

# BA-PHALABORWA LOCAL MUNICIPALITY



## 2022-2023 FOURTH QUARTER PERFORMANCE REPORT



*"Provision of quality services for community well-being and tourism development"*

The Home of Marula and Wildlife Tourism

# Contents

## 1. Introduction

The development, implementation and monitoring of a Service Delivery and Budget Implementation Plan (SDBIP) is required by the Municipal Finance Management Act (MFMA). In terms of Circular 13 of National Treasury, “the SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other, as required by the MFMA.”

As the budget gives effect to the strategic priorities of the municipality it is important to supplement the budget and the IDP with a management and implementation plan. The SDBIP serves as the commitment by the Municipality, which includes the administration, council and community, whereby the intended objectives and projected achievements are expressed in order to ensure that desired Projections over the long term are achieved and these are implemented by the administration over the next twelve months.

The SDBIP provides the basis for measuring performance in service delivery against quarterly targets and implementing the budget based on monthly projections. Circular 13 further suggests that “the SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers, and community.”

## 2. Legislation

The Municipal Finance Management Act (MFMA) defines a Service Delivery and Budget Implementation Plan (SDBIP) as: a detailed plan approved by the mayor of a municipality in terms of section 53 (1) (c) (ii) for implementing the municipality’s delivery of municipal services and its annual budget, and which must indicate-

- (a) Projections for each month of-
  - (i) Revenue to be collected, by source; and
  - (ii) Operational and capital expenditure, by vote;
- (b) Service delivery targets and performance indicators for each quarter

Section 53 of the MFMA stipulates that the Mayor should approve the adjusted SDBIP within 28 days after the approval of the adjusted budget. The Mayor must also ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the adjusted SDBIP are made public within 14 days after their approval.

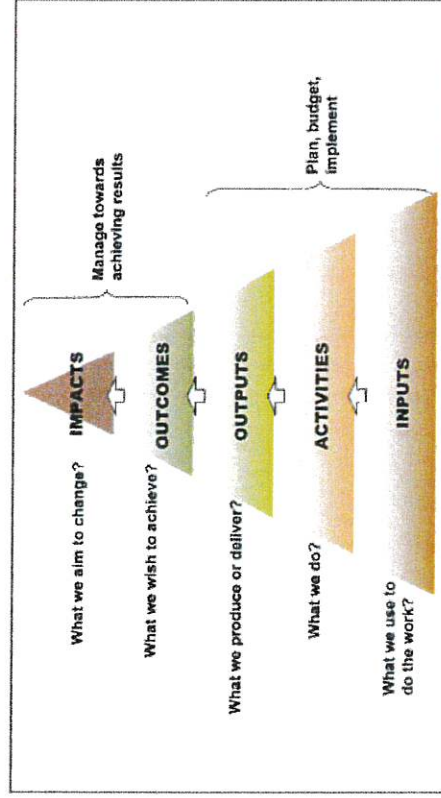
The following National Treasury prescriptions, in terms of MFMA Circular 13, are applicable to the Ba-Phalaborwa Local Municipality:

1. Monthly projections of revenue to be collected by source
2. Monthly projections of expenditure (operating and capital) and revenue for each vote<sup>1</sup> \*
3. Quarterly projections of service delivery targets and performance indicators for each vote
4. Ward information for expenditure and service delivery
5. Detailed capital works plan broken down by ward over three years

### 3. Methodology and Content

The development of the SDBIP was influenced by the Priorities, Strategic Objectives and Strategies contained in the IDP ensuring progress towards the achievement thereof. The SDBIP of the Ba-Phalaborwa Local Municipality (BLM) is aligned to the Key Performance Areas (KPA) as prescribed by the Performance Management Guide for Municipalities of 2001, with the addition of Spatial Rationale as another KPA to be focused upon.

The methodology followed by BLM in the development of the SDBIP is in line with the Logic Model methodology proposed by National Treasury as contained in the Framework for Managing Programme Performance Information.





#### 4. Strategic Intent

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**Vision:**

***“Provision of quality services for community well-being and tourism development***

**Mission:**

***“To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and accountable governance”.***

**Values**

- Efficiency and effectiveness;
- Accountability;
- Innovation and creativity;
- Professionalism and hospitality;
- Transparency and fairness;
- Continuous learning and
- Conversation conscious

**Strategic objectives:**

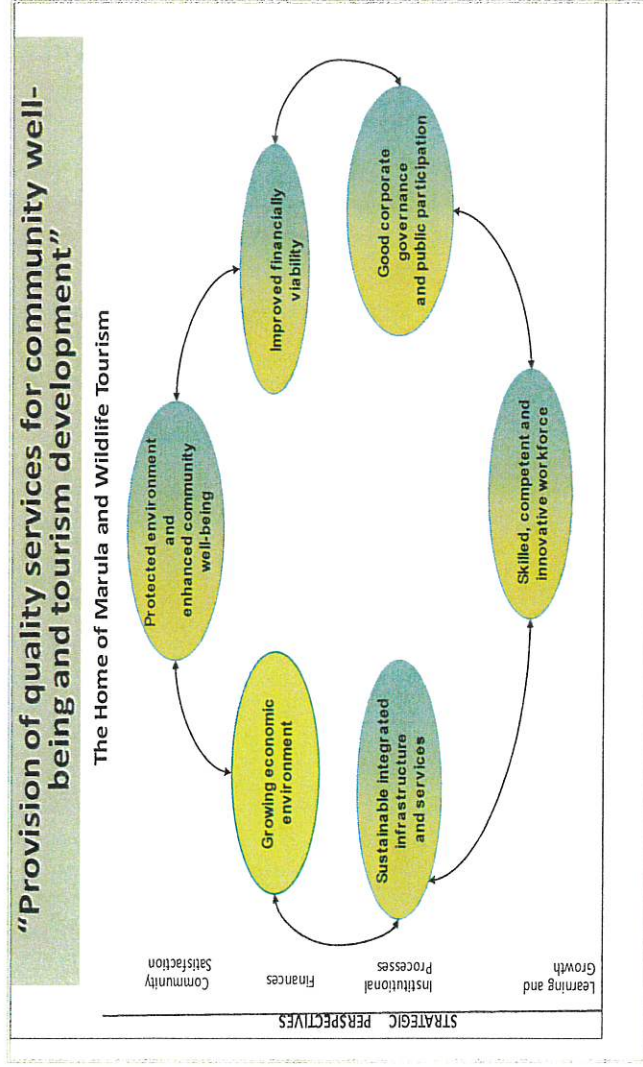
- Promotion of local economy
- Provision of sustainable integrated infrastructure land services
- Sustain the environment
- Improve financial viability
- Good corporate governance and public participation and
- Attract, develop and retain best human capital



Slogan:

**“The home of Marula and wildlife tourism”**

The strategic objectives are spread across the four perspectives as indicated through the strategic map below:



# **ACCOUNTING OFFICER'S ASSESSMENT OF PERFORMANCE**

## **1. BACKGROUND OF THE REPORT**

Section 72 of the Local Government: Municipal Finance Management Act, 56 of 2003, requires that the accounting officer of a municipality must by the end of each quarter assess the performance of the municipality and submit a report on each assessment to the mayor of the municipality; the National Treasury; and the relevant provincial treasury.

In terms of Section 72 (2) of the Act, a statement compiled in terms of the provisions of Section 71(1) accompanies this report.

## **2. MUNICIPAL FOURTH QUARTER PERFORMANCE AS PER THE ASSESSMENT**

The municipality used the top layer SDBIP as approved for implementation during the 2022/23 financial year. The SDBIP is used as a performance monitoring tool for the implementation of the IDP and Budget. The performance target reflected in the SDBIP is as per the IDP objectives. The Administration component is responsible for implementation of the SDBIP and the Political component is responsible for providing oversight. This is done through regular reporting to Council.

Key Performance Area	Fourth Quarter Target	Target Achieved	Target not Achieved	Target not Performed	% Achievement
Spatial Rationale	2	2	0	0	100%
Basic Services Delivery	12	10	2	0	83%
Municipal Financial Viability	9	8	1	0	89%
Local Economic Development	4	4	0	0	100%
Municipal Transformation and Institutional Development	7	7	0	0	100%
Good Governance and Public Participation	34	31	2	1	91%
<b>Total</b>	<b>68</b>	<b>62</b>	<b>5</b>	<b>1</b>	<b>91%</b>

- For the period under review the municipality had 6 key performance areas with a total number of 68 key performance indicators for the 2022/23 Fourth quarter. The municipality managed to record good performance on 62 key performance indicators, which constituted 91% and 1 indicator not performed constituting 1%, and poor performance recorded was on 5 key performance indicators which constituted 8%. The poor performance is recorded on the following 5 key performance indicators:
  1. Number of households receiving free basic electricity.
  2. Number of kilometres of gravel road upgraded to tar road (1km target).
  3. Percentage of Debt collection.
  4. Number of HR Policies reviewed.
  5. Number of Labour Law meeting held.
- The performance scorecard has indicated the challenges and intervention to correct the poor performance.



### Monthly projections of revenue for each source

Sources of Revenue	Actual (30 June 2022)	Annual Target (01 Jul 2022- 30 June 2023) (R'000)	Annual Actual Performance (R'000)	Variance (R'000)	Remarks	Challenges	Corrective Measures	Evidence required
Property Rates	133,293	173,240	169,772	(3,468)	Variance not material	None	None	Finance report
Service charges – electricity	113,307	152,547	125,091	(27,456)	None	low collection on electricity due to illegal connection	Continue to investigate and Audit electricity meters	Finance report
Service Charges – Refuse	17,385	19,726	18,602	(1,124)	Variance not material	None	None	Finance report
Rental of Facilities and Equipment	205	209	515	306	None	None	None	Finance report
Interest on external Investments	2,434	2,481	4,017	1,536	None	More income received from call accounts	More interest earned on investment	Finance report
Interest Earned – Outstanding Debtors	53,098	59,140	53,301	(5,840)	The interest earned on outstanding debtors was over budgeted.	Reversal of interest in the form of settlement	Furthermore, interest is also reversed (in a form of discount) when customers settle accounts, and the council has rebates on property rates & also indigent subsidy which reduce the interest charged	Finance report
Fines	598	1,295	43	(1,251)	None	Low Collection of Fines due to unemployment	The traffic fines were under collected due to culture on non-payment of traffic fines by the offenders	Finance report
Licenses and Permits	20,358	5,802	8,500	2,698	None	None	None	Finance report
Agency services	21,601	6,200	0	(6,200)	Reconciliation is done at year end	Reconciliation is done at year end	None	Finance report
Transfers recognised - operational	182,025	193,844	195,151	1,307	None	Deviation not material Two internally funded projects approved and only one has been implemented and the other one was non-responsive after the tender processes	None	Finance report
Transfers recognised – capital	47,368	42,377	42,559	182	Spend as per the plan			Finance report
Other Revenue	10,677	8,077	1,322	(6,754)	None	Low collection on interest earned on outstanding debtors	Pool of debt collectors have been appointed	Finance report
<b>Total Revenue by Source</b>	<b>602,352</b>	<b>664,938</b>	<b>618,873</b>	<b>(46,065)</b>				



**Monthly projections of Expenditure (Operating and Capital) and Revenue by vote: Annual 2022/23**

Expenditure and Revenue by Vote	Opex Actual (30 June 2022)	Opex Annual Target (01 Jul 2022 – 30 Jun 2023) (R'000)	Opex Actual performance (R'000)	Opex Remarks/challenges /corrective measures	Capex Actual (30 June 2022)	Capex Annual Target (01 Jul 2022 – 30 Jun 2023) (R'000)	Capex Actual performance	Capex Remarks/challenges/corrective measures	Revenue Actual (30 June 2021)	Revenue Annual Target (01 Jul 2022 – 30 Jun 2023) (R'000)	Revenue Actual performance	Revenue Remarks/challenges/corrective measures	Evidence required
Executive and council	35,597	38,046	42,576	None									Finance report
Budget and Treasury	229,145	90,181	64,335	Low Expenditure affected by non-spending on other line items			364,367		410,365	418,201	410,365	None	Finance report
Corporate Services	52,916	57,853	55,636	None		1,500	1,447	None	248	209	818	None	Finance report
Community and Social Services	16,660	13,431	12,708	Low Expenditure affected by non-spending on other line items		1,000		None	181	180	267	None	Finance report
Public Safety	39,409	383	30,155	None					19,994	5,802	8,500	None	Finance report
Economic and Environmental	47,798	7,982	38,893	Low Expenditure affected by non-spending on other line items			30,600			290	201	None	Finance report
Road Transport	86,733	50,556	114,844	Waiting to process year end Journals for the depreciation at year end	(6)	26,100	22,669	None	30,153	43,740	37,585	None	Finance report
Electricity	166,358	151,224	172,720	Waiting to process year end Journals for the depreciation at year end	(396)	8,277	7,006	None	146,027	165,352	134,748	None	Finance report
Waste Management	22,515	4,577	4,878	None					25,611	31,163	26,390	None	Finance report
<b>Total by Vote</b>	<b>661,565</b>	<b>508,860</b>	<b>575,965</b>		<b>(402)</b>	<b>36,877</b>	<b>31,122</b>		<b>617,180</b>	<b>664,938</b>	<b>618,873</b>		

Detailed Institutional Performance Results for 2022/23 Fourth Quarter per Key Performance Areas

<i>Under-Performance</i>	0 - 49%
<i>Partially achieved</i>	50 - 74%
<i>Good Performance</i>	75 - 100%
<i>Over achieved</i>	Over 100%
<i>Non-Performance</i>	

Note:

1. Over achievement Standards does not apply to compliance targets
2. Over achievement standards applies to service delivery targets and core business of the municipality



# **KPA 1: Spatial Rationale**

KPA 1: Spatial Rationale

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/22)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter Target (1 April - 30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance				
<b>1.1 Spatial Planning</b>															
1.1.1	Governance and Administration	Sustain the environment	Number of supplementary valuation roll reviewed by 30/06/2023	Senior Manager Planning & Development	1	1	OPEX	1	1	0	0	Advertised and Gazetted	None	None	Supplementary valuation roll and Council resolution
1.1.2	Governance and Administration	Sustain the environment	Turnaround time of land use & development applications submitted to Mopani Planning Tribunal by 30/06/2023.	Senior Manager Planning & Development	Within 60 days of received	Within 90 days of received	OPEX	Within 90 days of received	2 Applications were received and submitted within 90 days received	0	All applications received processed within 90 days	None	None	Submission Register to Mopani Planning Tribunal	

# **KPA 2: BASIC SERVICE DELIVERY**



KPA 2: SERVICE DELIVERY

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/22)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections			Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter Target (1 April - 30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance				
<b>2.1 Electricity</b>														
2.1.1	Technical infrastructure	Provision of sustainable integrated infrastructure and service	% on reduction of electricity losses each quarter by 30/06/2023	Senior Manager Technical Services	4,2%	4%	OPEX	4%	17,7%	13,7%	Improvement recorded is because of meter audit conducted	None	None	BPM billing to consumers. Eskom billing and Distribution loss
2.1.2	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on electricity capital funding spent per quarter by 30/06/2023	Senior Manager Technical Services	R9 144 353,11	R8 000 000,00	INEG EESDM	R8 000 000,00	R7 999 676,00	R324,00	Allocated amount was spent accordingly	None	None	Payment Certificates and Expenditure Reports
2.1.3	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Number of HH with access to electricity in Municipal Licenced area (Phalaborwa Town) by 30/06/2023	Senior Manager Technical Services	5274	4167	INEG	4167	3931	236	The billing information for listing of the number of households with access to electricity had duplicates	Previous listing submitted had duplicates households.	Duplicates of 236 of households were removed	Households list on conventional and pre-paid



2.1.4	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Number of indigent HH receiving free basic electricity by 30/06/2023	Chief Financial Officer	506	333	OPEX	333	419	+86	The indigent register was reviewed and updated through ward councillors initiative which caused an increase in the number of indigent customers	None	None	Indigent register and proof of payment to Eskom
<b>2.2 Roads &amp; Storm Water</b>														
2.2.1	Technical infrastructure	Provision of sustainable integrated infrastructure and services	Number of kilometres of gravel roads upgraded to tar by 30/06/2023. (Benfarm Upgrading of street 1km)	Senior Manager Technical Services	0.8 km	1Km	CAPEX	1km	0km	-7 km	Physical progress is 28.58% entailing of the following components, site establishment 50%, cut to fill/spoil: 84.66%, in situ roadbed 82.4%, selected layers 74.9%, subbase 35.1 %	The contractor is behind schedule	Contractor submitted project recovery plan.	Payment Certificates and Expenditure Reports
2.2.2	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on roads capital funding spent per quarter	Senior Manager Technical Services	R25 752 300.12	R26 100 000.00	CAPEX	R26 218 078.48	R118 078.48	Projects utilized their allocations	none	none	none	Payment Certificates and Expenditure Reports









## **KPA 3:**

# **MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**



KPA 3: Municipal Financial Viability and Management

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/23)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance				
<b>3.1 Financial Management</b>															
3.1.3	Good governance and administration	Good corporate governance and public participation	Number of approved 2023/24 Final Budget by Council by 31/05/2023 (1 month before the start of the new financial year)	Municipal Manager	1	1	OPEX	1	1	0	Final budget was approved by council on 29 May 2023.	None	None	Final Budget approved by Council and Council resolution.	
3.1.4	Good governance and administration	Good corporate governance and public participation	Number of reviewed budget related policies by 30/06/2023	Chief Financial Officer	23	23	OPEX	23	23	0	23 Policies were approved by council.	None	None	Approved budget related policies and Council resolution	
3.1.6	Governance and administration	Improve financial viability	Number of quarterly movable asset verifications conducted by 30/06/2023	Chief Financial Officer	4	4	OPEX	1	1	0	None	None	None	Quarterly assets verifications reports	
3.1.7	Governance and administration	Improve financial viability	Number of monthly strings uploaded using the LG Portal within 10 days at the end of each month. Treasury by 30/06/2023	Chief Financial Officer	12	12	OPEX	12	12	0	None	None	None	Monthly strings, Proof of submission within 10 days.	



KPA 3: Municipal Financial Viability and Management

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/23)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance	Fourth Quarter Actual Performance				
3.1.8	Governance and administration	Improve financial viability	% of improvement in revenue collection monthly (improvement from 65 to 80% by 30/06/2023 budget year	Chief Financial Officer	65%	80%	OPEX	80%	78%	-2%	None	High number of customers with illegal connections	Develop a Revenue Protection Unit	Quarterly reports on revenue collection	
3.1.9	Governance and administration	Improve financial viability	% of Debt collected by 30/06/2023	Chief Financial Officer	3%	50%	OPEX	50%	8%	-42%	Lack of Capability to Enforce Credit Control	High number of customers with illegal connections	Establish a Revenue protection unit	Quarterly reports on debt collection	
3.1.11	Good governance and administration	Improve financial viability	Expenditure spent quarterly on MIG by 30/06/2023	Chief Financial Officer	R40 918 404.00	R34 377 000.00	CAPEX	R6 009 000.00	R15 603 765.80	R9 597 765.80	Allocation was spent in full	None	None	MIG monitoring report/payment certificates/G grant reconciliation.	
3.1.12	Good governance and administration	Improve financial viability	% of quarterly Municipal Capital Budget spent by 30/06/2023	Chief Financial Officer	98%	100%	OPEX	100%	89%	11%	Target was not reached due to non-implementation of one	Insufficient funds	LEDET will be funding the municipality for designs. PMC has been approached	Finance reports	



KPA 3: Municipal Financial Viability and Management

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/23)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance	Fourth Quarter Actual Performance				
3.1.13	Good governance and administration	Improve financial viability	% of quarterly Municipal Personnel Budget spent by 30/06/2023	Chief Financial Officer	87%	100%	OPEX	100%	83%	17%	Municipal Personnel Budget was not 100% spent.	The target for spending was not reached due low overtime claimed and filling of vacant positions	The municipality prioritise critical positions to be filled each financial year.	Expenditure report	

## **KPA 4:**

# **LOCAL ECONOMIC DEVELOPMENT**



KPA 4: Local Economic Development															
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/22)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance				
<b>4.1 Job creation</b>															
4.1.1	Economic	Promotion of local economy	Number of jobs created quarterly through capital Projects by 30/06/2023 (Temporary jobs)	Senior Manager Technical Services	44	70	CAPEX	70	84	+14	More jobs opportunities were created by the contractors	None	None	Certified ID copies, payment registers and employment contracts	
4.1.3	Economic	Promotion of local economy	Number of quarterly LED Forums meetings held by 30/06/2023.	Senior Manager Planning and Development	1	4	OPEX	1	1	0	LED Forum meetings held.	None	None	Invitations, Attendance register and minutes.	
<b>4.2 Enterprise Support</b>															
4.2.1	Economic	Promotion of local economy	Number of SMMEs supported quarterly through the municipal SCM (procurement) by 30/06/2023	Chief Financial Officer	241	200	OPEX & CAPITAL	200	459	259	None	None	None	System generated Expenditure report with SMMEs supported.	
4.2.2	Economic	Promotion of local economy	Number of activities	Senior Manager	2	4 Tourism	OPEX	2 Rand	2	0	Rand Show and Durban	None	None	Invitations, Attendance	



KPA 4: Local Economic Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/22)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections					Evidence Required		
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance	Remarks	Challenges		Interventions	
		economy	promoting and marketing Bahlamborwa Municipality as a tourist destination	Planning and Development		month activities Marula Activities Rand Easter and Durban Indaba		Easter Show and Durban Indaba				Indaba activities held			register, reports

**KPA 5:**

**Municipal Transformation and  
Institutional Development**



KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/22)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance					
<b>5.1 Organisational Design &amp; Human Resource</b>															
5.1.1	Good governance and administration	Attract, develop, and retain best human capital.	Number of reviewed Municipal Organizational structure by 30/06/2023	Senior Manager Corporate Services	1	1	OPEX	1	1	0		2023/2024 Organizational Structure was approved on the 25/05/2023, as per Council Resolution No. 274/23	None	None	Council Resolution on Reviewed organizational structure with dates.
5.1.2	Good governance and administration	Good corporate governance and public participation	Number of HR Policies Reviewed by 30/06/2023	Senior Manager Corporate Services	9	6	OPEX	6	0	-6		Draft reviewed policies were developed	Delays in the finalisation of the consultation process by the LLF.	The Policies will be tabled to Council for approval by 30 July 2023,	Council Resolutions on Reviewed policies and copies of Reviewed Policies.
5.1.3	Good governance and administration	Attract, develop, and retain best human capital	Number of prioritised vacant positions to be filled per quarter by 30/06/2023	Senior Manager Corporate Services	55	20	OPEX	20	20	0		20 Positions were filled as per planned target	None	None	Approved Memo on critical positions and Appointment letters



KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/22)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required		
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance						
<b>5.2 Employment Equity</b>																	
5.2.1		Good corporate governance and public participation	Implementation of EEP on Post Level 0,2,3 by 30/06/2023	Senior Manager Corporate Services	2	1	OPEX	1	2	1	1	1	0	Chief Electrical Engineer and Manager PMU Appointed, however the Chief Electrical Engineer resigned in November 2022 and the position has been re-advertised.	None	None	Implement action report on the Equity Plan
<b>5.3 Skills Development</b>																	
5.3.1	Good governance and administration	Attract, develop and retain best human capital	Number of Reviewed and submitted Skills Development	Senior Manager Corporate Services	1	1	OPEX	1	1	1	1	0	0	WSP was submitted on the 28th of April	None	None	WSP & proof of submission to LG SETA



KPA 5: Municipal Transformation and Institutional Development

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/22)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance	Fourth Quarter Actual Performance variance				
5.3.2	Good governance and administration	Attract, develop, and retain best human capital	Plan by 30/04/2023( Number of people trained in terms of Work Skills Plan) Amount of Municipal budget allocated and spent on work skills development per quarter 30/06/2023( 1% legislation)	Senior Manager Corporate Services	R2 041 777.00	R1 644 881.06	OPEX	R411 220,265	R487 050.00	R75 829.74	Some of the trainings were conducted in-house	The trainings were conducted in-house not outside the municipal area which contributed less expenditure on amount allocated for skills development	In future proper training tracking income and expenses will be conducted	Expenditure reports; implementation reports	
5.5 OHS															
5.5.1	Good governance and administration	Good corporate governance and public participation	Number of schedule Institutional OHS quarterly meetings held by 30/06/2023	Senior Manager Corporate Services	4	4	OPEX	1	1	0	One meeting was held: 12/04/2023	None	None	Quarterly Reports, minutes, and attendance registers	



## **KPA 6:**

# **GOOD GOVERNANCE & PUBLIC PARTICIPATION**



KPA 6: Good Governance and Public Participation

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/22)	Annual Target (30/06/23)	Budget	2022/23 Quarterly Projections				Remarks	Challenges	Interventions	Evidence Required
								Fourth Quarter target (1 April-30 June 23)	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance	Fourth Quarter Actual Performance variance				
<b>6.1 Council and Executive Management</b>															
6.1.1	Good governance and administration	Good corporate governance and public participation	Number of scheduled quarterly Council meetings held by 30/06/2023	Senior Manager Corporate Services	14	6	OPEX	6	16	10	6 Ordinary 10 Special Council meetings were held	None	None	Minutes of council meetings, attendance registers	
6.1.2	Good governance and administration	Good corporate governance and public participation	Number of scheduled monthly Exco meetings by 30/06/2023	Senior Manager Corporate Services	16	11	OPEX	11	17	6	12 Ordinary 5 Special meetings were held.	None	None	Minutes of EXCO meetings, attendance registers	
6.1.3	Good governance and administration	Good corporate governance and public participation	Number of scheduled quarterly MPAC meetings held as per legislation by 30/06/2023	Municipal Manager	14	4	OPEX	4	13	9	4 Ordinary 9 Special meetings were held.	None	None	Council Approved MPAC meetings/Attendance registers	
6.1.4	Good governance and administration	Good corporate governance and public participation	% of MPAC quarterly Resolutions implemented by 30/06/2023	Municipal Manager	53%	100%	OPEX	100%	100%	0%	Implement MPAC resolutions	None	None	Resolution register and POE to support resolutions implemented.	
6.1.5	Good governance and administration	Good corporate governance	Number of scheduled monthly	Municipal Manager	14	12	OPEX	12	15	3	12 ordinary 3 Special meetings were	None	None	Minutes of Senior Management	



	administration	and public participation	Senior Management meetings held by 30/06/2023										held			meetings, attendance registers
6.1.6	Good governance and administration	Good corporate governance and public participation	Number of scheduled monthly Portfolio Committee meetings held by 30/06/2023	62	55	OPEX	55	62	+7				55 Ordinary 7 Special meetings were held	None	None	Minutes of Portfolios meetings, attendance registers
<b>6.2 Public Participation and Ward Committees</b>																
6.2.1	Good governance and administration	Good corporate governance and public participation	Number of IDP REP Forum meetings held by 30/06/2023	2	4	OPEX	1	1	0				IDP Rep Forum Meeting was held during the fourth quarter	None	None	Attendance registers, agendas, invitations
6.2.2	Good governance and administration	Good corporate governance and public participation	Number of IDP Steering Committee meetings held by 30/06/2023	4	4	OPEX	1	1	0				IDP Steering Committee Meeting was held during the fourth quarter	None	None	Attendance registers, agendas, invitations
6.2.3	Good governance and administration	Good corporate governance and public participation	Number of scheduled and convened monthly ward Committee meetings by 30/06/2023 (Functionality of ward committees)	New	209	OPEX	57	57	0				57 monthly ward committee Meetings were held accordingly	None	None	Minutes and attendance register
6.2.4	Good governance and administration	Good corporate governance and public participation	Number of quarterly Mayoral Izimbizos and public participation by	4	4	OPEX	1	1	0				Izimbizo held as planned	None	None	Public notice and community inputs reports



6.2.5	Good governance and administration	Good corporate governance and public participation	% of complains resolved quarterly by 30/06/2023	Senior Manager Technical Services	76%	100%	76%	100%	OPEX	100%	72%	28%	Most complains are for the basic services	Old electrical, sewer and water infrastructure and shortage of personnel.	Refurbishment of the network infrastructure and culture and filling of vacant positions to improve the turnaround time.	System generated Complain register,
<b>6.3 Corporate Governance</b>																
6.3.1	Good governance and administration	Good corporate governance and public participation	Number of Audit Committee quarterly meetings held by 30/06/2023	Municipal Manager	10	7	OPEX	7	13	+6	7 Ordinary 6 Special meetings were held	None	None	Copies of approved minutes, attendance registers		
6.3.2	Good governance and administration	Good corporate governance and public participation	Number of Reviewed and approved of 2023/24 Audit Charter by 30/06/2023	Municipal Manager	1	1	OPEX	1	1	0	AC Charter was approved on the 29 June 2023 Council resolution 304/23	None	None	Approved Audit Committee Charter and council resolution		
6.3.3	Good governance and administration	Good corporate governance and public participation	Number of Audit-Steering Committee quarterly meetings held by 30/06/2023	Municipal Manager	22	24	OPEX	24	24	0	19 Management ASC 5 EXCO Steering Committee	None	None	Approved minutes and attendance registers. (Exco and Management)		
6.3.4	Good governance and administration	Good corporate governance	Number of Risk-based Audit Plan	Municipal Manager	1	1	OPEX	1	1	0	AC Charter was approved on the 29 June	None	None	Approved Risk-based audit plan.		



6.3.5	Good governance and administration	Good corporate governance and public participation	% Implementation of IA Plan by quarter by 30/06/2023	Chief Executive Audit	100%	100%	100%	100%	100%	100%	100%	100%	100%	0	2023 Council resolution 304/23	Report to be presented to AC on the 24 <sup>th</sup> of July 2023	None	None	Audit Committee Report to Council with progress on Internal Audit Plan.
6.3.6	Good governance and administration	Good corporate governance and public participation	% Implementation of Internal Audit Action Plan by 30/06/2023	Municipal Manager	82%	100%	100%	100%	86%	14%	100%	100%	100%	14%	Management is in the process of addressing 14% not implemented findings	None	None	Internal Audit Follow-up Report	
6.3.7	Good governance and administration	Good corporate governance and public participation	Number of quarterly Audit Performance Reports presented to Council by 30/06/2023	Chief Executive Audit	5	4	4	5	5	+1	4	4	5	4 ordinary 1 ordinary	AC Reports presented to Council on: 29 November 2022 20 December 2022 20 January 2023 30 January 2023 29 June 2023	None	None	Audit Committee Reports and Council Resolution number for presentation of the report to Council	
6.3.8	Good governance and administration	Good corporate governance and public participation	% implementation of Audit Committee Resolutions	Municipal Manager	91%	100%	100%	99%	99%	1%	100%	100%	99%	1%	1 % pertains to irregular expenditure investigation and indigent Registration which is in progress	None	None	Audited Audit Committee Resolution Register	



6.3.12	Good governance and administration	Good corporate governance and public participation	% of implementation in AG Action Plan by 30/06/2023	Municipal Manager	18%	80%	OPEX	80%	26%	The planned 80% will be achieved by 31 August 2023	30% of the findings are addressed but must be reflected on the draft AFS to confirm their implementation in full.	The Draft AFS will be tabled to Audit Committee on the 29 <sup>th</sup> of August 2023. After this date progress will be confirmed by Internal Audit.	Audited AG Action Plan and Portfolio of Evidence
6.3.13	Good governance and administration	Good corporate governance and public participation	Number of monthly Local Labour Forum meetings held by 30/06/2023	Senior Manager Corporate Services	19	11	OPEX	11	2	9	Eight (08) LLF meetings were convened however, only two (02) meetings were successfully held and six (06) were unsuccessful, due to lack of quorum which led to postponement of the meeting.	Members of the LLF need to be trained on how to solve their differences during the LLF meetings. Utilization of other structures such as the Bargaining Councils to	LLF minutes and attendance register.







6.5.1	Good governance and administration	Provision of sustainable integrated infrastructure and services	Number of quarterly outreach programmes conducted by 30/06/2023	Municipal Manager	5	10	OPEX	10	13	+3	10 ordinary 3 special Over performed due to programme demand and support from implementing partners	None	None	Outreach programmes reports.
<b>6.6 Security management</b>														
6.6.1	Governance and Administration	Good corporate governance and public participation	Number of quarterly Security Management reports for Safeguarding of Council Assets by 30/06/2023	Municipal Manager	4	4	OPEX	1	1	0	4 <sup>th</sup> quarter reports were tabled in council.	None	None	Security Management Reports
<b>6.7 Disaster Management</b>														
6.7.1	Governance and Administration	Good corporate governance and public participation	Number of quarterly disaster awareness campaigns conducted by 30/06/2023	Municipal Manager	4	4	OPEX	1	1	0	The activities undertaken were joint operation with the District as per agreement	None	None	Invitations, Agenda, Attendance registers and reports
<b>6.8 Performance Management System</b>														
6.8.5	Good governance and administration	Good corporate governance and public participation	Number of Draft 2023/24 SDBIP submitted to the Mayor for approval by 14/06/2023( 14 days after the adoption of the IDP and Budget)	Municipal Manager	1	1	OPEX	1	1	0	Submitted to the Mayor 14 days after the approval of IDP and Budget.	None	None	2023/24 Draft SDBIP approved by the Mayor (Signed and Dated)
6.8.6	Good	Good	Number of	Municipal	1	1	OPEX	1	1	0	2023/24	None	None	2023/24



	governance and administration	corporate governance and public participation	approved Final 2023/24 SDBIP (28 days after the adoption of the IDP and Budget) approved by mayor	Manager														SDBIP was Signed by the Mayor on 27 July 2023			Final SDBIP approved by the Mayor (Signed and Dated)
<b>6.9 Integrated Development planning</b>																					
6.9.3	Governance and Administration	Good corporate governance and public participation	Number of 2023/24 Final IDP approved by Council 28/05/2023	Municipal Manager	1	1	OPEX	1	1	1	0							Final 2023/24 IDP was approved by council on the 30th of May 2023	None	None	Council resolution (Council approve 2023/24 Final IDP)
<b>6.10 Communication</b>																					
6.10.1	Governance and Administration	Advance good corporate governance	Number of Communication Strategy reviewed and approved by Council by 30/06/2023	Municipal Manager	1	1	OPEX	1	1	1	0							Communication strategy was approved by council on the 30th of May 2023	None	None	Approved Communication strategy and Council resolution
6.10.2	Governance and Administration	Advance good corporate governance	% for submission of information for publishing on the website as according to legislation checklist by 30/06/2023	Municipal Manager	100%	100%	OPEX	100%	100%	100%	0%							All documents were published on municipal website as per legislation checklist	None	None	Legislation checklist
6.10.3	Governance and Administration	Advance good corporate governance	Number of quarterly Local Communicators Forum held by 30/06/2023	Communication manager	4	4	OPEX	1	1	1	0							The meeting was held as per the plan	None	None	Invitations, Minutes, and attendance registers



**CAPITAL PROJECTS PER RESPONSIBLE  
MANAGER**



Responsible Manager	Project Name	Total Capital Budget (R'000)	Adjusted Budget	Planned Start Date	Planned Completion Date	Ward No.	Fourth Quarter target (1 April -30 June 23)	Fourth Quarter Actual Performance	Remarks	Challenges	Quarterly Outputs 2022/23	
											Corrective Measures/ Interventions	Evidence required
<b>Waste Management</b>												
Senior Manager Technical Services	Establishment of new land fill site (Phalaborwa)	R1 000 000.00	R0	01/07/22	30/06/23	all	Completion.	R0	The bids for the design, supervision and monitoring of the new landfill site were advertised but quoted above the budget.	Insufficient funds	LEDET will be funding the municipality for designs. PMC has been approached for funding the construction of the landfill.	Bid Committees minutes and registers, advertisements. Final detailed design reports
<b>INEG (Electrification)</b>												
Senior Manager Technical	Electrification	R8 000 000.00	R0	01/07/22	30/06/23		R7 999 727.32	R7 999 676.00	Construction Completed awaiting Eskom to update electrical Network Schematics (ENS) and book closing span	None	None	Bid Committees minutes and registers, advertisements. Final detailed design reports. Completion certificate
<b>MIG</b>												
Senior Manager Technical	Refurbishment of Namakgale stadium	R 5 357 000.00	R 7 457 000.00	01/07/22	30/06/23		Construction and Site Meetings	R7 338 918.00	MIG The project is at 56% physical progress, made up of the following major components. Demolitions 90%, Grandstand 100%, Palisade fence 100%, Paving and parking 85%, Multipurpose courts 55%	Contractor abandoned site due to lack of funds	Forward planning for next financial year	Progress reports and completion certificate
Senior Manager Technical	Tambo Upgrading of Street phase 2	R200 000.00	R 2 200 000.00	01/07/22	30/06/23		Completion	R3 322 549.00	Project is completed and under defects liability period	Project is completed and under defects liability period	None	Progress reports, completion certificate and payment certificate



Senior Manager Technical	Benfarm upgrading of street	R.10 000 000.00	R.8 000 000.00	01/07/22	30/06/23		Construction and Site Meetings	R 6 877 448.00	Physical progress is 28.58%, entailing of the following major components Site establishment 50%, Cut to fill/spoil 84.66%, In-situ roadbed 82.4%, selected layers 74.9%, subbase 35.1%	Project is behind schedule	Contractor to come up with an acceleration plan to recover lost time	Advertisement, site meetings and progress reports and completion certificate.
Senior Manager Technical	Installation of storm water culverts in Mashishimale Lejori ,Makhushane ,Access bridge to cemetery Humulani and Lulekani	R 18 000.000.00	R.15 900 000.00	01/07/22	30/06/23		Project complete	R 16 018 082.00	Three culverts Mashishimale Lejori, Makhushane, Access bridge to cemetery Humulani) were completed and have reached practical completion. Lulekani Culvert was advertised	Late appointment	Advertisement of bids	Minutes of bid committees and advertisement, Progress reports and payment certificates.



# Assessment for service providers

## Ratings

Rating	Description of rating
1	Poor Performance
2	Fair Performance
3	Good Performance
4	Very Good Performance
5	Performance Above Expectations

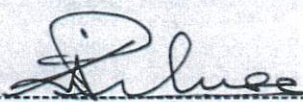
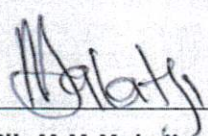


Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider
Prepaid Electricity Vending	Selling Prepaid Electricity Tokens	CIGICELL	Own	March 2023	February 2025		In Progress	None	Very Good
Meter reading	Reading Water & Electricity Meters	SEMS	Own	October 2022	September 2024		In Progress	None	Very Good
Debt Collection	Enforcing Credit Control Measures	NOKO MAIMELA	Own	November 2022	October 2024		In Progress	None	Good
Financial Management System	Acquisition of Enterprise Management System for a period of three (3) years	CCG Systems	Ba-Phalaborwa Municipality	August 2021	August 2024	R 14 571 893.46	In Progress	No Challenges	Good
LED Strategy review	Reviewing of the Local Economic Development Strategy	Ntityiso Consulting	Internal Funding	July 2022	March 2023	R543 200.86	Completed	None	Good
Preparation of FAR and AFS	Provision of professional services for the preparation of Annual Financial Statements and Compilation of Asset register for period of three years	Sempro Consulting	Ba-Phalaborwa Municipality	July 2021	June 2024	R 13 839 275.00	In Progress	No Challenges	Good
Prepaid Electricity	Online Vending system, third party vending for a period of three years	Cigicell (Pty) Ltd	Ba-Phalaborwa Municipality	February 2020	February 2023	3% excluding VAT	In Progress	No Challenges	Good
Debt Collection	Provision of debt collection services for Ba-Phalaborwa Municipality for a period of three (3) years	Noko Maimela	Ba-Phalaborwa Municipality	June 2022	June 2025	8,5_ %	In Progress	No Challenges	Good
Provision of service to the waste disposal site in Ba-Phalaborwa	Compaction, dust suppression, excavation and hauling of gravel material for cover in the landfill site (operation, maintenance, and management of the landfill site)	Mamayila trading enterprise	Ba-Phalaborwa Municipality	01 October 2022	31 September 2025	Operational budget	There is daily operation which is done according to the requirements of landfill site license, but with a limited/few number of landfill machinery.	There was lack of proper compaction and covering of waste on the landfill site. The smoke was observed during landfill inspection after the site was	Fair



Valuation roll	Supplementary valuation	DDP Valuers	BPM	04 January 2019	13 December 2022	R150 000.00	100%	Supplementary Valuation roll was approved by Council May 2023	Good
Conveyancing of properties	Transferring of properties Namakgale C.	Mahumani conveyancers	BPM	01 May 2018	31 June 2024	R1 500 000.00	60%	None	Good
Refurbishment of Namakgale stadium	Renovations and extensifs	TP NOKO	MIG	01 March 2021	17 October 2023	R44 941 439,69	53%	Stoppages of works due to late payments of local labourers and sub-contractors	Poor
Upgrading of Benfarm Phase2	Upgrading from gravel to tar	Risima Project managers	MIG	14 November 2022	22 March 2024	R30 420 000.00	31.6%	Contractor behind schedule	Poor
Tambo upgrading of streets	Upgrading from gravel to tar	Tshiamiso trading	MIG & Internal funding	09 June 2020	31 August 2022	R50 200 292.59	100%	Project completed	Good
Installation of stormwater culvert in Mashishimale to Lejori, Makhushane, Plumulani and Lulekani	Construction of culvert	RM Mashaba Dinikong	MIG & Internal funding	03 October 2022	28 June 2024	R28 000 000.00	75%	Three culverts are completed. Lulekani culvert is on evaluation stage	Good
Selwane sports complex	Construction of sports facility	Nandzu trading	MIG	11 September 2021	30 June 2023	R45 518 378.36	100%	Project is completed	Good



<p><b>Monitoring implementation of the SDBIP</b></p>	<p>Fourth Quarter Performance Report is hereby compiled in terms of Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. This report covers the performance information from 01 April 2023 to 30 June 2023 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP). This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2022/2023.</p>
	<p>Progress against the objectives set out in the SDBIP will be monitored and reported on a monthly, quarterly, half-yearly and annual basis.</p>
<p><b>Signatures</b></p>	<p style="text-align: center;"><b>2022-23 Fourth Quarter</b></p> <p style="text-align: center;"><b>Compiled by:</b></p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">   <hr style="border-top: 1px dashed black;"/> <p><b>Dr KKL Pilusa</b> Municipal Manager</p> </div> <div style="text-align: center;"> <p>31/08/2023</p> <hr style="border-top: 1px dashed black;"/> <p><b>Date</b></p> </div> </div>  <p style="text-align: center;"><b>Approved by</b></p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">   <hr style="border-top: 1px solid black;"/> <p><b>Cllr M M Malatji</b> Mayor</p> </div> <div style="text-align: center;"> <p>31/08/2023</p> <hr style="border-top: 1px solid black;"/> <p><b>Date</b></p> </div> </div>



# Annexure A

## Methodology

Ba-Phalaborwa Municipality uses the cumulative method on reporting the actual on the Service Delivery Budget Implementation Plan.

## Technical Definitions

### AFS

AFS stands for Annual Financial Statements

### BPM

BPM stands for Ba-Phalaborwa Municipality

### HH

Household

### Baseline

The performance of the previous year

### Urban Areas

The urban areas refers to Phalaborwa, Namakgale, Lulekani and Gravelotte.

### Reduction in water losses

This is calculated as follows:  $\text{Lepelle bill less BPM bill} / \text{Lepelle bill} \times 100$ .

### Reduction in electricity losses

This is calculated as follows:  $\text{Eskom bill less BPM bill} / \text{Eskom bill} \times 100$ .

### 2.1 Kilometres of roads upgrade from gravel to tar/paving

This relates 0.8 Benfarm, 0.7 km of Tambo phase 1 and 0.6 Tshelang kgape

### Rehabilitation

Replacement of old road surface (tar) with a new one.



**Site Establishment/ Set-up Construction Site**

Arrangement of offices, bringing the machinery and equipment onsite.

**Tourism Initiatives Activities**

**September Tourism Month** – Spring Day, Orchid Show, Heritage Day Celebration, 2 Tourism workshops and Marathon.

**Tourism Indaba** – Procurement of promotional materials

**SMME- Small, Micro, Medium Enterprise**

**SPLUMA – Spatial Planning Land Use Management Act 2013**

**No. SPLUMA Applications**

Number of development (land use) applications received/ applications processed in terms of SPLUMA