2021
2022

AMATHOLE
DISTRICT MUNICIPALITY

SIYAKUKHONZA

VISION 2058
BUILDING A SMART DISTRICT

Draft unAudited Annual Report and Annual Financial Statements

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

INTRODUCTION

The overall ADM performance results reflect a score of 119 out of 167 as per regulations. The score includes both the Institutional Service Delivery & Budget Implementation Plan (SDBIP) performance and Core Competency requirements (CCR) of the Municipal Manager.

Compared to year-on-year performance, as per the table below there has been a significant improvement in the Organisational Performance being from 113 targets in the last financial year to 119 in the current year.

There has been an improvement in the Municipal Transformation KPA from 75% to 90%, basic Service Delivery gas dropped from 87% to 37%. Economic Development has maintained the 100% for the 2020.21 financial year.

In the Municipal Financial Viability Cluster The has also been a drop from 80% to 45% and the GGP has maintained the 86%.

In terms of the overall score it is the same with the 2020.21 financial year being 119. There are a number of variances that are looked at on the scoring being CCR, KPA weights and the total number of KPIs.

COMPARISON OF ADM'S CURRENT PERFORMANCE WITH PREVIOUS 2 FINANCIAL YEAR'S PERFORMANCE

ANNUAL PERFORMANCE SCORES OVER 3 YEARS			
	2019/2020	**2020/2021**	**2021/2022**
Annual Overall Performance	**113**	**119**	**119**
Annual percentage performance	**68%**	**71.6%**	**71.6**
KEY PERFORMANCE AREAS % RESULTS			
Municipal Transformation and Institutional Development	44%	75%	90%
Basic Service Delivery and Infrastructure Development	67%	87%	37%
Local Economic development	67%	100%	100%
Municipal Finance Viability and Management	22%	80%	45%
Good Governance and Public Participation	57%	86%	86%

The table below makes a reflection on the 4 quarters of the year under review on the annual ratings:

Organizational Performance Results on SDBIP Targets					
KPI Performance Overview [2021/2022]					
Performance Results	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Annual**
Outstanding performance	11	6	9	10	6
Performance significantly above expectation	1	1	2	2	1
Fully effective	16	18	18	16	18
Performance not fully effective	6	7	6	7	10
Unacceptable performance	2	5	3	3	3
N/A	2	1	0	0	0
Total	**38**	**38**	**38**	**38**	**38**

DEPARTMENTAL PERFORMANCE RESULTS BASED ON SDBIP TARGETS

RATING	Community Services	Budget Office	Eng. Services	Corporate Services	Land Human Settl. & Economic Dev.	Strategic Planning and Managem ent
Unacceptable performance	1	4	2	0	2	2
Performance not fully effective	1	4	5	4	2	3
Fully effective	10	4	5	11	9	15
Performance Above Expectation	3	0	1	1	0	0
Outstanding Performance	3	5	3	3	0	0
Not Applicable	0	1	0	0	2	1

DETAILED ANNUAL PERFORMANCE RESULTS 2021.22

INDI REF	IDP REF	INDICATOR	ANNUAL TARGET 2021.22	ANNUAL PERFORMANCE RESULTS REASONS/EVIDENCE 2021.22	SCORE 21.22	ANNUAL PERFORMANCE RESULTS REASONS/EVIDENCE 2020.21	REMEDIAL ACTIONS 2021.22	DEPARTMENT
			KPA 1 : Municipal Transformation and Institutional Development				**KPA Weight 10%**	
KPI 1	**MTI 1/1**	No. of candidates capacitated on training interventions	60 candidates capacitated on training interventions	183 candidates capacitated on training interventions. Supporting evidence is availed	5	267 councillors & administrators were capacitated throughout the year. Supporting evidence is availed	None- target met	**CORP SERV**
KPI 2	**MTI 1/2**	% of Municipal Skills Development Levy recovered (LGSETA)	100 % of Municipal Skills Development Levy recovered (LGSETA)	Annual report on recovery of skills development levy. 25% has been recovered out of 20% (100%) recovery rate regulated by national skills levy together with systems printouts are availed.	3	N/A	None- target met	**CORP SERV**
KPI 3	**MTI 1/3**	No. of Qualified Students with access to Internship	10 Qualified Students with access to Internship	16 qualified students with access to internship were trained in 21/22 financial year, evidence is availed	3	38 qualified students with access to internship were trained in 2020/21 financial year, evidence is availed	None- target met	**CORP SERV**
KPI 4	**MTI 1/4**	No of students with access to work place integrated learning.	10 students with access to work place integrated learning.	10WIL students with access to work place integrated learning, Supporting evidence is availed.	3	100% of 10 WIL students enrolled were skilled with training throughout the year, supporting evidence is provided		**CORP SERV**

KPI 5	**MTI 1/5**	No. of new persons from employment equity target groups employed	4 new persons from employment equity target groups employed	Annual report on 15 persons from employment equity target, supporting evidence is availed	5	N/A	None – target met	**CORP SERV**
KPI 6	**MTI 1/6**	% Improved organisational stability and sustainability	75% Improved organisational stability and sustainability	The annual report on 75% improved organizational stability and sustainability	3	Annual report on 71% improved organizational stability and sustainability	None- target met	**CORP SERV**
KPI 7	**MTI 1/7**	% positions graded	80% positions graded	The annual report on 95% positions graded and the supporting evidence is availed.	3	N/A	None- target met	**CORP SERV**
KPI 8	**MTI 2/1**	No. of business processes institutionalised	2 business processes institutionalised	2 business processes have been institutionalised, as digital signatures and use of self-service password reset. Supporting evidence of System trail of Users that used the self-service system screen shots and sign flow report for digital signatures has been availed throughout the year.	3	2 business processes digitalised. The progress that entails, Implementation of Digital Document workflow and Electronic Signature System (ESS); and on setting up of Digital signature and e-leave Management is availed. System screenshots and supporting evidence are availed quarterly.	None- target is met	**STRAT**

KPI 9	**MTI 3/1**	% improvement of institutional performance	77% Improvement of Institutional Performance	The institutional overall performance is at 71.6 % and this is attributed to the low revenue base, and administrative restructuring within the institution	2	72% Improvement of Institutional Performance This is as a result of certain performance targets underperformed by the institution.	The Departments are implementing the commitments made on the variance reports for targets not met. The PME Unit to follow up on the implementation of the variance reports.	**STRAT**
KPI 10	**MTI 3/2**	No. of annual reports on implementation of the regional services model and delegations framework	1 annual report on implementation of the regional service model and delegations framework	Implementation on Regional Service Model and Delegation Framework has been achieved for Q3. Implementation report is availed as evidence.	**3**	Implementation of a Regional Service Model and Delegation Framework in 6 points (Ngqushwa, Raymond Mhlaba, Amahlathi, Great Kei, Mnquma and Mbhashe). An implementation report is availed.		**STRAT**

			KPA 2 : Basic Service Delivery and Infrastructure Investment			KPA Weight 30%		
KPI 11	**SDI 1/1**	No. of households provided with access to basic level of water supply to improve living standards	1984 of households provided with access to basic level of water supply to improve living standards	Target not achieved: **1972** households provided with access to basic level of water supply, the projects targeted for completion are affected by evergreen & new PSP to assist are being procured. Poor performance by SP's some projects have since been legally challenged or interdicted.	**2**	Target not achieved: **288** HH with access to the basic level of water against 4900 targeted for the year; The following projects were earmarked for this target: Mgwali south water supply and Shixini water supply. Due to the extension of time caused by rain, Covid 19 and poor performance these projects could not be commissioned before the end of June. The contractor appointed for Shixini water supply who did not complete the project as scheduled due to poor performance is on penalties starting from April 2021. There was also a need to increase the scope of works (Storage capacity) to one of the projects to accommodate O&M needs as such it will be completed in the 2021/22 financial year.	The procurements to be fast tracked as to enable contractors to proceed smoothly on site. Non-performing contractors have been put to terms and some terminated.	**ENG**

KPI 12	**SDI 1/2**	No. of Municipalities provided with Water Service Level Backlog verification Survey	6 Municipalities provided with Water Service Level Backlog verification Survey	Annual report on 6 municipalities provided with water and sanitation service level backlog verification survey's	**5**	Annual report on **100%** completion of refurbishment activities undertaken in Butterworth WTW for the year together with supporting evidence is availed	None- target met	**ENG**
KPI 13	SDI 1/3	No of households provided with access to a higher level of service to improve living standards.	200 households provided with access to a higher level of service to improve living standards.	Target no archived 68 meters were installed. Progress hampered by no go areas where communities prevented officials from installing the meters.	**2**	The target has been removed and implemented and monitored in the departmental bottom layer for 2020.21 through Community Awareness and Meter Installations	Political principals have since initiated a program of public awareness where all affected areas will be visited so that people can be educated on the need of the installation of the meters.	**ENG**
KPI 14	**SDI 1/4**	% of sampling point complying with SANS 241	92% of sampling point complying with SANS 241	Target not achieved: **86%** of sampling points complying with SANS against 92% targeted for the year. Samples with health failure i.e. Ecoli due to ineffective disinfection which is part of water supply operations. Target is not in the control of Community Services Department as	**2**	**100%** sampling points coverage has been conducted during the year. Supporting evidence has been availed. Amatola Water reports with sample results and a list of sample points are availed.	Environmental health Practitioner to continue taking drinking water samples to ensure that health failures are reported on time.	**COM SERV**

				operations are within engineering services.				
KPI 15	**SDI 2/1**	No. of households with access to higher level of sanitation services to improve living conditions	10 400 households with access to basic level of sanitation services to improve living conditions	18450 households with access to basic level of sanitation services to improve living conditions Supporting evidence is availed.	**4**	**23 325** Households are supplied with new VIP toilets against 10 000 on target. Beneficiary certificates of acceptance with the service provider`s signature as a sign of completion are availed. Supporting evidence is availed.		**ENG**
KPI 16	**SDI 2/2**	% coverage of sampling points program complying with General Authorisation Standards	100% coverage of sampling points program complying with General Authorisation Standards	**100%** coverage of sampling points program complying with General Authorisation Standards. Amatola Water reports with sampling results are availed.	**3**	**100%** sampling frequency has been conducted against during the year. Supporting evidence has been availed. Amatola Water reports with sampling results are availed.	Non-Target met	**COM SERV**
KPI 17	**SDI 2/3**	No. of wastewater infrastructure facilities refurbished (% progress as per the reblishment project plan that	3 wastewater infrastructure facilities refurbished (Morgans Bay, Middledrift and Peddie)	Target not achieved, 2 out of 3 waste water infrastructure facilities refurbished. The contractor delayed starting construction in Peddie.	**2**		Construction has since started on site. The consultants are supporting the contractor to ensure completion of	**ENG**

		has been achived) (Morgans Bay, Middledrift and Peddie) (Morgans Bay, Middle drift and Peddie)					work on site.	
KPI 18	**SDI 3/1**	% increase of businesses that comply with Environmental Health Standards	5% % increase of businesses that comply with Environmental Health Standards	Target not achieved: **1%** increase of businesses that comply with environment health standards: None cooperation of business owners has contributed in the target not being met.	**1**	5% increased businesses that comply with environmental health standards	MHS need additional human resources and transport as well as to restructure operations. Secondly law enforcement would also be commenced, after the enablers have improved and that would reduce non-cooperation.	**COM SERV**
			KPA 3 : Local Economic Development		**KPA Weight 20%**			
KPI 19	**LED 1/1**	No. of Economic projects implemented in partnership with	6 Economic projects implemented in partnership with relevant stakeholders	6 sector economic projects are implemented in partnership with stakeholders. List of projects under each sector include: Heritage,	3	6 sector economic opportunities are supported. List of projects under each sector includes Heritage,		**LHSED**

		relevant stakeholders		Tourism, Agriculture, Enterprise Development, Rural development and Environmental. Progress report on 6 sector opportunities is also availed.		Tourism, Agriculture, Enterprise Development, Rural Development and Environmental. Progress report on 6 sector opportunities is also availed.		
KPI 20	**LED 1/2**	No. of jobs created through local economic development including capital projects	1 400 jobs created utilising EPWP	5990 jobs have been created for 2021/22 utilising EPWP exceeding the annual target of 1400 . List of jobs created and the names of the beneficiaries is availed as quarterly evidence.	5	Identified beneficiaries including the list of identified Capital Projects has been reported with **883** beneficiaries. Evidence of a list of identified beneficiaries and capital projects identified is availed.		**LHSED**
KPI 21	**LED 1/3**	No. of municipalities with improved local economic viability	2 LM's supported as per intervention plan	"5 municipalities were supported for improved local economic viability exceeding a planned target of 2 municipalities as follows: Q1 - Identification of municipalities needing intervention towards economic viability (Ngqushwa and Raymond Mhlaba) according to Intervention plan. Needs analyses in Raymond Mhlaba for Highland Resort, and in Raymond Mhlaba for Sunshine	5	2 LM's supported as per intervention plan. In Mnquma Establishment of Mnquma Local Tourism Organisation on 18/02/2021 and Handing over of heritage site on 23/02/2021. In Ngqushwa Mqwasini heritage site declaration on 09/03/2021. Supporting evidence is availed.		**LHSED**

				coastal development and a workshop on climate change Q2 - Amathole mountain escape (Mthontsi lodge infrastructural project) in Raymond Mhlaba. Coastal development (blue flag awareness) in Mbashe Q3 - Conservation of heritage Resource in Raymond Mhlaba. Establishment of business chambers in Ngqushwa . Q4- Climate change workshop in Mbashe .Outbreak awareness in Amahlathi community.				
			KPA 4: Municipal Financial Viability and Management			**KPA Weight 30%**		
KPI 22	**MFV 1/1**	No. of Credible Budgets	1 Credible Budget	Credible budget is achieved for and Approved Annual Budget MTREF 2022/23 - 2026/27 is availed with a Proof of submission to council dated 31/05/2022 .	3	1 Credible Budget is developed Supported by 2021/22 MTREF Annual Budget that has been approved. Supportive documentation of Budget for MTREF 21/22 is availed	None-target met	**BTO**
KPI 23	**MFV 1/2**	Financial viability expressed by	49%	0% of debt coverage ratio is achieved against 47% set on target. Supporting evidence is	**5**	1 % is achieved against 47% on target. Ratio calculations approved by	None-target met	

		Debt Coverage ratio		availed.		CFO and supported by annual financial statements. The ratio indicates the extent of total borrowing in relation to total operating revenue. In the event where the ratio analysis indicates less than 47% then the Municipality still has capacity to make new borrowings.		**BTO**
KPI 24	**MFV 1/3**	Financial viability expressed by **Outstanding service debtors to revenue ratio**	93%	126 % of outstanding service debtors to revenue ratio is achieved against 133% on target. Supporting evidence is availed.	**3**	117% is achieved against 133% on target. Ratio calculations approved by CFO and supported by annual financial statements.	None- target is met	**BTO**
KPI 25	**MFV 1/4**	Financial viability expressed by **Cost Coverage ratio**	1	Target is not achieved. Cost coverage ratio of 0.55 has been achieved against the target (1: ratio). The obligations of the municipality exceed its cash. The debt collection for the year is under 30%. Supporting evidence is availed.	**2**	A ratio of 1.1 is achieved against a target of 1. Ratio calculations approved by CFO and supported by annual financial statements	Revenue collections are to increase and be maintained. The Robust revenue collection committee was established to facilitate this	**BTO**

							process.	
KPI 26	**MFV 1/5**	% Reduction of Irregular, fruitless and wasteful, unauthorized expenditure	75% Reduction of Irregular, fruitless and wasteful, unauthorised Expenditure	Target is not achieved. 58.6 % is attained on Reduction in the Value of all Prior Year Irregular, Fruitless and Wasteful, Unauthorised Expenditure against a set annual target of 75%.	**2**	Target is not met on Reduction of Irregular, fruitless and wasteful, unauthorised expenditure. There is an increase of 71.98 % against a 50% decrease on target. Supporting evidence is availed. This is due to cash flow constraints which the municipality takes 90 days to collect from consumers whereas it's required to pay within 30 days of receipt of invoice. Secondly, legal penalties and traffic fines were incurred this quarter	The finalisation of the term tenders to reduce emergency procurement will also manage the IFWU.	**BTO**
KPI 27	**MFV 1/6**	Awarding of tenders within 90 days	Awarding of tenders within an average of 90 days	The target is not met. An average of 136,97 days is attained in awarding tenders. This is due to technical complexity of tender process whereby the volume of responses received affects the evaluation and process takes longer than anticipated. Also legal opinion obtained cause	**2**	Awarding of tenders within an average of 90 days has been overachieved to **44.71** days. Supporting evidence is availed.	Efforts will be employed to ensure that the delays in awarding of tenders are curtailed, and the backlog from historic tenders will be	**BTO**

				further delays. Supporting evidence is availed.			confronted subsequent to the new committee members having been appointed. A catch up plan on the awarding of tenders was prepared. This plan will need to be reviewed.	
KPI 28	**MFV 1/7**	% of the capital budget actually spent on capital projects	100% of the capital budget actually spent on capital projects	Target not achieved: 74% was spent on capital grants, the projects targeted for completion are affected by evergreen & new PSP to assist are being procured. Poor performance by SP's some projects have since been legally challenged or interdicted	2	**100%** has been spent on the capital budget actually spent on capital projects	The procurements to be fast tracked as to enable contractors to proceed smoothly on site. Poorly performing SP's and SPS's have been put on terms and some terminated. Fast track challenged/interdicted project	**ENG**
KPI 29	**MFV 1/8**	% budget actually spent on implementing Workplace Skills	100% budget actually spent on implementing Workplace Skills Plan	Annual report on **115%** (R1 955 202.33/R1 700 000*100) budget spent on implementation of workplace	**3**	Annual report on 141% (R2 424 766. 57/R1 700 000*100) budget	None-target met	**CORP SERV**

		Plan		skills plan		spent on implementation of workplace skills plan		
KPI 30	**MFV 1/9**	% of invoices for all capital projects funded with grants paid within 30 days	100% of invoices for all capital projects funded with grants paid within 30 days	100 % target is not met for 2021/22; as in Q1 and Q2, invoices that were paid with in 30 days were 98% and 99.98% respectively. Reasons cited amongst others were; Payments withheld as work expected from the service provider was not completed ; Invoice rejected by the bank with an error where validation failed due to the account number is was invalid. Payments withheld as work expected from the service provider was not completed ; Invoice rejected by the bank with an error where validation failed due to the account number is was invalid.	**2**	100% of invoices for all capital projects funded with grants paid within 30 days, without queries. Payment register/voucher. Copy of receipt register for invoices submitted	Procuring department internal department/unit must ensure that the service providers adheres to the submitted plans and complete the work, before submitting of invoices.	**BTO**
KPI 31	**MFV 1/10**	% Improved revenue base	60% Improved revenue base	Revenue collection is at end of the 2021.22 financial year was at 28%	**1**	5% collection rate is achieved instead of 70%on target. This is caused by consumers not being willing to pay for municipal services received and the unwillingness by most	To fully implement the credit control policy by restricting and disconnection of none payers.	**BTO**

						domestic consumers to apply for an indigent subsidy.		
			KPA 5: Good Governance and Public Participation Objectives and Strategies KPA Weight 10%					
KPI 32	**GGP 1/1**	% Audit Findings Resolved	100% Audit Findings Resolved	Target is not met. 0% Audit Findings were resolved. The Auditor General took longer on site, which left very little time for the Municipality to address the findings. As the audit report was released by AG at the end of March 2022.	**1**	67% Audit Findings Resolved	The OPCAR meetings are seating on a weekly bases to report on the progress. The process is led by the Internal Audit Unit to ensure that the route courses and the appropriate evidence are provided in resolving the findings. The work will proceed to the 2022.23 financial year.	**STRAT**
KPI 33	**GGP 1/2**	No. of Credible Integrated Development Plans	1 Credible Integrated Development Plan (23/27)	1 Credible 2023/27 Integrated Development Plan is developed and a Copy of final IDP is availed as evidence.	3	1 Credible Integrated Development Plan (21/22) developed. A copy of IDP is availed.	None- target is met	**STRAT**

KPI 34	**GGP 1/3**	No of Executive Mayor's Legacy Projects implemented	4 Executive Mayor's Legacy Projects implemented	4 Executive Mayor's Legacy Projects implemented. Q1- Mandela day event in Amahlathi with stakeholders including Harmony Gold, NDA, and Department of Agriculture . Q2 - Nonkanyiso Project - hand over of toys in Amahlathi; Q3 - A gender-based violence has been conducted campaign in Amahlathi at Emnyameni location. Q4 - Handing over of sanitary towels to 200 learners at Dadaweni High School at Mbashe. .	**3**	6 Executive Mayor`s Legacy Project implemented: -Hand over of tools and equipment to Nokhanyo ECDC in Amahlathi, - Handover of Sihlangene old age home centre (Raymond Mhlaba): - Introduction of a contractor for bulk infrastructure in Mbhashe - Bulk water usage awareness in Ngqushwa on the - Lowflush handover in Raymond Mhlaba on the - Water Forum in Ngqushwa	None- target is me	**STRAT**
KPI 35	**GGP 1/4**	No. of positive value campaigns implemented within the district	6 positive value campaigns implemented within the district	on the 9th and 23rd August 2021; 1 in Mbhashe on the 23 September 2021. Attendance registers are availed. Q2- 2: Positive value	**3**	12 positive value campaigns implemented within the district against 6 on target. The campaigns were	None- target is met	**STRAT**

				campaigns in Great kei on the 14 October 2021 and Amahlathi Q3 - 6: Positive Value Campaign implemented in 6 municipalities. 1 in each of the following municipalities: Raymond Mhlaba, Mbashe, Calgary - ADM, Great Kei, and Buffalo City. Supporting evidence is availed. Q4 - 8 : Positive Value Campaigns implemented in 2 municipalities and 1 radio station this quarter : 3 in Amahlathi LM, 2 in Mbashe LM on 18 May 22and 3 in Umhlobo Wenene - radio interview. Supporting evidence is availed.		reported throughout the quarters of the year.:		
KPI 36	**GGP 2/1**	No. of communication initiatives undertaken	18 Communication initiatives undertaken	"4 Communications Initiatives Undertaken : 1. Programs published on print or electronic media: Switching of banks publishes to Forte, Kanya , UCR and Ngqushwa fm ; Change of banking details a Daily dispatch and other local	3	18 Communications Initiatives are undertaken on: programs published on print and electronic media; External Newsletter and Internal Newsletter; Social Media Uploads; Corporate Videos;		**STRAT**

				community newspapers; publication of water cuts on the Daily Dispatch and Executive Mayor visits on disaster areas. 2. 1 External Newsletter and 1 Internal Newsletter. 3.188 and 253 Social Media Uploads. 4. 16 Corporate Videos"		Impact assessment of the Brand repositioning strategy		
KPI 37	**GGP 2/2**	No. of automated customer care systems	Two (2) of local municipalities implementing automated customer care systems	Refresher training for all system users has been conducted on the 18/03/2022. Attendance register is availed as supporting evidence.	3	4 Local Municipalities are implementing automated customer care systems. Roll out of the automated customer care system supporting evidence has been availed in quarter 4 of 2021		**STRAT**
KPI 38	**GGP 3/1**	No. of public participation programs conducted	12 public participation programs conducted	2 Mayoral Outreach programmes on: Gender Based Violence 28/03/2022 ; Capacity building for people leaving with disabilities on human rights issues in Raymond Mhlaba on 29/03/2022) and 2 service delivery campaigns (Water month 14/03/2022 in	3	15 public participation programs are conducted including Mayoral Outreach, IDP & Budget Roadshows and SODA & service delivery campaigns		**STRAT**

				Mbashe. Attendance register and issues raised by communities are availed.				

VOLUME II: ANNUAL FINANCIAL STATEMENTS

VISION 2058

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