



**OKHAHLAMBA LOCAL MUNICIPALITY
ANNUAL PERFORMANCE
REPORT 2021/22**

MAYORS OVERVIEW
MAYORS OVERVIEW FOR THE ANNUAL PERFORMANCE REPORT 2021/2022

It is an honour for me to present to you, on behalf of the collective leadership of vibrant men and women, the 2021/22 Annual Performance Report of Okhahlamba Local Municipality.

We became councillors following the local government elections in November 2021 and are led by a coalition between the ANC, APEMO and NFP. As the current council, we are working on maintaining the clean audit outcomes achieved by the previous administration. We are committed to improving the municipality continuously. Our main priority is transforming the lives of our citizens through service delivery

This financial year has seen maintenance in the overall performance and functionality of our municipality. We are committed to maintaining a clean administration premised on the overall objective of transforming the lives of our people, as well as implementing creative, innovative ways to ensure that our service delivery targets are met.

This report will highlight the Municipality's performance in light of the 6 Municipal Key Performance Areas. These include: Municipal Transformation, Basic Service Delivery, Local Economic Development, Good Governance, Financial Viability and Financial Management; and Cross Cutting Intervention.

The Municipality received a grant funding of 7 million under the Integrated National Electrification Programme (INEP) from the Department of Minerals Resources and Energy.

The following projects were implemented and they are still under construction, Moyeni Electrification in ward 8 with 200 connections, Okhombe Electrification in ward 7 with 150 connections and Sandlwana electrification in ward 5 with 200 connections. The total number of connections for the three implemented projects is 550.

The Municipality received an allocation of 29 million from the Department of Cooperative Governance and Traditional Affairs (COGTA) for the provision of basic infrastructure under the Municipal Infrastructure Programme (MIG). A further additional 8 million was received from Cogta as an incentive for the good performance and spending of the grant.

The grant was used for the infrastructure development projects. We currently have three projects that are in progress and they are: Bergville Grandstands at the Sports Complex, Bergville Small Industrial Park and Hambrook Access Roads. We have completed the following projects: Halmense Gravel road in ward 2, Hadebe gravel roads in ward 15 and Khethani Access roads in ward 1

Our municipality encourages and fosters a culture of educational pursuit and fourteen of our employees have made use of the municipal bursary scheme to advance their educational aspirations. One of these bursary recipients are currently pursuing a postgraduate diploma. They embark on these educational pursuits whilst continuing their selfless service as employees of the municipality and their commitment to ensuring the success of our organisation must be commended. A total of 50 officials have completed their Municipal Finance Management Programme (MFMP) certifications. A further 15 officials are set to begin their MFMP certification in the 2022/23 financial year.

During the financial year under review, we had a significant change in the management of our Finance Directorate, we did not have the CFO for the rest financial year, since our Chief Financial Officer (CFO) resigned for a different opportunity. We have since appointed the CFO and new Finance Manager. As a municipality, we are financially viable and have remained consistent in maintaining our finances and investments. We have maintained spending 100% of our capital in grant funding in the 2021/22 financial year.

We are a municipality that has developed a culture which embodies a commitment to the implementation of a clean administration driven by good governance, and this has proven to be a successful formula in achieving and maintaining favourable audit outcomes from the Auditor General of South Africa.

As council, we are still committed working in conjunction with the administration of the Municipality in transforming the lives of our people, by implementing practices of good governance, working with integrity, honesty and transparency, and maintaining a financially viable organisation that delivers on its promises of quality service delivery to all the people who reside within Okhahlamba.

His worship, Councillor : V.R. Mlotshwa

Mayor of Okhahlamba Local Municipality

COMPONENT A: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW **MUNICIPAL MANAGERS OVERVIEW FOR THE ANNUAL PERFORMANCE REPORT 2021/2022**

This Annual Performance Report is prepared and submitted in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 providing guidelines on the Annual Report. The Annual Performance Report covers the performance information from 01 July 2020 to 30 June 2021

The Okhahlamba Local Municipality (OLM) has remained consistent in the recent financial years in achieving its constitutional mandate to delivery service and uphold principles of good governance. A key indicator in maintaining consistency is in achieving consecutive clean audit outcomes from the Auditor General of South Africa.

The municipality operates under severe socio-economic conditions, given the high rate of unemployment, serious backlogs in infrastructure, low rate of revenue and other social ills experienced in some parts of the municipality. Our local tourism sector is beginning to recover after the devastating effects of the COVID-19 pandemic. Our approach as local government is informed by the constitutional mandate which underpins a number of legislative frame-work, such as Municipal Finance Management Act, the Municipal Systems Act, and the Municipal Structures Act.

As a municipality, our strategic framework is premised on the goals laid out in the National Development Plan 2030. As a means of achieving these goals, the National Government operationalized programmes to which we subscribe to as local government. The municipality has met most of its set of targets as outlined in the Municipal Integrated Development Plan, organisational scorecard and the Municipal Performance Plan; and has exceeded the targets for some. Our Municipal Performance Plan is intrinsically linked to the Municipal Service Delivery Budget Plan and the municipal medium expenditure framework. Through our annual public participation process we have engaged with our citizens and culminated their concerns and suggestions into our strategic operations. Essentially, we are a citizen-centric municipality and believe that our communities are at the forefront of our objectives.

Throughout this year, our working conditions normalised as employees returned to the office full-time. We also had a change in political leadership following the Local Government Elections in August. With the change of leadership, we have managed to remain consistent in our sittings of council, exco, troika, portfolio and management meetings.

Council has been able to set its annual performance plans, linked to individual performance agreements with realistic targets. The municipality has achieved on average above 90% of its infrastructure targets in the year 2021/22. Council has completed most of its infrastructure projects, among them the access roads and bridges.

Council's revenue management and enhancement strategy has assisted to increase revenue over the financial year. Council still grapples with quick mechanisms to enforce payments of properties, except a long legal route which is costly. In terms of the council municipal performance for the year:

- A. All our suppliers were paid within 30 days (unless there were queries related to SARS instructions and incorrect invoicing).
- B. The percentage of the entity's grant income to total revenue remain stagnated at 78.6%.
- C. The collection rate for the year is 76% and we have exceeded our target of 70%, it has stagnated around 63% over the past few years.
- D. All the municipal conditional grants are cash backed, the municipal's conditional grants are 685% cash-backed.
- E. The council's cash coverage ratio has improved from 2.2 months to a 4 months cash coverage at the end of last financial year.

Our measures to maintain good governance have seen the municipality achieving seven consecutive clean audits opinions from the auditor-general. Council has strengthened internal controls through the annual revision of existing controls and implementing proper risk management through the Risk Management Unit. The Internal Audit Unit is fully functional and continues to ensure that all measures of compliance, particularly in procurement and HR, are adhered to. A new Acting Manager, Mr. Sabelo Xaba, was appointed in April 2022 following the resignation of the former Internal Audit Manager, Mr. Saziso Dlamini. Performance Audit committee member Ms. Lungile Nene resigned and a new member, Mr. Vumani Sibiyi, was appointed in January to fill the gap. The current term of the audit committee will end in December 2023.

I would like to express my sincere gratitude to the political leadership and the council of the municipality and to my family of staff members who have worked tirelessly to maintain stability in the municipality. This was achieved despite working within an often-challenging environment. It is through our hard work, commitment to a clean administration and ongoing dedication that we have been able to remain consistent as a municipality.

S.N Malinga
Municipal Manager

1. Summary

Annual Performance Report will report on the Okhahlamba Local Municipality's actual achieved against the planned targets as derived from the Municipality's IDP. Due to the fact that the Municipality has utilised six (6) KPA's the Okhahlamba Municipality will report as such. An overview of the Municipality's actual performance linked to the National Key Performance Areas (KPA's).

The Municipality endeavoured during the development of the Organisational Scorecard as well as with the development of the SDBIP that the "SMART" principle was adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making it measurable.

The Municipality has a fully functional IDP/PMS Unit that is situated in the Office of the Municipal Manager and is tasked to coordinate the IDP and organisational performance management related processes. The unit works closely with Directors in each Department as the latter are departmental performance coordinators as well as the Risk & Compliance and Internal Audit unit to ensure credibility and reliability of reported information.

The performance reporting system underwent a thorough scrutiny from the Internal Audit and Performance Audit Committee to ensure synergy amongst the 3 documents; IDP, BUDGET and SDBIP resulting into review of the 2021/22 IDP, SDBIP, Performance Agreements and Performance Plans.

Due process was followed in the IDP amendment procedure and the amended scorecard was utilized in the development of the 2021/22 Annual Performance Report.

- The municipal scorecard for 2021/22 consist of 6 key performance areas (KPA) which are Municipal Transformation and Institutional Development, Basic Service Delivery and Infrastructure Development, Local Economic and Social Economic Development, Good Governance and Public Participation, Financial Viability and Financial Management and Cross Cutting Interventions.
- Each KPA contained key performance indicators (KPIs), the KPIs played pivotal role because they are the mechanism on how the municipality achieved its objectives. The 2021/22 scorecard was designed such that there are targets and actuals; in order to measure actual performance, as such actual performance is compared to the targets.

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

- The KPIs under Municipal Transformation and Institutional Development were 26 including the following amongst others, signing of performance agreements, adoption date of reviewed organogram, implementation of workplace skills plan, review of Performance Management System, Performance Audit committee meetings attended etc. which 21 out of 26 KPIs were achieved. This department is key factor because it capacitates the entire municipal staff with different skills by ensuring that various trainings are implemented as per Workplace Skills Plan, which is why the municipality managed to achieve the unqualified audit opinion in the previous financial years.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

- The KPI's under Basic Service Delivery and Infrastructure Development were 23 the most important indicators because they contained all projects that the community requested as per the IDP roadshows. Projects such as electrification, gravel roads, tarred road, surface road and industrial hub.
- The Okhahlamba Municipality has undertaken a commitment to achieve 100% universal access to electricity connections and it was achievable. Going forward the municipality will be doing the infills if needed.
- The projects such as ward 05, 07 and 08 electrification projects will improve the quality of lives of all Sandlwana, Okhombe and Moyeni communities.
- The major projects such as Bergville Industrial Hub and Hambrook tarred road will improve the quality lives of Okhahlamba population. The Bergville Industrial Hub will help people of Okhahlamba to maximums the skills and improve the employments of young people.
- The municipality also completed numerous key infrastructure projects, amongst many Ubivane gravel road, Emaswazini gravel road and Bergville Hawkers, the municipality has also maintained the existing infrastructure.

LOCAL ECONOMIC AND SOCIAL DEVELOPMENT

- The KPIs under Local Economic and Social Development has the overall of 14 indicators and 12 of those indicators are achieved extended public works programme (EPWP) the eradication of poverty in the Okhahlamba jurisdiction. The municipality further embarked on a drive to empower people with skills while creating employment opportunities for communities within the municipality's jurisdiction through the same programme. This was done through the funding of co-operatives consist of 903 individuals to carry out labour intensive projects.

- The long-term aim of EPWP is to promote culture of entrepreneurship by adequately equipping co-operatives with skills and work experience.
- The municipality made use of Community Works Programme called “Xoshikati eziko” to eradicate poverty where members do road maintenance, repair potholes, grass cutting and cleaning, and maintenance of cemeteries in the, municipal jurisdiction.
- The municipality has a disaster centre which is designed to help the community in times of need (during the reported disaster) also has rescue boat and firefighting trucks that deals with disaster management for the entire area.

FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

- The KPIs under Financial viability and financial management has the overall of 14 indicators, the municipality is financially viable and have remained consistent in maintaining municipal finances and investments.
- The municipality have received 7 consecutive clean audits for financial year 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 the municipality is striving to continue its commitment in 2021-22 financial year.
- The municipality continues to maintain its viability through maintenance of good financial viability through good ratios, updating fixed asset register, maintain IT server to full MSCOA compliance and continue to optimize expenditure on capital budget.

CROSS CUTTING INTERVENTIONS

- On the KPIs under Cross Cutting Intervention has 10 overall indicators, municipality has achieved 8 of the indicators. I.e. percentage response to reported disaster, Number of traffic fines, adoption of the IDP etc.
- Functional disaster centre ensuring provision of disaster services under trying circumstances and ensuring availability of such services we have shift workers and workers on standby.

ADJUSTMENT IN TERMS OF THE SDBIP

- The municipality had the adjustment in terms of the Budget and Service Delivery Budget Implementation Plan were some of the indicators were removed from the Integrated Development Plan and new indicators were added.
- Reason for the indicators been removed: - The municipal Risk & Compliance and Internal Audit has advised that the affected indicators be removed from the IDP score card.
- Reason for the indicators been added: - The municipality has received an additional MIG grant of R8,000,000.00.

Though some conditional Grant such as INEP were reduced from R13,400,000. the original budget to R6,000,000.00.

- According to the (MFMA28(2b) a municipality may revise an approved annual budget through an adjustment budget – may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budget for.
- In terms of (MSA act 32 of 2000 34(a)i) A municipal council must review its Integrated Development Plan annualising accordance with an assessment of its performance measurements in terms of s41, (ii) to the extent that changing circumstances so demand ; and may amend its integrated development plan in accordance with prescribed process.

<u>Removed indicators</u>	<u>Reason</u>
Salary bill of suspended officials	It was not aligning with the strategy, since it was fraud and corruption strategy.
% of evaluated Middle managers	The indicator is cascade to all departments.
Bethane electrification projects	Project was removed during the adjustment of the IDP due to the fact that the project cannot be implemented hence ESKOM experience power constraints.

Target revised

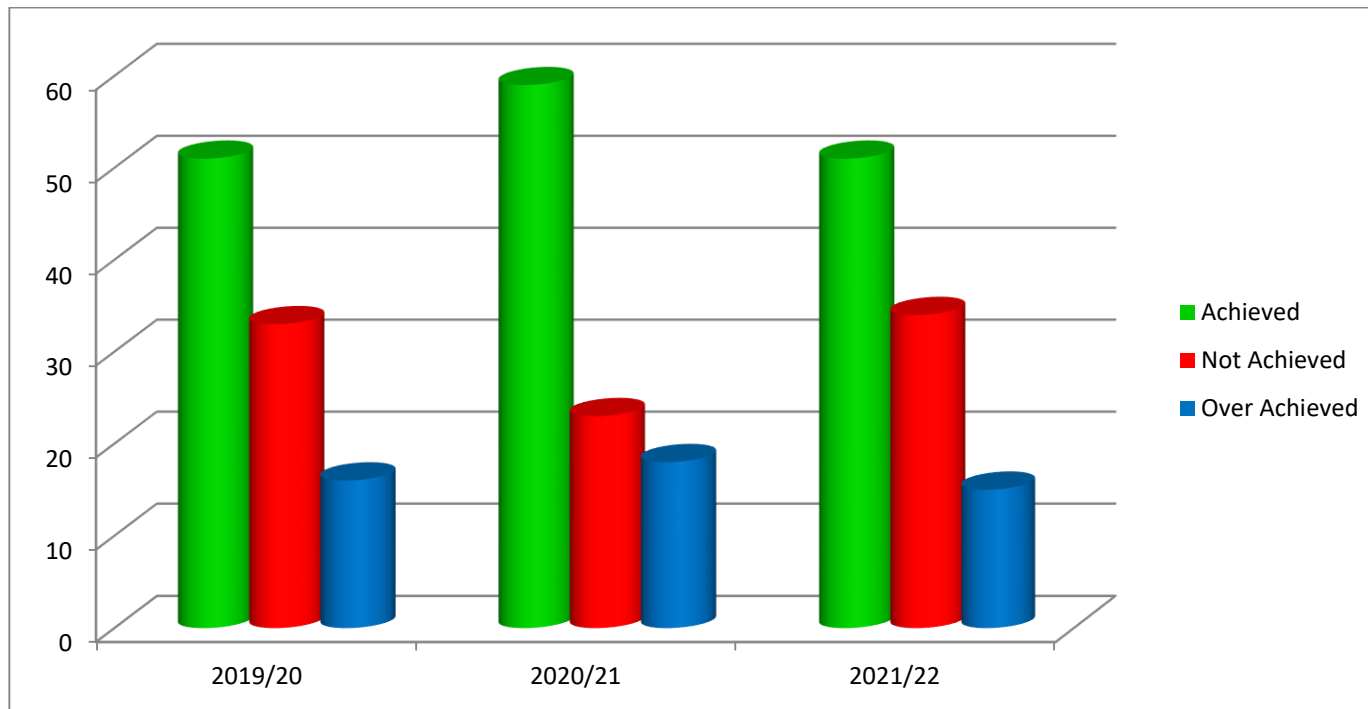
<u>Indicator</u>	<u>Target revised</u>	<u>Reasons</u>
Sandlwana electrification project	From 100% to 70%	Funds reallocation by DMRE has caused major delays in electricity projects these will resume in 2022/2023 on new allocation.
Okhombe electrification project	From 100% to 90%	
Moyeni electrification project	From 100% to 80%	
Hambrook tarred road	From 100% to 50%	The indicator was upgraded from gravel road to tarred road.
Halmense gravel road	From 100% to 40%	Major delay were caused by storms in April and a revised programme has been given contractor.

GENERAL PERFORMANCE OF THE MUNICIPALITY

The 2021 -22 average performance percentage is 64% and has decrease by 14% from 2020 -21 financial year. Ultimately the municipality has maintained good levels of municipal transformation and institutional development (as demonstrated through comparative information) and has seen increased levels of satisfaction across the improvement of institutional and organisational capacity towards the employees.

Performance Monitoring underpins the Municipality’s IDP in terms of reviewing progress regularly in achieving our priorities and delivering value for money. Early investigation on variances enables remedial action to be taken where appropriate.

Overall performance graphs information for Okhahlamba municipality.



Graph: Comparative Target Achievement Information

- The above graph illustrates the analysis of the Municipality general performance for 3 consecutive years in consecutive years in satisfactory standards.
- The municipal prominent factor is that targets were met in previous 3 years.
- Green bar also shown that the target on the municipality performance target is met in that particular year.
- Blue bar also shows that at some stage the municipality performance can be outstanding, where targets were exceeded in that particular year.
- While red bar implies that some target was not met, due to number of reasons such as natural disaster, extension of scope, delays in approval of environment impact assessment (IEA's) and project getting on hold due to funds relocation by Department of Mineral Resources and Energy

2. Performance Management Processes

PMS policy framework plays an imperative role to pave a guideline on how and when PMS processes should be followed in developing and implementing performance management. It also include detailed key performance indicators, targets, timelines, monitoring, measurement, review, and reporting.

It further provides for legislative requirements e.g.

- Section 53 MFMA and S57 MSA state the signing of Performance agreements for S54 and S56 managers.
- Compiling SDBIP from IDP scorecard, Budget are in line with these documents
- Quarterly PMS reports submitted to internal audit section, PAC for reviewing and to council for approval.
- There should be four reports submitted on each quarterly for both PAC and Council.
- In-year Section 72 reports consist of mid-year budget and SDBIP, submitted to Cooperative Governance and Traditional Affairs and National Treasury and the relevant provincial treasury in both printed and electronic formats.
- Auditing of performance information ensuring the alignment between IDP, SDBIP and budget.
- It also ensured that PMS reports are compiled following SMART principles and the portfolio of evidence credibility
- Submission of quarterly PMS reports to council indicating the progress occurred at the end of the quarter i.e. how municipality perform against those set target.

3. Performance and Supporting Information

This section indicates, in more detail, the performance of the municipality for the financial year and refers to the supporting documentation, including the Municipality Scorecard. The performance reporting of the municipality is done in line with the 6 national KPA's and focuses on MSA Section 46 requirements and therefore reflects the performance of the municipality for the financial year, comparisons to performance of the previous financial year and measures taken to improve performance.

The supporting documents such as credible portfolio of evidence is provided for APR, so that achieved indicators have a proof such as practical completion certificates, council resolution or progress report.

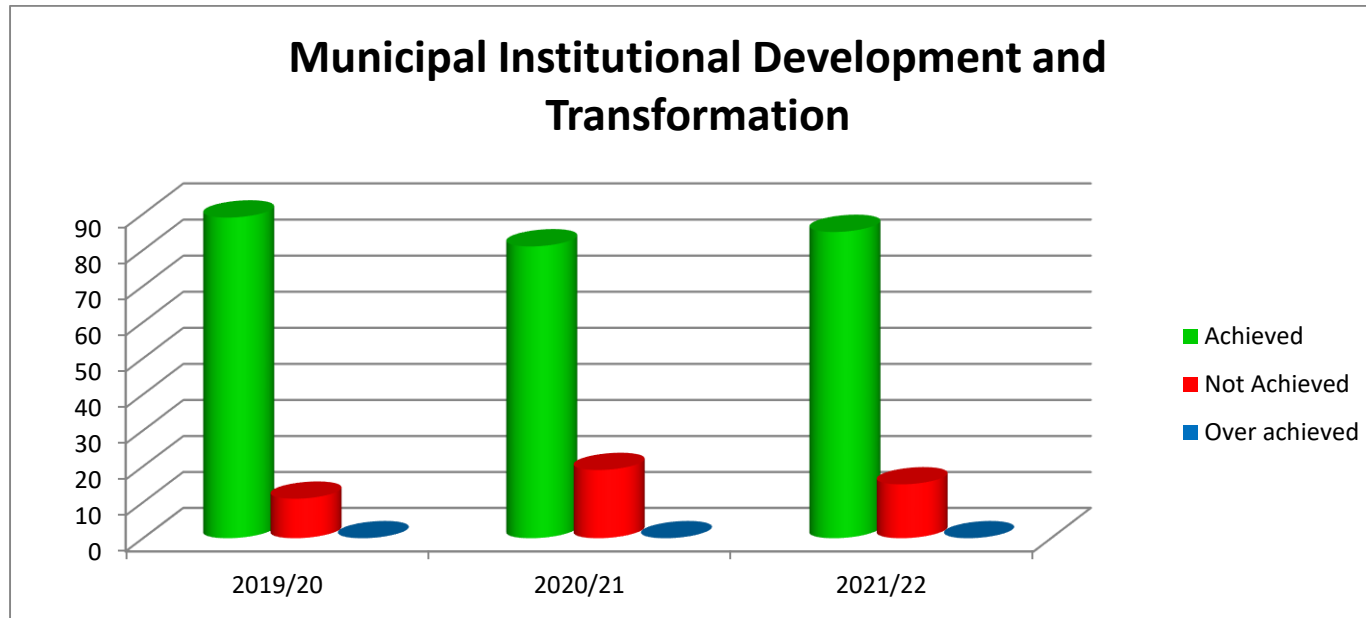
- The Municipality Scorecard approach reflects the 6 national KPA's and local priorities and enables wider assessment of how the municipality is performing, this occurs through developing targets and actuals as well as corrective measure for any targets not met.
- The performance report is based on measures included within the Municipality Scorecard.
- The traffic light system used to report performance is as follow:
 - **Blue** – Performance targets exceeded (overachieved)
 - **Green** – Performance target met
 - **Red** – Performance target not met
- In relation to the 2021/22 year end performance results, the final position shows:
 - 15% of measures have exceed the year-end target
 - 51% of measures have met or improved performance
 - 34% of measures have not met targets
- Summary performance results for all priority measures included in the municipality scorecard are as follows.

TRAFFIC LIGHTS STATUS	2019/2020 PERFORMANCE	2020/2021 PERFORMANCE	2021/2022 PERFORMANCE
Blue-Performance target exceeded	10	12	13
Green-Performance target met	31	40	45
Red-Performance not met	21	15	30

Total No: Indicators	62	67	88
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3.1. Municipal Institutional Development and Transformation

- The overall score for the KPA is 81% for 2021 -22 is maintained from 2020 -21.



3.1.1. Performance Highlights for 2021/22

- Most indicators have been achieved, such as the signing of Performance Agreement and Adoption date of reviewed Organisational structure. The organisational structure helps the municipality to function and shows that the level of compliance is in satisfactory standard.
- The municipality has aligned the signing of performance agreements for Section 54 and 56 managers by Mayor with Section 53 of MFMA and necessary submissions.

3.1.2. Challenges

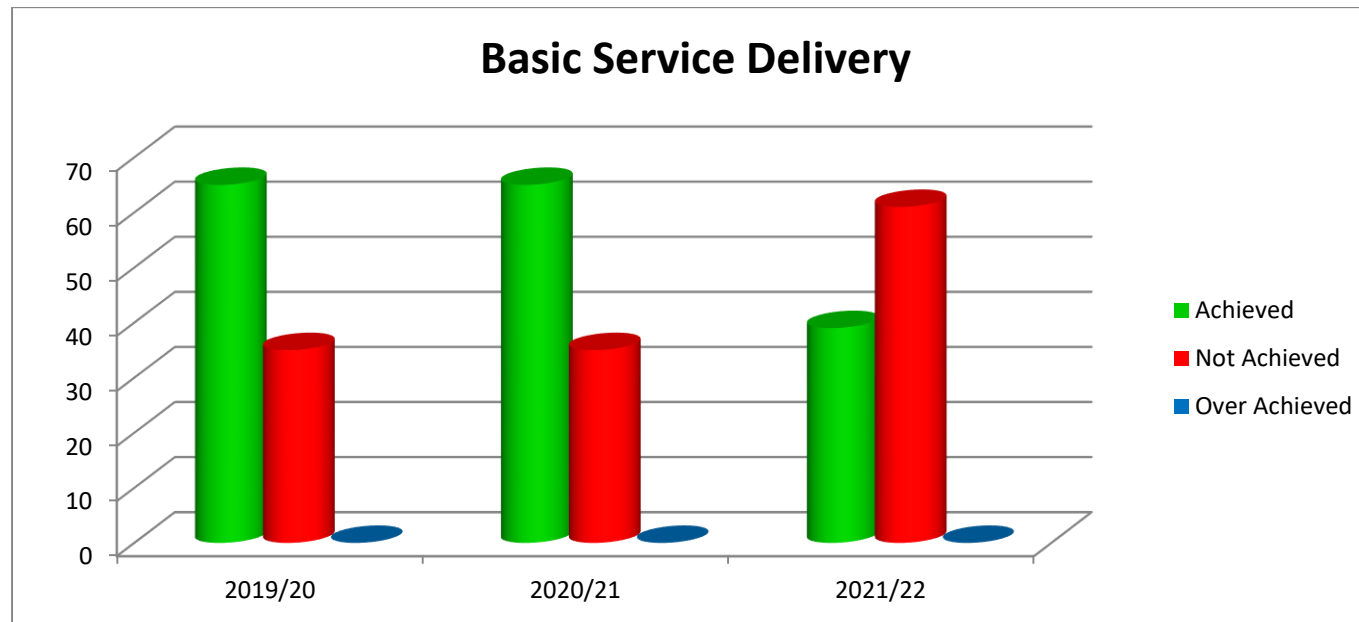
- The Municipality did not achieve 5 indicators which were percentage of vacancy rate from the organogram, the evaluations of senior managers due to the delay in the appointment of the Chief Financial Officer and Director Technical Services. Some of the risk action plans were not implemented.

3.1.3. Measures Taken to improve Performance

- Director Technical was appointed on 1st of July 2021 and Chief Financial Officer was appointed on the 1st of April 2022 during the financial year of 2021/22.

3.2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

- The overall score for the KPA is 39% for 2021 -22, down by 26% from 2020 -21.



3.2.1. Performance Highlights for 2021/22

- The municipality managed to construct and complete the following projects, Ubivane gravel road, Emazwazini gravel road and Bergville Hawkers Stalls.
- Bergville Industrial Hub and Hambrook tarred road will improve the quality lives of Okhahlamba population. The Industrial Hub will help people of Okhahlamba to maximums the skills and improve the employments for young

people.

- The Sport complex is a multipurpose hall that will help people in hosting ceremonies and events, improve the economy within Okhahlamba by hosting the PSL teams to use the facility, help young generation in pursuing talents, reduce teenage pregnancy, crime and improve the healthy life style within the community.

3.2.2. Challenges

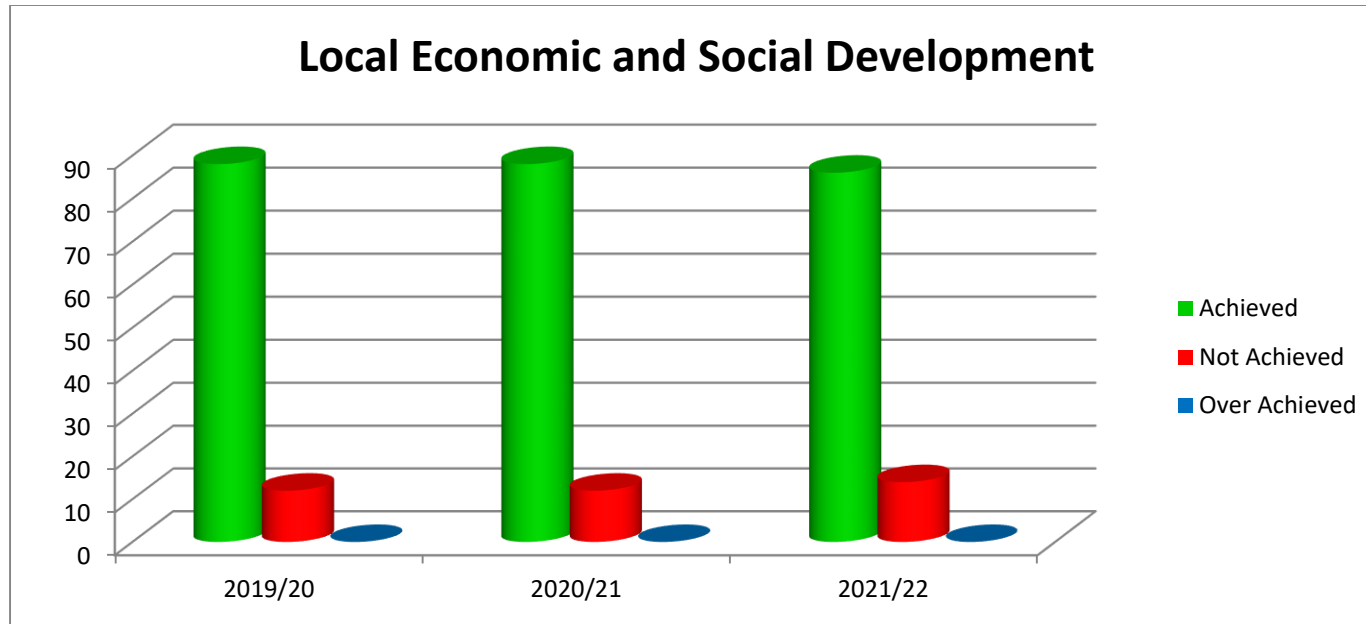
- Electrification projects were on hold due to funds relocation by Department of Mineral Resources and Energy.
- During April the country face major storms and that caused some delays and setbacks in the completions of the projects.

3.2.3. Measures Taken to improve Performance

- The electrification project will resume in the next financial year (2022/23) on new allocations.
- The extension of time was granted for the projects affected by the storms during 2021/22 therefore, all projects supposed to be completed in 2022/23 financial year and contractors will be closely monitored.

3.3. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT

- The overall score for the KPA is 86% for 2021 -22, down by 2% from 2020 -21



3.3.1 Performance Highlights for 2021/22

- The operationalization of testing/licensing centre made a positive impact since revenue collection from services rendered is R4.5mil for 2021-22 financial year, though the municipality has a small decrease comparing with the previous financial year.
- The eradication of poverty through job creation i.e. Extended public works programme (EPWP), the municipality has embarked on a drive to empower people with skills while creating employment opportunities for communities within the municipal jurisdiction. This was done through the funding of co-operatives consisting of 903 individuals to carry out labour intensive projects.
- The long term aim of EPWP is to promote a culture of entrepreneurship by adequately equipping cooperatives with skills and work experience.

3.3.1. Challenges

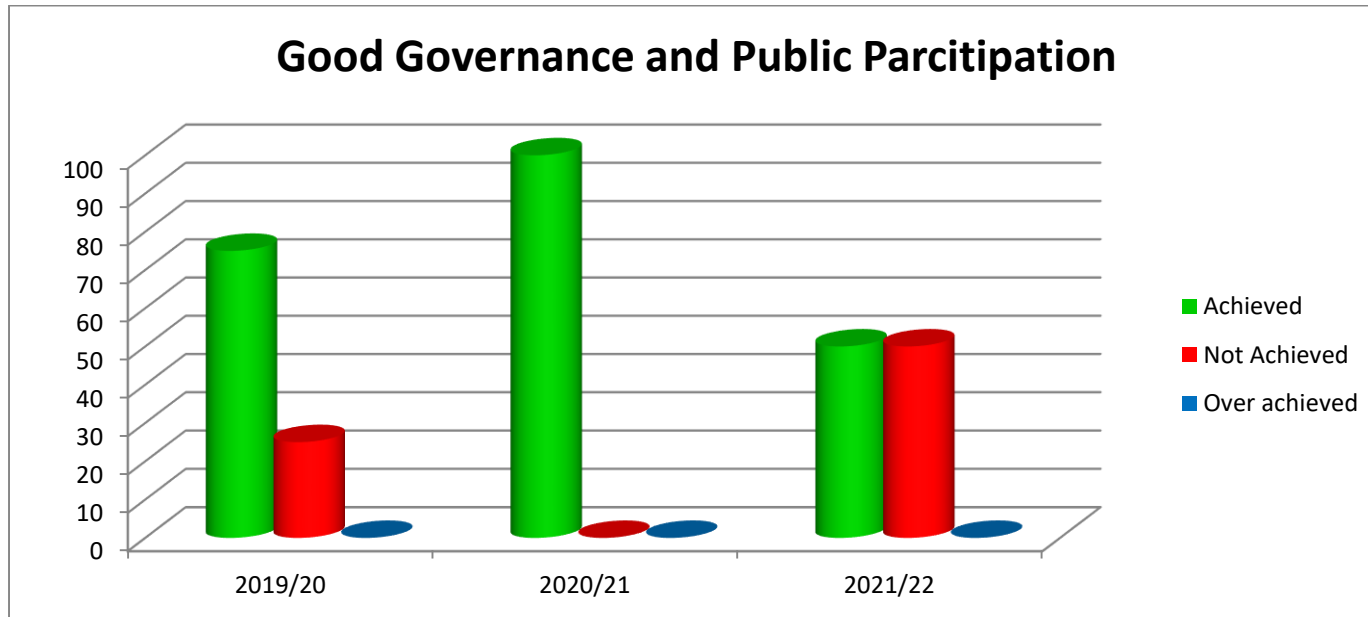
- High unemployment rate of young people in Okhahlamba jurisdiction.

3.3.2. Measures Taken to improve Performance

- Ensure that all Business applications are processed within the required time frame (30days).
- The Library report is been prepared and submitted by the user department.

3.4. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

- The overall score for the KPA is 50% for 2021/22, down 50% from 2020/21.



3.4.1. Performance Highlights for 2021/22

- The overall score of the KPI is 50% in 2021/22.
- The Okhahlamba Local Municipality ward committees are functional, and the municipality ensured the establishment and sitting of ward committee meetings after local government elections.
- Councillors participated in 12 council and 12 EXCO meetings, as well as the role played by community during IDP road shows, where various communities state the kind of projects they require.

3.4.2. Challenges

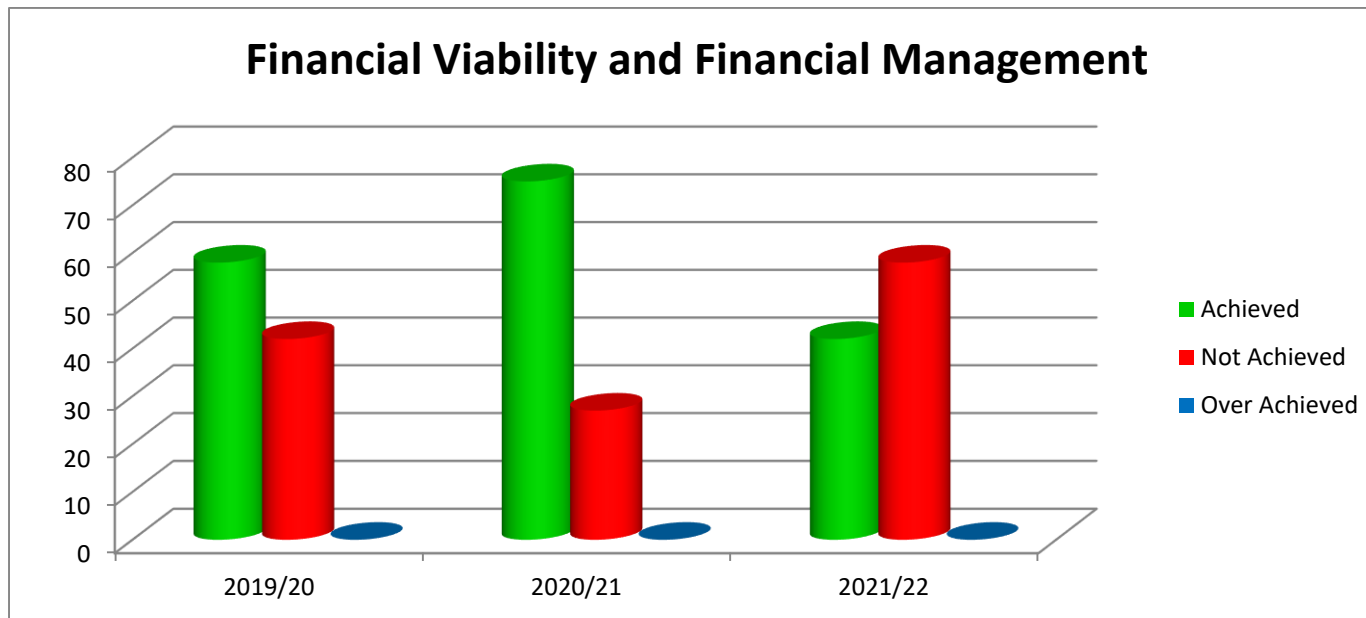
- The reason why the municipality did not achieve target, the municipality was still working on the establishment of the committee's hence new councillors were appointed.

3.4.3. Measures Taken to improve Performance

- The induction of the new ward committee's was conducted and the sitting did take place in month of April 2022.

3.5. MUNICIPAL FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT

- The overall score for this KPA is 42% for 2021 -22, down by 31% from 2020 -21.



- **Performance Highlights for 2021/2022**

- The major achievement was the unqualified audit opinion from Auditor General, the municipal staff work collectively in the preparation of the Annual Financial Statement without hiring any consultant.
- All reports were submitted on time, including the finance section also produced quarterly financial statements without consultant.
- The section was also reinforced by appointing of Chief Financial Officer.

3.5.1. Challenges

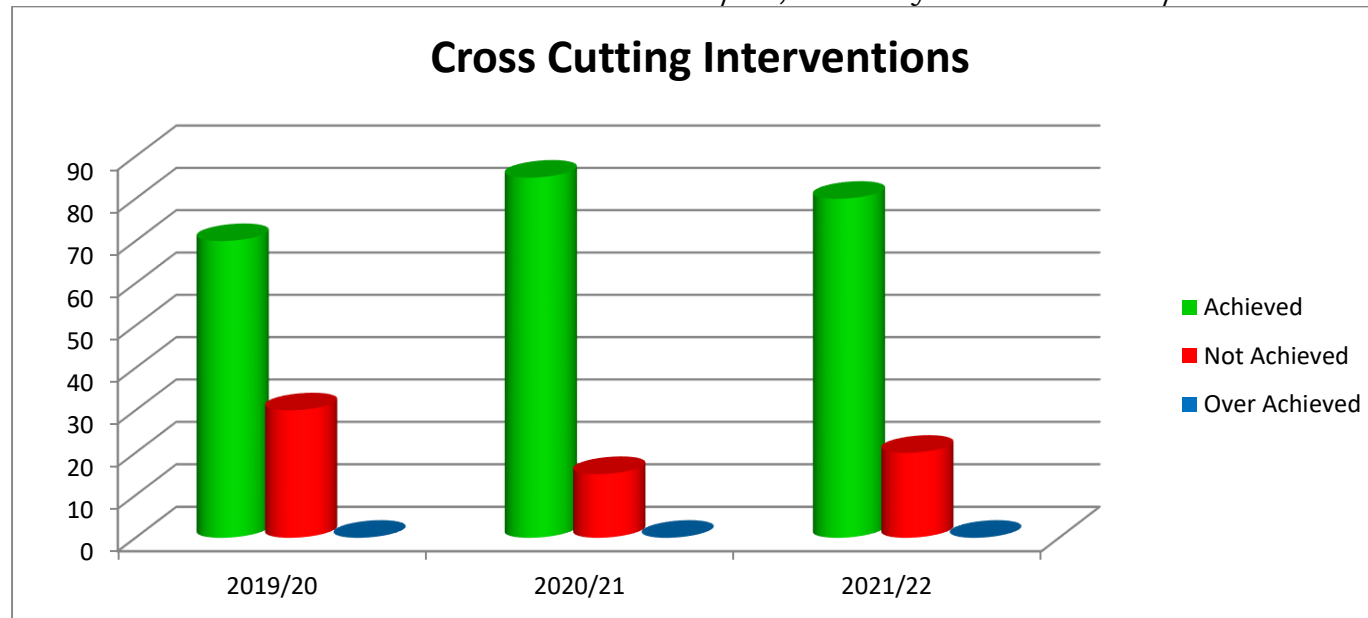
- N/A.

3.5.2. Measures Taken to improve Performance

- Trainings on the newly appointed employees to ensure the smooth running of the department.

3.6. CROSS-CUTTING INTERVENTIONS

- The overall score for the KPA is 80% for 2021/22, down by 5% from 2020/21.



Performance Highlights for 2021/22

- The law and order is also maintained by Okhahlamba traffic police, where every month road blocks have been conducted, a number of traffic fines are issued, for all vehicles that are not road worthy and other perpetrators e.g. high speed.
- Traffic Officers enforce the law to all people who are drinking and driving or drinking in public.
- Achieving indicators such as IDP adoption, shows that the Okhahlamba level of compliance is in satisfactory standard.

3.6.1. Challenges

- The evaluation of middle managers and risk action plans attended.

3.6.2. Measures Taken to improve Performance

- Ensure that all Risk action plans are attended and the middle managers are evaluated in the next financial year.

4. Key Areas to Note

Improving Performance

This section highlights key areas for improving of performance, even in the cases where the targets have been met or exceeded.

- Promoting the document such as Batho Pele Principles as municipalities are rendering the community services, the principle consist of principle such as courtesy, consultation, redress. E.g. courtesy assist the municipal officials to display correct manner on how to treat the community members in a most dignify manner. In a nutshell the document implies that in any public sector, the need of the community to be treated first.
- Complains register is also imperative in improving performance because, it tells what the community require most or is dissatisfied with, as municipality there should be major improvement in ensuring that complains raised by community are attended to in a systematic way, as the community that raised complain require relevant feedback.

- Report the Performance of the municipality to all relevant departments including the office of the MEC.
- The maintaining of a clean audit will also improve municipal performance, because there will be a high level of commitment by all staff. It is for that reason that the municipal financial staff, compliance and risk etc., work collectively without hiring any consultant for compiling annual financial statements.

Deteriorating Performance

This section highlights key areas for deterioration of performance, even in the cases where the targets have been missed.

- The projects such as Khethani surface road, Bergville Sport Complex grandstand and Khethani sport field the challenges were Performance from contractors.

5. Assessment of the performance of External Service Providers

2021 /2022 SERVICE PROVIDERS PERFORMANCE

Contract / Bid Number	Date Contract Awarded	Service Provided as Per SLA (Description of the Project)	Value of Project	Service Providers Performance		Target Met/ Target Not Achieved	RATING (Good, Satisfactory & Unsatisfactory)	Reasons if Target Not Met	Corrective measure
				Target	Actual				
TEC06/2020	26/06/2021	Electrification Hambrook-Actions Homes Farms	R1 974 168.20	100%	92%	not achieved	Satisfactory	Waiting for Eskom outages	The municipality is in constant engagements with Eskom to expedite the matter.
		Thkomela trading (PTY) LTD	R246 771.03						
TEC07/2020	26/02/2021	Electrification Rockdale Farms	R1 724 039.41	100%	91%	not achieved	Satisfactory	Waiting for Eskom outages	The municipality is in constant engagements with Eskom to expedite the matter.
		ZLM projects Engineering	R241 365.52						
TEC02/2021	30/06/2021	Hadebe Gravel Road	R5 784 531.34	100%	74%	not achieved	Satisfactory	Delays caused by storms in April 2022.	Extension of time has been granted up to the new financial year and contractor is on terms and monitored closely.
		Batatise Consulting Engineers (PTY)LTD	R520 607.82						
TEC15/2021	22/10/2021	Electrification Sandllwana	R3 608 701.85	100%	32%	not achieved	Unsatisfactory	Project on hold due to funds reallocation by Department of Mineral Resources and Energy whilst the construction was at the advanced stage	Projects will resume in the next financial year 2022-2023 on new allocation.
		Nobesuthu Technologies CC	R360 870.19						
TEC16/2021	22/10/2021	Electrification Okhombe	R2 704 171.18	100%	48%	Not achieved	Unsatisfactory	Project on hold due to funds reallocation by Department of Mineral Resources and Energy whilst the construction was at the advanced stage	Projects will resume in the next financial year 2022-2023 on new allocation.
		SYDWALT (PTY)LTD	R270 417.12						

TEC14/2021	22/10/2021	Electrification Moyeni	R3 757 133.47	100%	58%	Not achieved	Satisfactory	Project on hold due to funds reallocation by Department of Mineral Resources and Energy whilst the construction was at the advanced stage	Projects will resume in the next financial year 2022-2023 on new allocation.
		Thokomela Engineering (PTY)LTD	R469 641.68						
TEC02/2021	18/08/2021	Generator Traffic Department (Supply, Delivery, Installation and maintenance)	R496 536.28	100%	96%	Not achieved	Satisfactory		
TEC01/2021	22/10/2021	Upgrading of Hambrook Access Road	R37 913 443.00	100%	47%	Not achieved	Unsatisfactory	This is a multi-year project. Completion of the project is expected in 2022/23 financial year	Project is budgeted in 2022/23 financial year
		Simpfulwazi Engineers CC	R3 033 075.44						
TEC20/2016	22/10/2021	Implementation of the Light Industrial Hub	R10 886 264.00	100%	50%	Not achieved	Satisfactory	This is a multi-year project. Completion of the project is expected in 2022/23 financial year	Project is budgeted in 2022/23 financial year
TEC17/2021	03/01/2022	Hhalmense Gravel Road	R3 897 888.78	100%	61%	Not achieved	Satisfactory	This is a multi-year project. Completion of the project is expected in 2022/23 financial year	Project is budgeted in 2022/23 financial year
		Ndlovu Ngonyama (PTY)LTD	R389 788.88						

100%	Good
49% - 99%	Satisfactory
0% - 49%	Unsatisfactory

