



## **Mbizana Local Municipality**

### **First Quarter Performance Analysis Report**

**July-September 2015**

## TABLE OF CONTENTS

<b>1. Introduction</b>	<b>3</b>
<b>2. Legislative Rationale</b>	<b>3</b>
<b>3. Breakdown of Institutional 2015/2016 Q1 Performance Report In Numbers</b>	<b>4</b>
<b>4. Departmental Q1 Performance Against Its Own Set Standards</b>	<b>5</b>
<b>5. Percentile Institutional Performance For Q1</b>	<b>5</b>
<b>6. Areas of concern</b>	<b>6</b>
<b>7. Recommendations</b>	<b>6</b>

## INTRODUCTION

The purpose of this report is to present the 1<sup>st</sup> Quarter Report on the performance of the municipality against Pre-determined objectives and targets as set out in the Service Delivery and Budget Implementation Plan for 2015/2016 Financial Year.

The report is prepared as a response to the requirements of Sections 52 of Local Government: Municipal Financial Management Act 56 of 2003, which provides that:

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

The Accounting officer is then expected to:

- Present to the Mayor such a report;
- Present such a report to Treasury after it has been presented to Council by the Mayor.

The report encompasses and encapsulates respective departmental performance. The format of the report is compliant with the 2015/2016 Service Delivery and Budget Implementation Plan that was approved by the Mayor in June 2015.

The report covers the period: June to September 2015. Achievement and Non-achievement of Pre-determined targets have been indicated. Reasons for non-achievement and corrective measures have also been furnished where there are such instances of non-achievement of targets.

## LEGISLATIVE RATIONALE

In terms of **section 5.3.1** of the treasury regulations (as amended by GNR 225 of 15 March 2005), the accounting officer of an institution must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action.

Furthermore in terms of Section 41(2), of the Municipal Systems Act, the system applied by the Municipality in compliance with Sub-section (1)(c) must be devised in such a way that it may serve as an early warning indicator of under-performance.

**BREAKDOWN OF THE INSTITUTIONAL 2015/2016 FIRST QUARTER PERFORMANCE REPORT IN NUMBERS**

<b>DEPT/KPA</b>	<b>TOTAL NUMBER OF TARGETS SET FOR Q1</b>	<b>TARGETS REPORTED</b>	<b>TARGETS NOT REPORTED</b>	<b>TARGETS ACHIEVED</b>	<b>TARGETS NOT ACHIEVED</b>	<b>PERCENTAGE ACHIEVED</b>	<b>COLOUR CODING FOR OVERALL PERFORMANCE</b>
MUNICIPAL MANAGER'S OFFICE-GOOD GOVERNANCE & PUBLIC PARTICIPATION	25	22	03	14	09	56%	MAJOR DEVIATIONS
CORPORATE SERVICES-INSTITUTIONAL TRANSFORMATION & DEVELOPMENT	33	33	0	29	04	88%	MINOR DEVIATIONS
ENGINEERING SERVICES-BASIC SERVICE DELIVERY 1	15	15	0	07	08	47%	MAJOR DEVIATIONS
COMMUNITY SERVICES-BASIC SERVICE DELIVERY 2	20	22	0	17	05	85%	MINOR DEVIATIONS
DEVELOPMENT PLANNING-LOCAL ECONOMIC DEVELOPMENT	26	26	0	22	04	85%	MINOR DEVIATIONS
BUDGET & TREASURY-FINANCIAL VIABILITY	18	17	01	13	04	72%	MINOR DEVIATIONS

**DEPARTMENTAL PERFORMANCE AGAINST ITS OWN SET STANDARDS FOR THE FIRST QUARTER IN PERCENTAGES**

<b>DEPARTMENT</b>	<b>ACHIEVED PERFORMANCE IN %</b>	<b>TARGETS NOT MET IN %</b>
<b>MUNICIPAL MANAGER'S OFFICE- GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b>	56%	44%
<b>CORPORATE SERVICES- INSTITUTIONAL TRANSFORMATION &amp; DEVELOPMENT</b>	88%	12%
<b>ENGINEERING SERVICES-BASIC SERVICE DELIVERY 1</b>	47%	53%
<b>COMMUNITY SERVICES-BASIC SERVICE DELIVERY 2</b>	85%	15%
<b>DEVELOPMENT PLANNING-LOCAL ECONOMIC</b>	85%	15%
<b>BUDGET &amp; TREASURY-FINANCIAL VIABILITY</b>	72%	28%

**PERCENTILE INSTITUTIONAL PERFORMANCE FOR THE FIRST QUARTER**

<b>ACHIEVED</b>	<b>NOT ACHIEVED</b>	<b>NOT REPORTED</b>	<b>TOTAL</b>	<b>PERCENTAGE</b>
<b>102</b>	<b>34</b>	<b>04</b>	<b>137</b>	<b>74%</b>

## AREAS OF CONCERN

- Lack of proper management oversight over the preparation and keeping of records and reporting.
- Lack of supervision from HODs.
- Targets not met may falsely be reported to have been met.
- Lack of accurate performance evaluation.

## RECOMMENDATIONS

- (a) All departments to review their performance at least once monthly in a Management Committee in terms of the SDBIP. Decision-makers should be warned immediately of any emerging failures to service delivery so that they can intervene if necessary;
- (b) The Management Committee shall comprise of the Municipal Manager who shall also chair the meeting, Heads of Departments, Assistant Managers, Project Managers and Secretariat.
- (c) After the Management Committee has endorsed the Monthly Report, the report will then be presented to Standing/Portfolio Committees by Heads of Departments on a monthly basis.
- (d) The report will then be presented to the Executive Committee meeting by the Portfolio Head on a monthly basis.
- (e) The Municipal Manager and Heads of Departments shall provide clarity and technical expertise to the Executive Committee.
- (f) It is important that Departments use these reviews as an opportunity for reflection on their objectives and progress made with municipal projects and whether these are being achieved;
- (g) The SDBIP report submitted should be used to analyse and discuss performance; and
- (h) Changes in indicators and targets can only be approved by the Mayor, in consultation with the Municipal Manager.