PHOKWANE MUNICIPALITY

ANNUAL PERFORMANCE REPORT
2022/2023

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1. **PURPOSE**

1.1 The purpose of this report is to inform Council regarding the progress made with the implementation of the Key Performance Indicators (KPI) in the realisation of the development priorities and objectives as determined in the Municipality's Integrated Development Plan (IDP) as well as the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) of the 2022/23 financial year.

2. **LEGISLATIVE REQUIREMENTS**

a. The SDBIP is defined in terms of Section 1 of the Local Government: Municipal Finance Management Act, 56 (Act 56 of 2003) (MFMA), and the format of the SDBIP is prescribed by the MFMA Circular 13.

b. Section 41 (1)(e) of the Local Government: Municipal System Act, 32 (Act 32 of 2000) (MSA), prescribed that a process must be established of regular reporting to Council.

c. This report is a rent in terms of Section 52 of the MFMA which provide for:

- The Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality.
- The Accounting Officer; while conducting the above must take into account:
  - ✓ Section 71 Reports.
  - ✓ Performance in line with the Service Delivery and Budget Implementation Plans (SDBIP).

3. **BACKGROUND TO THE FORMAT AND MONITORING OF THE SDBIP**

3.1 Format

a. The municipality's SDBIP consists of a Top Layer (TL) as well as a Departmental Plan for each Department.

b. For purposes of reporting, the TL SDBIP is used to report to Council and the Community on the organisational performance of the Municipality.

c. The Top Layer SDBIP measures the achievement of performance indicators with regards to the provision of basic services as prescribed by Section 10 of the Local Government: Municipal Planning and Performance Regulations of 2001. National Key Performance Areas and Strategic Objectives as detailed in the Integrated Development Plan (IDP) of the Phokwane Municipality. The Top Layer SDBIP 2022/23 was approved by Council on 22 June 2022.

d. The departmental SDBIP measures the achievement of performance indicators that have been determined with regard to operational services delivery within each department and have been aligned with the Top Layer SDBIP. The Departmental Plans have been approved by the Municipal Manager.

e. The Annual Performance Assessment Report is structured to report on the five (5) Municipal Key Performance Areas.

f. The overall assessment of actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology.

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g. Performance reports on the Top Layer SDBIP is submitted to the Mayoral Committee and Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis (Annual amendments to the Top Layer SDBIP must be approved by the Council following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget).
h. This non-financial part of the report is based on the Top Layer SDBIP 2022/2023 and comprises the following:
- Summary of the overall performance of the Municipality in terms of the National Key Performance Areas of Local Government.
- Summary of the overall performance of the Municipality in terms of the five (5) Municipal Key Performance Areas; and
- A detailed performance review per Municipal Key Performance Area (MKPA)

3.2 Monitoring

a. The Municipality utilises the manual way of updating actual performance on monthly basis by entering data into the computer using Spreadsheet and Word Processing.
b. Deadline for every month is between the 10th and 15th day for updates of the previous month's actual performance as a control measure to ensure that performance is updated and monitored on a monthly basis. This is to ensure that the level of performance is consistent for a particular period in the various levels at which reporting takes places.

4. ACTUAL PERFORMANCE FOR 2022/23 FINANCIAL YEAR

4.1 The Top Layer SDBIP contains performance indicators per Municipal Key Performance Area and comments with corrective measures with regard to targets not achieved.

4.2 This is a detailed analysis of actual performance for the financial year of 2022/23.

Colour	Category	Explanation
	KPI Not Yet Measured	KPI's with no targets or actual results for the selected period.
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved.
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved.
	KPI Extremely Well Met	Actual vs. target more than 150% achieved.

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ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED

KEY PERFORMANCE AREA (KPA): INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote										
KPA	**Institutional Development and Transformation**									
Department	**Corporate Services**									
Strategic Objective	**Strategy**	**Baseline 2021/22**	**Key Performance Indicators**	**Budget**	**Annual Performance Target**	**Annual Performance Actual**	**Performance Colour Coding**	**Reason For Deviation**	**Remedial Action**	**Portfolio of Evidence**
To improve organisational cohesion and efficiency	To develop work skills plan	Submitted on the 23/04/2022	Submit workplace skills plan to LGSETA	None	30/04/2023	30/04/2023	KPI Met	None	None	Workplace skills plan and Acknowledgement of Receipt
	To develop an annual training report	Submitted on the 23/04/2022	Submit annual training report to LGSETA	None	30/04/2023	30/04/2023	KPI Met	None	None	Annual training report and Acknowledgment of Receipt
	To fill vacant posts	0% of vacant post were filled during 2021/22 FY	Vacant posts to be filled	OpEx	100% of budgeted posts to be filled	13%	KPI Not Met	HR Unit not functional	To firstly fill in the HR Manager position to ensure effectiveness of the HR Unit	Employment Contract
	To conduct skills need analysis	Submitted on the	Development of skills audit report	OpEx	31/01/2023	31/01/2023	KPI Met	None	None	Skill Audit Report

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		15/03/2022								
	To foster a food relationship with organized labour forum	4 LLF meeting conducted during 2021/22 FY	To conduct Local Labour Forum meetings	OpEx	4	0	KPI Not Met	Due to change in Political Leadership, Chairperson of a relevant subcommittee	Council has elected a stable leadership to chair the committee	Attendance Register and Minutes
		HR plan was reviewed during 2021/22 FY	To review HR plan	OpEx	31/03/2023	31/03/2023	KPI Met	None	None	HR Plan and Council Resolution
To provide a reliable and effective IT system	Monitoring and enforcement of telecommunications and financial systems	New indicator	Monitoring of performance of ISP, Telecommunication and Financial System	OpEx	36 audit trails	36 audit trails	KPI Met	None	None	Audit trail report
	Ensure availability of regular back-up recording of all critical electronic system	12 back-up done during 2021/22 FY	To run back-up	OpEx	200	0	KPI Not Met	This is due breakdown of the Server	To purchase a new Server	Back-up email confirmation
	To ensure effective functioning of ICT committee in the municipality	0 meetings conducted during 2021/22 FY	To conduct meeting with Service Providers	OpEx	4	4	KPI Met	None	None	Attendance Register and Minutes

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		100% purchase of approved requests in 2021/22 FY	To purchase approved requested computers, laptops and printers for Line Managers	R250 000	100%	100%	KPI Met	None	None	Delivery Note
		New Indicator	To purchase a Projector by 31/12/2022	R20 000	31/12/2022	31/12/2023	KPI Met	None	None	Delivery Note
		New Indicator	To procure Access Control System	R440 000	100%	0%	KPI Not Met	Delay in procurement process	To be catered for during the next financial year.	Completion Letter

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KEY PERFORMANCE AREA: BASIC SERVICES

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote										
KPA	**Basic Services**									
Department	**Technical Services**									
Strategic Objective	**Strategy**	**Baseline 2021/22**	**Key Performance Indicators**	**Budget**	**Annual Performance Target**	**Annual Performance Actual**	**Performance Colour Coding**	**Reason For Deviation**	**Remedial Action**	**Portfolio of Evidence**
To ensure and facilitate access to electricity to all formal areas	To provide electricity to households	New Project	To electrify Utlwanang Settlement	R147 062.15	100%	100%	KPI Met	None	None	Progress Report
		New Project	To electrify Guldenskat	R5 000 000	100%	100%	KPI Met	None	None	Progress Report
		Phase 1 done	To electrify Nkandla – 264 Stands	R6 600 000	100%	100%	KPI Met	None	None	Progress Report
To ensure public lighting	To ensure public lighting	New Project	To install high mast lights in Pampierstad & Ganspan	R629 895.46	8 highmast lights	8 highmast lights	KPI Met	None	None	Progress Report
To provide water & sanitation to all within the municipal area	To upgrade bulk water supply	New Project	Feasibility Study of Bulk Water System for Jan Kempdorp and Ganspan in providing its water supply areas with water of acceptable quality and quantity on a	R500 000	100%	100%	KPI Met	None	None	Completion Report

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			sustainable basis							
		New Project	Feasibility Study of Bulk Water System for Hartswater in providing its water supply areas with water of acceptable quality and quantity on a sustainable basis	R500 000	100%	100%	KPI Met	None	None	Completion Report
		New Project	Upgrade of Existing Asbestos Water Reticulation Network in Pampierstad-Phase 5 AND Remedial Works on 10ML Reservoir and Related Bulk Water Distribution pipelines in Pampierstad	R21 338 523.59	100%	100%	KPI Met	None	None	Progress Report

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		New Project	New Pump station and Related Bulk Sewer Outfall Lines in Masakeng (BUSINESS PLAN	R3 275 861.40	100%	100%	KPI Met	None	None	Approved Business Plan
		90% during 2021/22 FY	Repairs and Maintenance Works to Phokwane Municipality Water Treatment Facilities	R3 105 250.00	10%	10%	KPI Met	None	None	Completion Report
		90% during 2021/22 FY	Augmentation and Realignment of Water Supply in Ganspan	R170 000.00	10%	10%	KPI Met	None	None	Completion Report
	To refurbisih wastewater treatment works and pump stations	New Project	Upgrade of Waste Water Pumpstations and Bulk Outfall Lines in Pampierstad	R10 000 000.00	100%	100%	KPI Met	None	None	Progress Report
		New Project	Upgrade of Waste Water Pumpstations and Bulk Outfall Lines	R10 000 000.00	100%	100%	KPI Met	None	None	Progress Report

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			in Pampierstad							

KEY PERFORMANCE AREA: BASIC SERVICES

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote										
KPA	**Basic Services**									
Department	**Community Services**									
Strategic Objective	**Strategy**	**Baseline 2021/22**	**Key Performance Indicators**	**Budget**	**Annual Performance Target**	**Annual Performance Actual**	**Performance Colour Coding**	**Reason For Deviation**	**Remedial Action**	**Portfolio of Evidence**
To ensure and facilitate access to electricity to all formal areas	To provide electricity to households	No households were connected during 2021/22 FY	To connect households with electricity	OpEx	95 Households	66 Households	KPI Almost Met	Limited electrical equipment. Households' members not available during the day	To procure enough equipment. To send notices to community members.	Progress Report
		New Project	To procure water meters	R3 902 598.00	100%	100%	KPI Met	None	None	Progress Report
	To comply with Blue / Green Drop Certification	216 samples done during 2021/22 FY	To conduct water sample testing	OpEx	216 samples	216 samples	KPI Met	None	None	Report
To ensure a sustainable, clean and healthy environment	To ensure that landfill site is licensed	1 landfill site licensed during 2021/22 FY	To licensed landfill sites	OpEx	1	1	KPI Met	None	None	Report

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	Conduct environmental education and awareness programmes	2 Awareness conducted during 2021/22 FY	To conduct an awareness on environmental education	OpEx	2	2	KPI Met	None	None	Report
	To assess the impact on leachate ground water quality	12 Awareness conducted during 2021/22 FY	To do testing of water samples	OpEx	12	12	KPI Met	None	None	Report
To facilitate the provision of recreational and sports facilities in the municipal areas	To ensure that there is regular engagement with the sector department for development of Educational Facilities	12 Awareness conducted during 2021/22 FY	To conduct engagement meetings	OpEx	12	12	KPI Met	None	None	Report
To promote public safety on public roads	To conduct safety awareness programmes	4 Awareness conducted during 2021/22 FY	To conduct awareness programme on safety	OpEx	4 awareness programmes	4 awareness programmes	KPI Met	None	None	Report
		4 Roadblocks conducted during 2021/22 FY	To conduct roadblocks on safety	OpEx	4 awareness programmes	4 awareness programmes	KPI Met	None	None	Report

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KEY PERFORMANCE AREA: LOCAL ECONOMIC DEVELOPMENT

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote										
KPA	**Local Economic Development**									
Department	**Community Services**									
Strategic Objective	**Strategy**	**Baseline 2021/22**	**Key Performance Indicators**	**Budget**	**Annual Performance Target**	**Annual Performance Actual**	**Performance Colour Coding**	**Reason For Deviation**	**Remedial Action**	**Portfolio of Evidence**
To create an enabling environment for economic transformation, growth, tourism and agriculture	To support SMME's	New Project	To provide women with seeds and garden tools	OpEx	31/12/2022	31/12/2022	KPI Met	None	None	Report
		New Project	To assist number of emerging farmers in various aspects (Both financial and non-financial)	OpEx	60 small scale farmers	60 small scale farmers	KPI Met	None	None	Attendance register / Report / Photos and any other documents developed, e.g. Business Plans, etc
To create a conducive environment for enterprise development	To conduct workshop and capacity building for SMME's	New Project	Number of workshop and capacity building programmes for SMME's	OpEx	3	3	KPI Met	None	None	Attendance register / Report / Photos and any other documents developed, e.g. Business Plans, etc

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	To conduct LED Expo	0 LED Expo conducted during 2021/22 FY	LED Expo (digital) to provide platforms for SMME to exhibit their products	R15 000	2	2	KPI Met	None	None	Attendance register / Report / Photos and any other documents developed, e.g. Business Plans, etc
	To conduct tourism campaigns	0 Tourism Campaign conducted during 2021/22 FY	Number of tourism campaigns	R35 000	1	1	KPI Met	None	None	Attendance Register or Report
	To create job opportunities and skills development	New Project	Number of Interns assisted with being placed on an apprenticeship programme	OpEx	16	16	KPI Met	None	None	Employment list, contracts and report
	To establish business support facilities	New Project	Implementation of the establishment of Small Business Stalls in Jan Kempdorp	OpEx	30 June 2023	30 June 2023	KPI Met	None	None	Report

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KEY PERFORMANCE AREA: MUNICIPAL FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote										
KPA	**Municipal Financial Management and Financial Viability**									
Department	**Finance**									
Strategic Objective	**Strategy**	**Baseline 2021/22**	**Key Performance Indicators**	**Budget**	**Annual Performance Target**	**Annual Performance Actual**	**Performance Colour Coding**	**Reason For Deviation**	**Remedial Action**	**Portfolio of Evidence**
To promote sustainable and sound financial management	To improve a collection rate 2022/202\3	43% collection rate during 2021/22 FY	Collection rate based on billing amount versus payment received	OpEx	50%	50%	KPI Met	None	None	Payment Level Report
	To review financial policy	15 financial policies reviewed and approved during 2021/22 FY	Financial polices to be reviewed and be approved by Council	OpEx	15 policies	15 policies	KPI Met	None	None	Council Resolution & Approved Policies
	To ensure a compliance with legislation	AFS were not submitted timeously during 2021/22 FY	Timeous submission of Annual Financial Statements to the Office of AG	OpEx	15/08/2022	15/08/2022	KPI Met	None	None	Submission Register
		12 Section 71 Reports submitted during 2021/22 FY	Number of Section 71 Reports submitted to the office of the Municipal Manager,	OpEx	12 Section 71 Reports	12 Section 71 Reports	KPI Met	None	None	National Treasury acknowledgement of receipt

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			National and Provincial Treasury within 10 days after the end each month (Income and expenditure reports)							
		4 Section 11 Reports submitted during 2021/22 FY	Number of Section 11 (Quarterly Withdrawals) Report submitted to the office of the Municipal Manager, National and Provincial Treasury within 30 days after the end of each Quarter	OpEx	4 Section 11 Reports	4 Section 11 Reports	KPI Met	None	None	National Treasury acknowledgement of receipt
		4 Section 52 Reports submitted during 2021/22 FY	Number of Section 52 Reports submitted to the office of the Municipal Manager, National and Provincial Treasury	OpEx	4 Section 52 Reports	4 Section 52 Reports	KPI Met	None	None	National Treasury acknowledgement of receipt

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			within 10 days after the end each month (Income and expenditure reports)							
		Draft budget was submitted timeously during 2021/22 FY	Timeous Tabling 2023/2024 of draft budget to council	OpEx	31/03/2023	31/03/2023	KPI Met	None	None	Draft Budget and Council Resolution
		Final budget was submitted timeously during 2021/22 FY	Timeous submission of 2022/2023-2023/2024 final budget to Council	OpEx	30/06/2023	30/06/2023	KPI Met	None	None	Final Budget and Council Resolution
		Turn around was 90 days during 2021/22 FY	Improvement on Turn-around time on SCM processes	OpEx	90 days turn around time	90 days turn around time	KPI Met	None	None	Documents on appointed tenders
		4 quarterly reports submitted during 2021/22 FY	Number of quarterly reporting	OpEx	4 quarterly reports	4 quarterly reports	KPI Met	None	None	Quarterly Reports
		Mid year reports submitted to the Accounting Officer during 2021/22 FY	Mid-year report submitted to the Accounting Officer	OpEx	1 Mid year report	1 Mid year report	KPI Met	None	None	Mid year Reports

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		Regulation 6 reports submitted to the Mayor during 2021/22 FY	Number of Regulation 6 reports submitted to the Mayor	OpEx	4 Regulation 6 reports	4 Regulation 6 reports	KPI Met	None	None	Regulation 6 Reports
		Monthly reports submitted to Treasury during 2021/22 FY	Number of Monthly reports submitted to Treasury within 10 days after the end of the month of all tenders awarded by the municipality	OpEx	12 Monthly reports	12 Monthly reports	KPI Met	None	None	Monthly Reports
		31% of Budget spent during 2021/22 FY	% of Budget spent on capital projects on the IDP and SDBIP	OpEx	90%	90%	KPI Met	None	None	Expenditure Report
		58% of Budget spent during 2021/22 FY	% of Operational budget spent on the IDP and SDBIP	OpEx	100%	100%	KPI Met	None	None	Expenditure Report
		Creditors were not paid within 30 days of receipt of valid invoices	% of Payment to creditors within 30 days of receipt of valid invoice	OpEx	100%	100%	KPI Met	None	None	Creditors Ageing Analysis Report

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		during 2021/22 FY								
		New Project	Reconciliation of the Valuation roll to the financial system	OpEx	1 Valuation Roll	1 Valuation Roll	KPI Met	None	None	Progress Report
		4 bi-monthly returns were submitted during 2021/22 FY	Number of VAT bi-monthly returns submitted	OpEx	6 VAT Bi-monthly returns	6 VAT Bi-monthly returns	KPI Met	None	None	Progress Report
		12 bank reconciliations prepared during 2021/22 FY	Number of bank reconciliations prepared within 20 Days of the following month	OpEx	12 bank reconciliations	12 bank reconciliations	KPI Met	None	None	Signed bank reconciliations
		Timeous preparation of asset reconciliation was done during 2021/22 FY	Number of Asset reconciliation prepared between General ledger and the Asset register	OpEx	30/06/2023	30/06/2023	KPI Met	None	None	Annual Asset Register

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		1 verification was conducted during 2021/22 FY	Number of Assets verification conducted	OpEx	2 verifications	2 verifications	KPI Met	None	None	Annual Asset Register
		Adjustment budget was tabled timeously during 2021/22 FY	Timeous submission of Adjustment budget to Council for approval	OpEx	28/02/2023	28/02/2023	KPI Met	None	None	Adjustment Budget and Council Resolution
		Indigent register was available during 2021/22 FY	Availability of Indigent register	OpEx	31/07/2023	31/08/2023	KPI Met	None	None	Indigent Register

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KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote										
KPA	Good Governance and Public Participation									
Department	Office of the Municipal Manager & Political Office									
Strategic Objective	**Strategy**	**Baseline 2021/22**	**Key Performance Indicators**	**Budget**	**Annual Performance Target**	**Annual Performance Actual**	**Performance Colour Coding**	**Reason For Deviation**	**Remedial Action**	**Portfolio of Evidence**
To create a conducive environment for community participation in the affairs of the municipality	To ensure that community are participating in the affairs of the municipality	7 meetings held during 2021/22 FY	Number of IDP ward consultative meetings held	OpEx	10 meetings	10 meetings	KPI Met	None	None	Attendance Registers
		No Mayoral Imbizo held during 2021/22 FY	Number of Mayoral Outreach Programs (Imbizo) conducted	OpEx	2 Imbizos	0 Imbizo	KPI Not Met	Due to lack of political stability	Council to elect stable leadership	Attendance Register
	Conduct Customer satisfaction survey	No survey conducted during 2021/22 FY	Number of community satisfaction surveys conducted on service delivery	OpEx	2 surveys	0 surveys	KPI Not Met	Lack of transport and budget	To be rectified during the next financial year, by allocating vehicle to the Office of the MM	Survey Report

To uphold the principles of good governance in the structures of the municipality - **(COMMUNICATION S**	To conduct radio talkshows	2 talkshows conducted during 2021/22 FY	Number of talk shows conducted	OpEx	2 talk shows	2 talk shows	KPI Met	None	None	Report
	To publish municipal newsletter	2 newsletters developed during 2021/22 FY	Number of Internal Newsletter	OpEx	4 newsletters	4 newsletters	KPI Met	None	None	Newsletter
		No newsletters developed during 2021/22 FY	Number of External Newsletter	OpEx	2 newsletters	2 newsletters	KPI Met	None	None	Newsletter
To uphold the principles of good governance in the structures of the municipality - **(IDP & PMS)**	Tabling of process plan to council for approval	Process plan was timeously submitted during 2021/22 FY	Timeous submission of the 2023/2024 IDP Process Plan to Council	OpEx	31/08/2023	31/08/2023	KPI Met	None	None	IDP Process Plan and Council Resolution
	To review the IDP	Draft IDP was timeously submitted during 2021/22 FY	Timeous tabling of the 2023/2024 Draft IDP to Council	OpEx	31/03/2023	31/03/2023	KPI Met	None	None	Draft IDP and Council Resolution

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		Final IDP was timeously submitted during 2021/22 FY	Timeous submission of the 2023/2024 Final IDP to Council for adoption	OpEx	31/05/2023	31/05/2023	KPI Met	None	None	Final IDP and Council Resolution
		Rep forum meetings were not held during 2021/22 FY	Number IDP Rep Forum Meetings Convened	OpEx	2 Rep forum meetings	0 Rep forum meeting	KPI Not Met	Sector departments don't adhere to invites	HOD of department to be contacted to raise concern in this regard	Attendance register and Minutes
		2 performance agreements signed during 2021/22 FY	Number of Performance Agreements Signed by Senior Managers	OpEx	5 Performance Agreements	3 Performance Agreements	KPI Not Met	Other posts of senior managers are still vacant	Senior manager posts to be filled	Signed performance agreements
		4 performance reviews conducted during 2021/22 FY	Timeous submission of Departmental Quarterly Performance Reviews performed per Municipal Department	OpEx	4 performance reviews	4 performance reviews	KPI Met	None	None	Attendance Register and Minutes

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CONCLUSION

Out of 75 Key Performance Indicator, 66 were met, 08 were not met, 01 was almost met. There are remedial actions in order to address deviations occurred which led to lack of performance or partial performance.

Other pressing issue that led to under and or no performance, is the challenge on resources and an unfunded budget that the municipality is encountering.

29/09/2023

MADODA VILAKAZI

ACTING MUNICIPAL MANAGER