

**CERTIFICATE OF QUALITY ASSURANCE**  
**2023/2024 MIDYEAR PERFORMANCE REPORT**

I, **A NTULI**, in my capacity as the Municipal Manager of Emfuleni Local Municipality hereby certify as follows:

1. That I received the **2023/2024 Midyear Performance Assessment Report** of the Emfuleni Local Municipality on **24 January 2024**;
2. That I duly considered the content of the **2023/2024 Midyear Performance Report**; and
3. That I herewith approve the **2023/2024 Midyear Performance Report** for Emfuleni Local Municipality.

**A NTULI**  
**MUNICIPAL MANAGER**  
**EMFULENI LOCAL MUNICIPALITY**

# **2023/2024 MIDYEAR PERFORMANCE REPORT**

## **1 PURPOSE**

The purpose of this 2023/2024 Midyear Performance Report (for the period of July to December 2023/2024) is to disclose and account on the results of the assessment of the actual achievements against the quarterly projections of performance indicators and performance targets. These performance indicators and targets were identified and recorded in the Organizational Service Delivery and Budget Implementation Plan (OSDBIP) for the 2023/2024 Financial Year.

## **2. LEGISLATIVE BACKGROUND**

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) defines a “service delivery and budget implementation plan” as a detailed plan approved by the mayor of a municipality for implementing the municipality’s delivery of municipal services and which must indicate service delivery targets and performance indicators for each quarter.

The performance management system described in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) – section 38 to 49 thereof determines the monitoring, measurement, evaluation, and auditing of information recorded in terms of the Service Delivery and Budget Implementation Plan. Section 52(d) of the MFMA requires that the Executive Mayor table a report on the performance of the municipality to Council within 30 days after the end of the quarter.

In compliance with these legislative directives the 2023/2024 Midyear Performance Report is based on the outputs of the 1<sup>st</sup> and 2<sup>nd</sup> Quarter performance assessment of service delivery and budget performance indicators, targets and projections that were approved by the Executive Committee, Mayoral and Council.

The organizational performance scorecard where the assessments were documented is appended to the report as “**ANNEXURE “A”**”.

## **3. THE 2023/2024 MIDYEAR ORGANIZATIONAL PERFORMANCE ASSESSMENT RESULTS**

One of the core components of the Integrated Development Plan and the Performance Management System is the setting of appropriate performance indicators with regard to the municipality’s development priorities and objectives (s.26 and s.41, MSA). The initiation point and planning of performance management are therefore found in the Integrated Development Plan.

The 2023/2024 Integrated Development Plan was approved by the Municipal Council in June 2023. Subsequent to the approval of the IDP and Budget, the Executive Mayor also approved the 2023/2024 Service Delivery and Budget Implementation Plan in June 2023.

## **4. 2023/2024 MIDYEAR PERFORMANCE RESULTS**

### **4.1 Finance and Revenue (Key Indicators Ref MF 01 -13)**

Financial key performance indicators are used to track, measure, and analyse the financial health status of the municipality. The municipality during the 2023/2024 midyear reporting period planned to achieve 13 targets. Following the review of the performance information, 3 indicators were achieved and 10 indicators were not achieved.

The main reason for non-achievement of this targets was the fact that certain PoE was not submitted for performance management assessment purposes. Only PoE for Creditors department and Supply chain management was submitted (MF.05 to MF.10). The non-submission of information has led to an incorrect reflection of the performance of Finance and Revenue departments for the first two quarters.

Positively, the municipality made progress on implementing some of the deliverables for the cost containment plan. Milestones were also realised in addressing the historical debt, 47% was achieved instead of 10%. The 2022/2023 Annual Financial Statements were submitted accordingly to Auditor General of South Africa.

### **4.2 Infrastructure Planning and Development (Grants) (Key Indicators Ref MF 14-16)**

The municipality was unsuccessful on the spending of the Municipal Infrastructure grant, Neighbourhood Development grant and Expanded Public Works Programme grant. The municipality has been negatively affected by the attachment of the conditional grant by Rand Water and Eskom since April 2023 resulting in projects being suspended since April 2023 to date. During the 2023/2024 FY, the municipality has only managed to spend 7% towards salaries of PMU staff and projects which only resumed in November 2023 due to construction projects being suspended by the contractors owing to the attachment of the bank account rendering the municipality unable to honour payments.

### **4.3 Public Works (Key Indicators Ref: BS 01-15)**

#### **a. Electricity**

Of the 7 key indicators, 1 indicator was partially achieved, 5 indicators were not achieved and 1 indicator had no projection. The main reason for non-achievement of this indicators was attributed to non-payment of service providers to carry out the work, non-availability of meters on stock, community protests in some communities and large power users refusing access of municipal officials.

*The results are as follows*

- ❖ Prepaid meter installation -358 instead of 6000
- ❖ Smart meter installation -259 instead of 5953
- ❖ Online metering for large power users -8 instead of 40
- ❖ Token Identified prepaid meters rolled out -0 instead of 12000

#### **b. Roads and Storm-water**

Roads and storm-water department planned 3 key indicators (cleaning of concretes canals and pipes, patching of potholes and gravelling of roads).

The target for cleaning of concrete canals and pipes as well as gravelling of roads were not achieved due to unavailability of hired plant. The target for patching of potholes was achieved.

As reported in the First Quarter Performance Report, upon conducting physical verification and combined quality assurance (with Internal Audit and Monitoring and Evaluation Department) on the sample on this function, the assurance team could not verify the actual performance information submitted. This has impacted the midyear assessment as the first quarter reported information was not considered.

#### **c. Waste Management**

Waste Management function consisted of 4 key indicators of which were due for measurement for midyear reporting period. 2 of these targets were achieved and 2 were not achieved. The Waste Management strategy was developed and approved by GDARD.

The target of 50% for the collection of waste for identified routes on the schedule (not all areas but specific to the schedule) was not achieved. However, it is worth noting that the measurement for this key indicator will be reviewed at midyear. There is a risk of submitting unreliable and inaccurate performance evidence. The department relies solely on estimates provided by the truck driver. Consequently, verification is difficult to achieve. The Performance Management Department also recommends the speedy installation of tracker or fleet management system that can be used to verify reported information.

The target relating to the removal of mini dumps was also not achieved. 29242m<sup>3</sup> was collected out of the projected 40000m<sup>3</sup>. The non achievement was attributed to lack of vehicles and personnel.

### **4.4 Utilities and Strategic Projects (Key Indicators Ref: BS 16-28)**

#### **a. Water and Sanitation**

The water and sanitation function comprised 13 key indicators, of which 9 were not achieved and 4 were not due for assessment.

No PoE was submitted from the Water and Sanitation Cluster for the second quarter assessment period. This has consequently negatively impacted the midyear performance score and not provided a true reflection on the performance of the cluster and the municipality.

#### **4.5 Community Services (Key Indicator Ref 29 -38)**

##### **a. Social Cohesion**

For the 2023/2024 midyear reporting, 20 social cohesion programs were planned and 27 were realised successfully. The municipality through the Sports and Recreation department in collaboration with various stakeholders organised the indigenous games, chess, book reading and many more.

##### **b. By-Laws**

The municipality planned to implement 50% plan with specific reference to By-law development and enforcement. To this end only 25% of the By-law enforcements inspections were undertaken. The portfolio of evidence for this target was not sufficient to make a conclusion and is suggestive to the fact that the work is not done.

##### **c. Indigent Register**

The municipality intended to provide indigent subsidy to deserving beneficiaries, consequently by updating the Indigent Register and submitting to Council. This was not achieved during the second quarter. The performance information submitted during the first quarter does not indicate how many new applications were received and which of the current register have been reviewed. Consequently, this poses a risk of unreliable, inaccurate and lack of completeness of performance information. A workshop had been conducted for the user department to mitigate against this risk.

##### **d. Turn-around time to attend the fire and rescue incidents**

The municipality was able to meet 69% of the targeted 60% of total calls received within the turn-around time of 23 minutes to attend fire and rescue incidents around the municipality's area..

##### **e. Community Safety Programs and inspections to National Environmental Health norms and standards**

32 Community safety programs were planned, and 43 were successfully realised.

In terms of Environmental Health Regulation 88 the municipality is mandated to carry out inspections on public premises to ensure compliance. 1000 inspections were targeted during the midyear reporting period, 365 inspections were conducted.

##### **f. Parks and Cemetery**

The municipality purposed to implement 70% of parks and cemeteries total work planned for midyear. To this end 127% was achieved.

##### **g. Environmental Inspection**

It is the mission of the municipality to have a clean, healthy and well protected environment that allows for good quality living for all members of the municipal community. As result, during the midyear review, the municipality planned to achieve 280 of the inspections. Consequently, the portfolio of evidence for this target was not sufficient to make a conclusion and is suggestive to the fact that the work is not done.

#### **4.7 Infrastructure Planning and Development (Key Indicator Ref BS 39-49)**

The continued attachment of the municipal bank accounts has significantly affected the key indicators under projects. This has greatly impacted on key service delivery areas of the municipality. This is also reflected on the 7% achievement of grand spending for the first half of the financial year.

#### **4.8 Economic Development (Key Indicator Ref LED 01 -10)**

The municipality has 9 key indicators intended to develop and enhance SMMEs, attract tourist in the region, provide a framework for outdoor advertising and informal trading etc. Of these 9 key indicators, 2 targets were achieved and 5 targets were not achieved, 1 was partially achieved and 1 was not due for assessment.

The targets relating to building plans applications adjudicated, land use enforcement, informal trading and outdoor advertising policies were not achieved, whereas the review of the Spatial Development Framework progressed as planned.

#### **4.8 Organizational Development (Key Indicator Ref Mt 01 -10)**

10 Organizational Development's key indicators were targeted during midyear. 2 key indicators were achieved and 8 key indicators were not achieved.

The municipality made progress on the implementation of the workplace skills plan and ultimately meeting the expenditure target of 40% by achieving 61%. The dispute register has been achieved from the planned 20% the municipality achieved 40%.

The targets on appointment of key positions and adherence to employment equity on appointed positions were not met. Fleet management progress is lagging behind and the targets are said to be reviewed during the midyear process of adjustment due to poor performance. Finally, the Facilities Maintenance Plan was not implemented as planned.

#### **4.9 Governance and Public Participation (Key Indicators Ref GG 01-25)**

25 key indicators were planned to realise good governance, public participation and accountability. 14 were achieved, 6 were not achieved and 5 were not due for review.

Signed performance agreements for Municipal manager and managers directly accountable to municipal manager 2023/2024 were concluded as planned.

2022/2023 Annual Performance Report (APR) was submitted to the Auditor-General of South Africa (AGSA) by end-August.

Development of a corporate communication plan is lagging behind.

Integrated Development Plan strategy was not held as planned during the second quarter. Public participations and ward committee meetings were held.

The progress on the implementation of the Internal Audit Plan was made, as result 7 audit reports were issued to this account as planned.

## **5 OVERALL ASSESSMENT OF PORTFOLIO OF EVIDENCE**

The performance information must be valid, accurate, useful and complete to substantiate reported and achieved performance. The completeness of information enables one to come to an informed decision, so lack of adherence to this request, will affect the municipal overall performance.

To this end, some of the key indicators performance information were not considered due to lack of reliable, accurate, usefulness and completeness of performance information. There is continued lack of adequate oversight and quality assurance at the Cluster level, as result the performance evidence summited does not give assurance for the work done.

## **6. ORGANIZATIONAL PERFORMANCE RESULTS IN TERMS OF THE REGULATION 805 FOR PERFORMANCE MANAGEMENT AT LOCAL GOVERNMENT LEVEL.**

***The following table specifies the Criterial for Performance Levels (aligned to Regulation 805 for management performance of senior management at local government level)***

Table 1

<b>Rating</b>	<b>Score</b>	<b>Level of Performance</b>
<b>1</b>	0 -74%	Target not Achieved
<b>2</b>	75 – 99%	Target Partially Achieved
<b>3</b>	100- 129%	Target Achieved
<b>4</b>	130- 149%	Target Achieved Above Projection
<b>5</b>	150%	Excellent Performance

## 7. ORGANIZATIONAL PERFORMANCE PER KEY PERFORMANCE AREA

In line with the Municipal Performance Management Regulation 805 criteria (above) for measuring performance, the 2023/2024 Midyear Organisational Performance Achievement of Emfuleni Local Municipality is calculated at **53%**.

The following table depicts the 2023/2024 Midyear Organizational Performance Results, as such the Municipal Performance during the 2023/2024 Midyear Performance is not satisfactory.

Table 2

Summary per Key Performance Area	Quarter 1 Performance	Quarter 2 Performance	Midyear Performance
KPA 1	48%	26%	35%
KPA 2	59%	34%	43%
KPA 3	38%	57%	56%
KPA 4	50%	41%	41%
KPA 5	88%	101%	90%
Overall Performance	57%	51%	53%

## 8. 2023/2024 MIDYEAR PERFORMANCE RESULTS PER CLUSTER

Table 3

Summary per Cluster	Quarter 1 Performance	Quarter 2 Performance	Midyear Performance
Office of the Municipal Manager	88%	101%	90%
Public Works	63%	42%	50%
Shared Services	50%	41%	41%
Economic Development and Planning	44%	45%	44%
Finance	60%	31%	42%
Infrastructure Planning and Development	20%	24%	24%
Community Services	87%	71%	69%
Utilities and Sanitation	71%	0%	35%
Internal Audit	129%	150%	150%

## 9. OVERALL MUNICIPAL PERFORMANCE

The overall performance of the municipality is **NOT SATISFACTORY**

The performance rating of 1/5 is recorded.



**10. COMBINED MFMA SECTION 71 AND 52(d) REPORT FOR THE MONTH AND THE QUARTER ENDED 31 DECEMBER 2023 (MONTHLY BUDGET STATEMENT AND QUARTERLY REPORT)**

Find the attached annexure report as stated above with supporting tables.