municipality's performance management system as consisting of a framework that articulates and represents how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed and to determine the roles of different stakeholders.

Ndwedwe's Organisational Scorecard continues to be structured according to the six prescribed national Key Performance Areas (KPA's). These are:

- ❖ Basic Service Delivery
- ❖ Local Economic Development
- ❖ Institutional Transformation & Development
- ❖ Financial Viability & Management
- ❖ Good Governance & Public Participation
- ❖ Community Services (Cross-Cutting)

This review covers the period from 1 April 2024 to 30 June 2024 and it marks the fourth quarter review of the last three months' of 2023/2024 financial year performance of the Municipality. It serves to inform the Audit Committee, MPAC, Executive Committee, Council members and other stakeholders of the progress made on the implementation of the Municipality's service delivery budget and implementation plan and the organisational scorecard as well as an update on budget spending during the fourth quarter reporting for the financial year ending 2023/2024.

During Quarter 4 performance period the Municipality had a total of 97 targets of which 88 targets were reported as achieved and 9 reported as not achieved. The Office of the Municipal Manager achieved 84%, department of Corporate Services has achieved 100% of targets. Finance department achieving 100%. EDP department achieving 91%. Technical department achieving 64% and Community Services department achieved 100% targets.

1.1 PERFORMANCE MANAGEMENT SYSTEM PROCESSES

According to the Municipal Systems Act (MSA) of 2000, Section 38(a) mandates municipalities to establish performance management systems, and the Planning and Performance Management Regulations of 2001, describes the Municipality's Performance Management System (PMS) as consisting of a framework that articulates and represents how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed as well as to determine the roles of different stakeholders.

The Organisational Performance Framework must be reviewed annually and adopted. The Ndwedwe PMS Framework was reviewed and adopted by Council on 30 May 2024. Organisational Performance forms an integral part of the implementation of the Integrated Development Plan (IDP).

Section 72 of the Municipal Finance Management Act requires that the accounting officer of a Municipality must by 25th 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 the 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 performance management system is a tool that measures the implementation of an organisation's strategy. It also provides a mechanism to measure whether targets meet the strategic objectives that are set by municipalities and employees. In Ndwedwe Municipality the PMS implementation and management process is carried out at phases namely:

- Phase 1: Planning
- Phase 2: Monitoring and managing performance information
- Phase 3: Performance measurement and analysis
- Phase 4: Performance review and improvement
- Phase 5: Performance report

1.2 PERFORMANCE AND SUPPORTING INFORMATION

According to the Municipal systems act PMS implementation ensures responsibility on individual departments and its employees to collect relevant data and information to support the monitoring process. In this respect, a portfolio of evidence (POE's) of performance is gathered and presented to substantiate claims for performance standards. All portfolios are verified against the reported actual, as it confirms the status of targets met and/or not met.

2. ORGANISATIONAL SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN (SDBIP)

The performance reporting at Ndwedwe Local Municipality is in line with the six (6) National KPAs and also focuses on section 46 of the Municipal Systems Act requirements.

2.1 OVERALL SUCCESS RATE FOR QUARTER 4 PERFORMANCE

The Ndwedwe Local Municipality Quarter 4 overall performance was good as 87% reported as achieved and 13% reported as not achieved. The figure below depicts the overall performance. A more detailed look into each department is outlined under Business units.

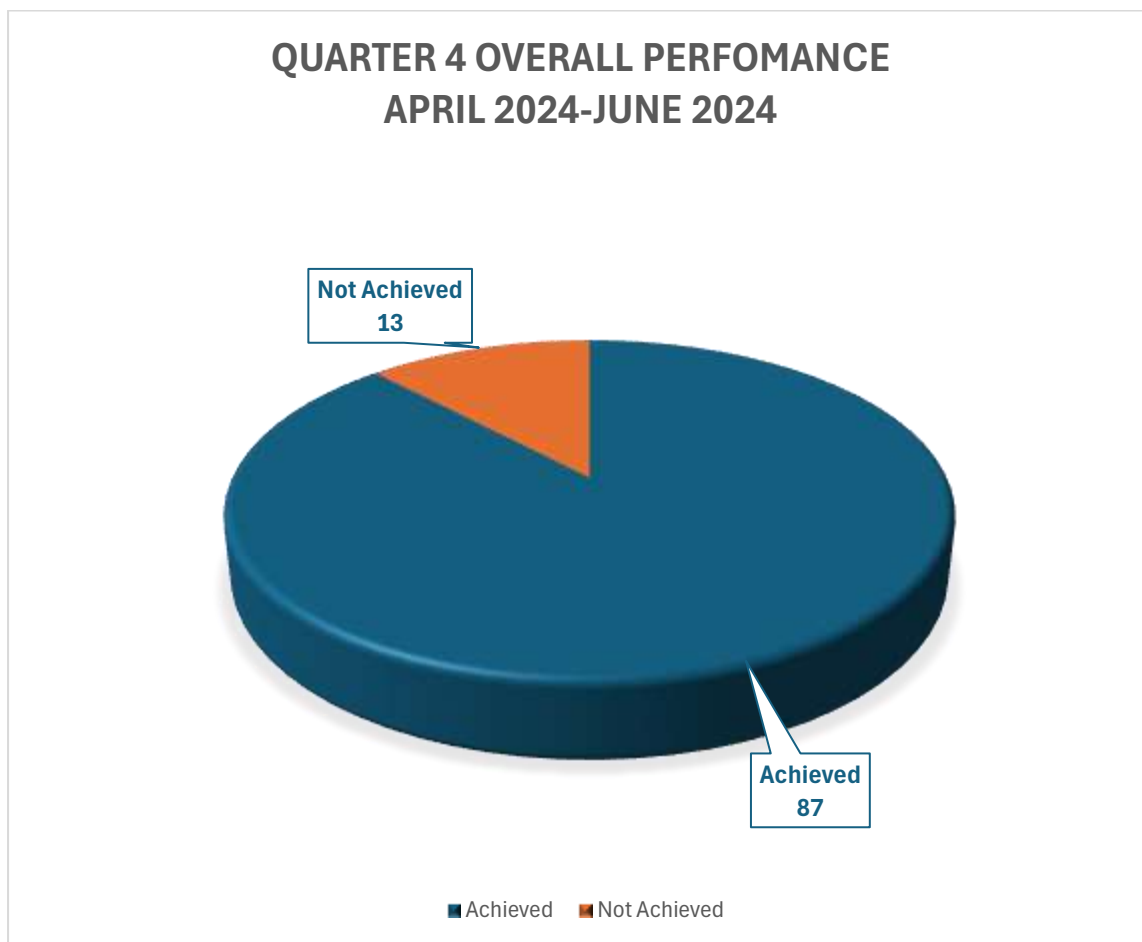


FIGURE 1: QUARTER 4 OVERALL PERFORMANCE

Total targeted KPI's for Quarter 4	Target met	Target not met
97	84	13
	87%	13%

TABLE 1: QUARTER 4 OVERALL PERFORMANCE

The table below depicts the overall performance per Business units.

BUSINESS UNITS	QUARTER 4 TARGET MET % EXCLUDING NON-ACHIEVED
Office of the Municipal Manager department	84%
Corporate Services department	94%
Finance department	100%
Economic Development and Planning department	91%
Technical Services department	64%
Community Services department	100%

TABLE 2: PERFORMANCE PER DEPARTMENT

3. DEPARTMENTAL RESULTS

3.1 OFFICE OF THE MUNICIPAL MANAGER (GOOD GOVERNANCE AND PUBLIC PARTICIPATION)

The table below indicates the status of the total number of targets for Quarter 4.

TOTAL KPI's	TARGETS MET	TARGETS NOT MET	%TOTAL TARGETS MET
24-5 (N/A) =19	16	03	84%

TABLE 3: KPA 5: PERFORMANCE OF TARGETS

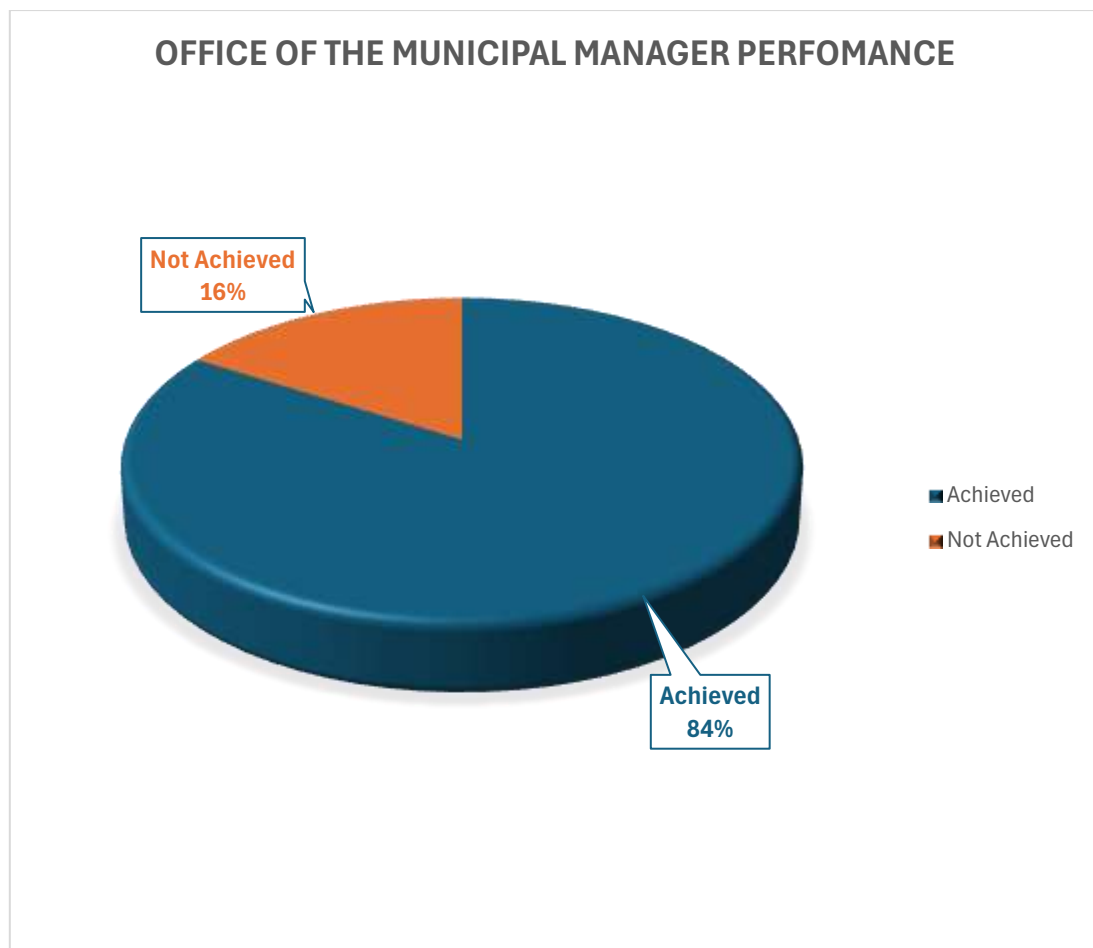


Figure 2: PERFORMANCE IN THE OFFICE OF THE MUNICIPAL MANAGER

➤ HIGHLIGHTS AND PROGRESS ON ACTUAL PERFORMANCE

- 1 Internal Audit Report submitted to Audit Committee.
- 1 Audit Committee Report submitted to Municipal Council.

- 1 Internal Audit Charter reviewed and submitted to Audit Committee for approval.
- 1 Quarterly Performance review of Senior Managers conducted.
- 1 Performance Management Framework reviewed and approved by Council.
- 1 2024/2025 Final IDP review adopted by Council on 22 May 2024.
- 1 Speaker Imbizo hosted.
- 19 Mayoral/IDP Izimbizo hosted.
- 19 Ward Committee Quarterly Meeting held.
- 4 Media Slots held.
- 1 Newsletter prepared.
- 4 - Fraud, Strategic, Operational and ICT registers.
- 1 Risk Management Committee meeting held on 12 June 2024.
- 1 Annual Risk Assessment conducted held on 16 April 2024.
- 1 Anti-Fraud and Corruption Strategy & Policy submitted to RMC, AC, MPAC and EXCO.
- 50 SLAs drafted.

➤ **CHALLENGES AND CORRECTIVE MEASURES TAKEN TO IMPROVE PERFORMANCE**

CHALLENGES	CORRECTIVE MEASURES TAKEN TO IMPROVE PERFORMANCE
MM15: The Final Public Participation Strategy target was not met and workshopped to Council due to Budget constraints the Policy Workshop was not held in June 2024 as scheduled.	The Plan will be workshopped to Council on 5, 6 and 7 August 2024 and approved by Council in the quarter 1 on 28 August 2024.
MM22: The Risk Management Framework and Policy target was not met and workshopped to Council due to Budget constraints the Policy Workshop was not held in June 2024 as scheduled.	The Risk Management Framework and Policy target was not met and workshopped to Council due to Budget constraints the Policy Workshop was not held in June 2024 as scheduled.
MM23: The Risk Management Framework and Policy target was not met and workshopped to Council due to Budget constraints the Policy Workshop was not held in June 2024 as scheduled.	The Risk Management Framework and Policy target was not met and workshopped to Council due to Budget constraints the Policy Workshop was not held in June 2024 as scheduled.

3.2 CORPORATE SERVICES DEPARTMENT

The table below indicates the status of the total number of targets for Quarter 4.

TOTAL KPI's	TARGETS MET	TARGETS NOT MET	%TOTAL TARGETS MET
22-5(N/A) =17	16	1	94%

TABLE 4: PERFORMANCE OF TARGETS

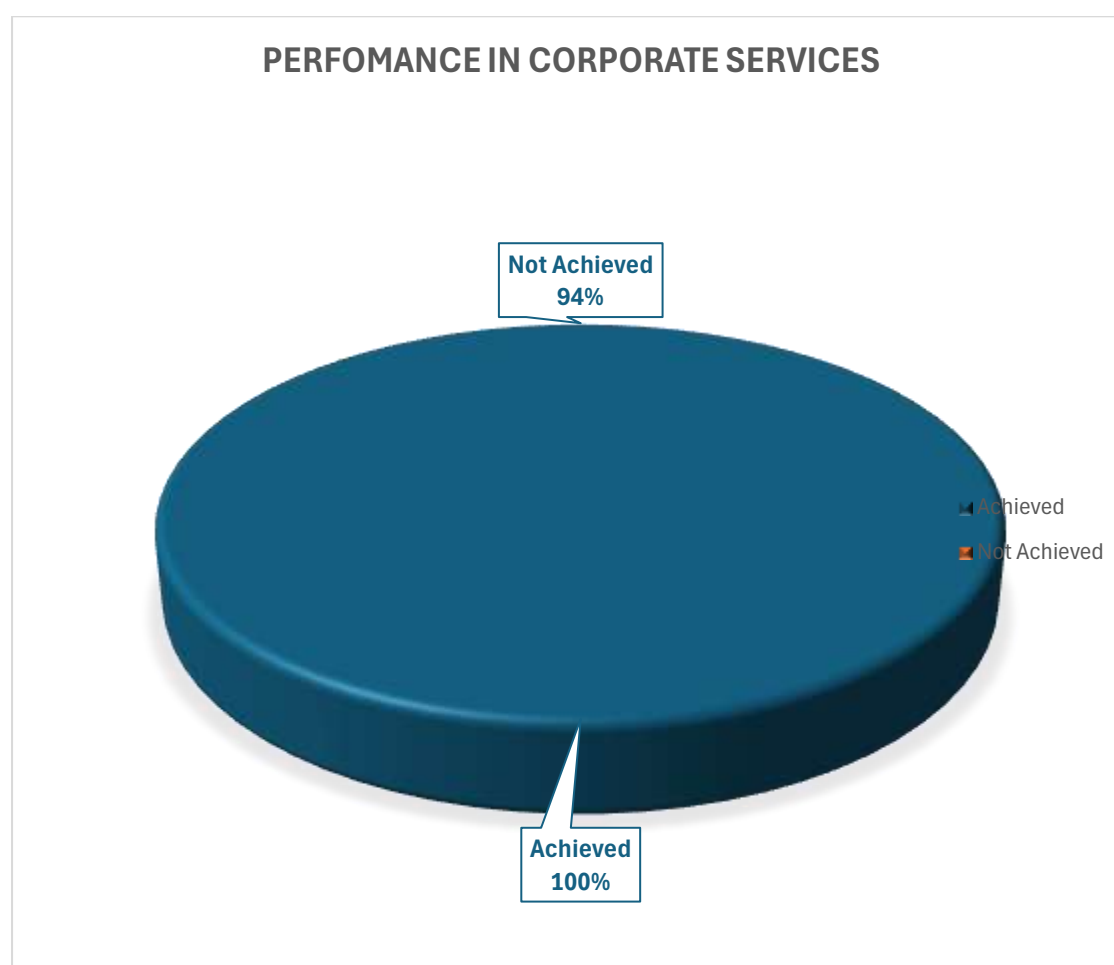


Figure 3: PERFORMANCE IN CORPORATE SERVICES

➤ HIGHLIGHTS AND PROGRESS ON ACTUAL PERFORMANCE

- 1 WSP & ATR completed and submitted to LGSETA.
- 1 Bi-Annual OHS Committee meetings held on 21 June 2024.
- 3 Monthly reports on maintenance of ICT infrastructure submitted.
- 1 ICT Steering Committee meetings were held on 25 April 2024.
- 3 Monthly ICT SLA performance monitoring report submitted.

- 2 ICT Strategic documents developed and approved by Council on 28 June 2024.
- 3 Monthly Fleet management reports generated.
- 3 Council meetings were held on 30 April, 22 May and 28 June 2024.
- 4 EXCO Meeting were held on 24 April; 20 May; 19 June and 26 June 2024.
- 7 Portfolio meetings were held for Community Services 11 April 2024, EDP 17 April 2024, Finance 19 April and 20 June 2024, LPA and HR 12 April, Technical 11 April and 07 June 2024.
- 1 AC meeting held on 25 June 2024.
- 2 MPAC meetings were held on 23 April and 27 June 2024.
- 1 Quarterly Security Services Report generated.
- 1 Human Resource Strategy reviewed and approved by Council on 28 June 2024.
- 1 Staff establishment/Organogram reviewed and approved by Council on 22 May 2024.
- 1 Progress Reports on Risk Management was submitted.

3.3 TECHNICAL SERVICES DEPARTMENT

The table below indicates the status of the total number of targets for quarter 4.

TOTAL KPI's	TARGETS MET	TARGETS NOT MET	%TOTAL TARGETS MET
31-9 (N/A) =22	14	8	64%

TABLE 5: KPA 2: PERFORMANCE OF TARGETS

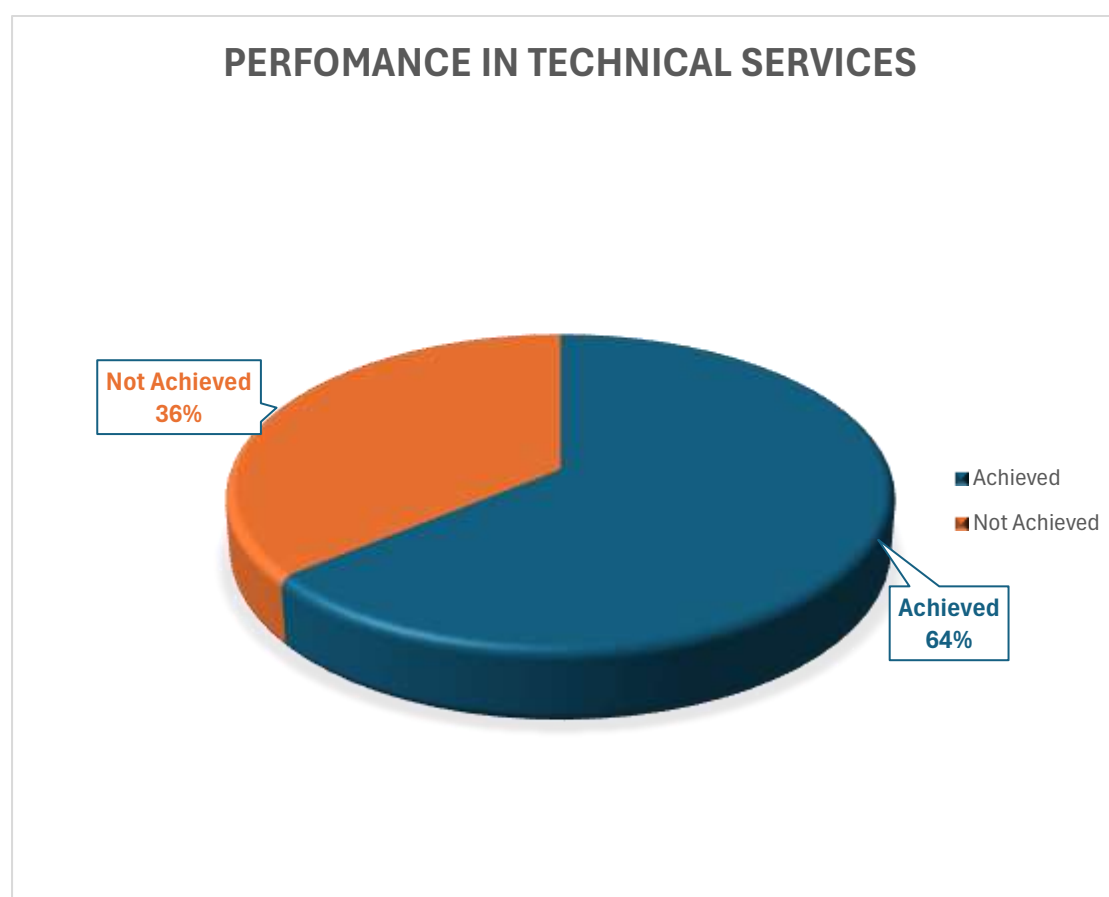


Figure 4: PERFORMANCE IN TECHNICAL SERVICES

➤ HIGHLIGHTS AND PROGRESS ON ACTUAL PERFORMANCE

- 95% Construction of Msengeni Community Development Centre (Plastering, Painting, Plumbing works and Electrical works) completed.
- Site establishment and Installation of Fencing for Magwaza Community Development Centre completed.
- 100% Fencing of Mary Grey Community Indoor Centre completed.
- 100% Construction of preparations for household connections for energising by ESKOM.
- 100% Installation of High mast lights in ward 2 & 10 completed.

- Site establishment and Installation of electricity in Thabani Luthuli Hall completed.
- Site establishment and Regravelling Mona Bridge completed.
- 100% Rehabilitation of Noordsberg Community Development Centre completed.
- 100% Rehabilitation of Khanyisa Community Hall completed.
- 100% Rehabilitation of Ntubeni Community Hall completed.
- 100% Rehabilitation of Ovanzini Community Hall completed.
- 100% Upgrading of Ethafeni concrete road completed.
- 100% Capital expenditure monitoring spent.
- 1 Progress Reports on Risk Management was submitted.

➤ **CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE**

CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
TS 01: 81.4% Construction of Hlalakahle Community Development Centre (Plastering, Painting Internal, Plumbing works and Electrical works) was completed. Non-achievement is due to slow performance of the Contractor	The slow performance warning was issued to the contractor which means the contractor was put under Terms and Conditions according to GCC (General Conditions of Contract). Municipality will do Close Monitoring and will do more regular site visit/inspection like weekly to trace the program/recovery plan of the contractor.
TS 03: 90% Construction of Makhawula/ Ntaphuka Community Hall (Plastering, Plumbing works, Electrical works, Paving and Fencing) completed: Slow performance of the Contractor.	Contractor was put on terms and conditions in of GCC - Intention to terminate was issued and close monitoring of the project is being done. The project will be completed in August 2024 Quarter 1 - 2024-25.
TS 05: 95% Construction of Ndwedwe Municipal Offices Phase 2 (Plastering, Plumbing works, Electrical works, Paving and Fencing) completed: Rainfall conditions delayed the project.	Close monitoring on the listed completion activities will be done - Paving, Septic tank activities will be completed August 2024 Quarter 1.

TS 28: Disaster and Emergency Services Establishment ward 15: Appointment of Contractor delayed due to new Panel of Contractors being challenged through Objection by one of Service Providers submitted bidding.	Contractor was appointed after objection finalized, the activities that was not achieved (complete Foundation) will be completed in Quarter 1: 2024-25 and close monitoring by PMU will be done.
TS 29: INEP Electrification Ward 05 Appointment of Contractor delayed due to new Panel of Contractors being challenged through Objection by one of Service Providers submitted bidding.	Contractor was appointed after objection finalized, the activities that was not achieved will be completed in Quarter 1: 2024-25 and close monitoring by PMU will be done.
TS 30: Sambaba Access Road Ward 06 Appointment of Contractor delayed due to new Panel of Contractors being challenged through Objection by one of Service Providers submitted bidding.	Contractor was appointed after objection finalized, the activities that was not achieved (Road base layers) will be completed in Quarter 1: 2024-25 and close monitoring by PMU will be done
TS 31: Nhlangwini Access Road Ward 01 Appointment of Contractor delayed due to new Panel of Contractors being challenged through Objection by one of Service Providers submitted bidding	Contractor was appointed after objection finalized, the activities that was not achieved (Road base layers) will be completed in Quarter 1: 2024-25 and close monitoring by PMU will be done
TS 32: Ndwedwe Town Access Road Ward 15 Contractors stopped working due to non-payment by DTIC (Department of Trade, Industry & Compensation) which is the co-funding of R50 000 000.00 approved for the project to support the Ndwedwe Shopping Centre Ward 15.	Payment claims has been consolidated, submitted to DTIC for payment and payment expected by 30 June 2024. Activities will be completed in Quarter 1: 2024-25, on-going talks with DITC for payment continue and close monitoring on the project is done.

3.4 ECONOMIC DEVELOPMENT AND PLANNING

The table below indicates the status of the total number of targets for Quarter 4.

TOTAL KPI's	TARGETS MET	TARGETS NOT MET	%TOTAL TARGETS MET
16-5(N/A) =11	10	01	91%

TABLE 6: PERFORMANCE OF TARGETS

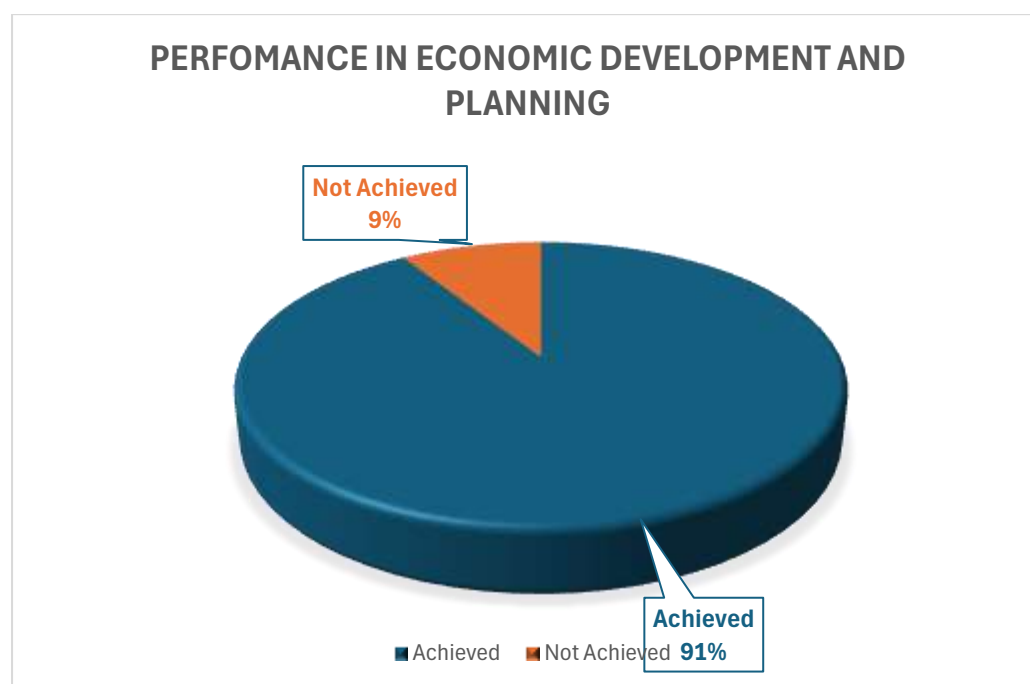


Figure 5: PERFORMANCE IN THE ECONOMIC DEVELOPMENT AND PLANNING

➤ HIGHLIGHTS AND PROGRESS ON ACTUAL PERFORMANCE

- 1 Farmers market was held on 3 May 2024.
- 14 Cooperatives supported.
- 12 Quarterly SMMEs supported.
- 1 Quarterly Housing Forum meeting was held on 10 April 2024.
- 1 Quarterly LED Forum meeting held on 7 May 2024.
- 100% Bhamshela regeneration Development (Identification of new encroached development, re-submission and consolidation) to be completed.
- 1 Final Spatial Development Plan developed and approved by Council on 28 June 2024.
- 1 Final LED Strategy reviewed and approved by Council.
- 1 Draft and Final Housing Sector Plan reviewed and approved by Council on 28 June 2024.
- 1 Progress Reports on Risk Management was submitted.

➤ CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE

CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
EDP 14: The Final Agricultural Plan target was not met and workshopped to Council due to Budget constraints the Plan was not held in June 2024 as scheduled.	The Plan will be workshopped to Council on 5, 6 and 7 August 2024 and approved by Council in the quarter 1 on 28 August 2024.

3.5 FINANCE DEPARTMENT

The table below indicates the status of the total number of targets for Quarter 4.

TOTAL KPI's	TARGETS MET	TARGETS NOT MET	%TOTAL TARGETS MET
15- 4(N/A) =11	11	0	100%

TABLE 7: PERFORMANCE OF TARGETS



FIGURE 6: PERFORMANCE IN THE FINANCE DEPARTMENT

➤ HIGHLIGHTS AND PROGRESS ON ACTUAL PERFORMANCE

- 1 MFMA Quarterly report submitted.
- 1 Final Budget and related policies was approved by Council on 22 May 2024.
- 78% of Revenue collected.
- 1 Supplementary Valuation Roll finalised.
- 1 Quarterly Screening of Suppliers from SCM Database generated.
- 1 Quarterly SCM report submitted.
- 31 Days taken for trade creditors paid.
- 120 days cash on hand on Liquidity Management (Pg 7 of MFMA circular 71).
- 2.73 Current Ratio.
- 43% Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100 Remuneration costs.
- 1 Quarterly progress Reports on Risk Management submitted.

3.6 COMMUNITY AND SOCIAL SERVICES DEPARTMENT

The table below indicates the status of the total number of targets for Quarter 4.

TOTAL KPI's	TARGETS MET	TARGETS NOT MET	%TOTAL TARGETS MET
38 - 21 (N/A) =17	17	0	100%

TABLE 8: PERFORMANCE OF TARGETS

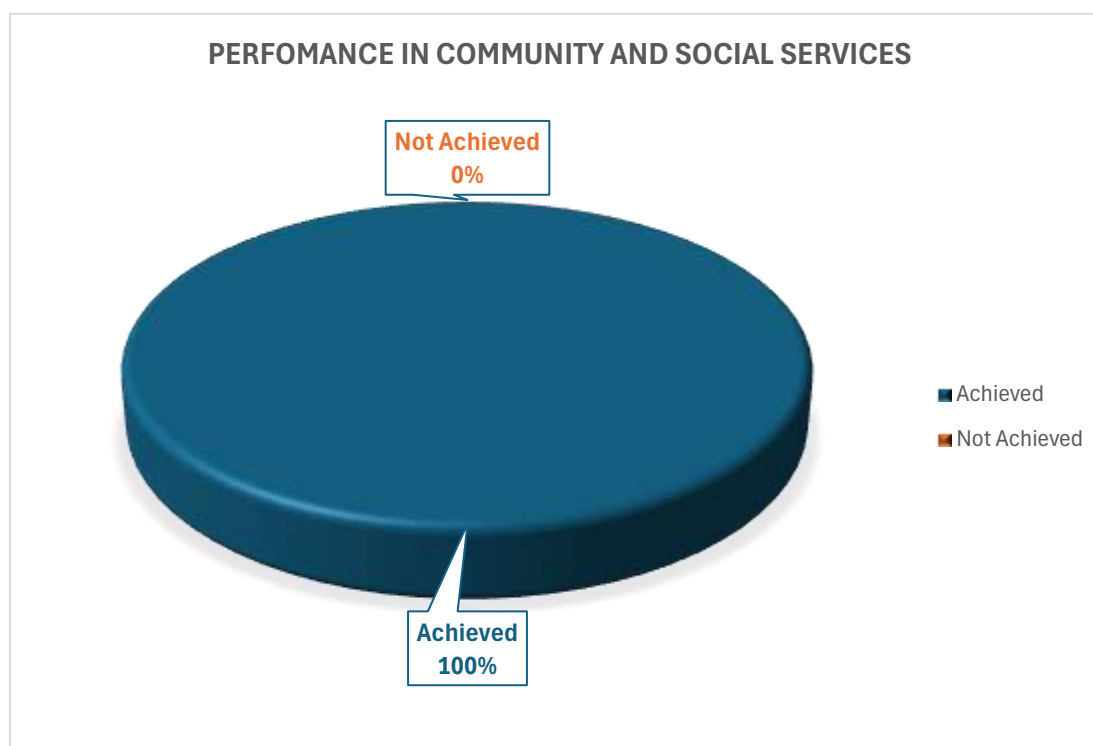


FIGURE 7: PERFORMANCE IN THE COMMUNITY SERVICES

➤ HIGHLIGHTS AND PROGRESS ON ACTUAL PERFORMANCE

- 75 Municipal Waste collections.
- 1 Cemeteries Business Plan Developed.
- IWMP reviewed and approved by Council.
- 1 Disability programme held on 23/05/2024.
- 1 Senior Citizens program held on the 12 June 2024.
- 1 Election prayer was held on 09/05/2024.
- 1 Civil Society meeting held on 10/06/2024.
- 1 Child protection was held on 17/05/2024.
- 1 OSS/LTT Meeting was held on 08/05/2024.
- 10 Disaster awareness campaigns held on 10,11,12/04/2024, 23/05/2024, 05/06/2024, 14/05/2024, 11/06/2024, 10/05/2024, 23/05/2024, 23 May 2024
- 1 Advisory forum meeting was held on 12/06/2024.
- 3 Monthly reports submitted to the district disaster management centre.
- 1 Disaster sector plan approved by Council on 22 May 2024.
- 5 Sport Development programs submitted.
- 5 Youth Dev programs held on - 24/04/24, 07/05/24, 05/04/24, 13/06/24, 26/04/24.
- 1 Youth Council meeting held on 21/06/2024.
- 1 Quarterly Progress Reports on Risk Management submitted.

CONCLUSION

The performance management system continues to improve, and management is gradually getting familiar with the system and where target is not met, meaningful corrective measures are stated to ensure that these tools are really assisting the management and adding value in streamlining their work. The Municipality overall Quarter 4 performance was satisfactory for all departments.

The Ndwedwe Local Municipality wishes to reinforce its commitment and dedication in ensuring the service delivery and changing the lives of the people within our local Municipality.

ANNEXURE A:

- ORGANISATIONAL, SCORECARD AND TOP LAYER SDBIP FOR OFFICE OF THE MUNICIPAL MANAGER
- TECHNICAL SERVICES - DEPARTMENTAL SDBIP
- FINANCE DEPARTMENT - DEPARTMENTAL SDBIP
- CORPORATE SERVICES - DEPARTMENTAL SDBIP
- LOCAL ECONOMIC DEVELOPMENTAL - DEPARTMENTAL SDBIP
- COMMUNITY AND SOCIAL SERVICES DEPARTMENTAL SDBIP