



**2013/2014 FIRST QUARTER PERFORMANCE REPORT**

**FOR**

**ILEMBE DISTRICT MUNICIPALITY**

**SEPTEMBER 2013**

## TABLE OF CONTENTS

<b>1. INTRODUCTION .....</b>	<b>3</b>
<b>2. ORGANISATIONAL SERVICE DELIVERY &amp; BUDGET IMPLEMENTATION PLAN (SDBIP) AND MUNICIPAL MANAGER'S SCORECARD .....</b>	<b>3</b>
<b>3. DEPARTMENTAL RESULTS .....</b>	<b>3</b>
3.1. OFFICE OF THE MUNICIPAL MANAGER.....	3
3.2 TECHNICAL SERVICES.....	4
3.3 FINANCE DEPARTMENT .....	4
3.4 CORPORATE SERVICES.....	5
3.5 CORPORATE GOVERNANCE .....	5
3.6 MUNICIPAL ENTITY – ENTERPRISE ILEMBE .....	6
<b>4. PERFORMANCE OF SERVICE PROVIDERS .....</b>	<b>6</b>
<b>5. MEASURES TO IMPROVE PERFORMANCE .....</b>	<b>7</b>
<b>6. CONCLUSION.....</b>	<b>8</b>
<b>ANNEXURE.....</b>	<b>8</b>

## **1. INTRODUCTION**

The commencement of the new financial year for 2013/2014 began in July this year, as a requirement of the municipal systems act quarterly performance reports must be prepared which will show results of the operation performance and client satisfaction information on the core services provided by the municipality.

Management continues to work together with the PMS unit trying to get the report to the highest level in terms of portfolios of evidence, accuracy, reliability and relevance. We have not reached the highest level yet but it is improving from year to year.

The PMS system assists in promoting organisational learning that will also improve the way we plan to ensure efficiency and effectiveness in our core function.

The following is the summary of the performance of the municipality in the Organisational SDBIP.

## **2. ORGANISATIONAL SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (SDBIP) AND MUNICIPAL MANAGER'S SCORECARD**

ILembe's Organisational Scorecard continues to be organised according to the five prescribed National Key Performance Areas (KPA's). These are:

- ❖ Infrastructure & Service Delivery
- ❖ Socio-Economic Development
- ❖ Institutional Transformation.
- ❖ Financial Viability
- ❖ Good Governance & Public Participation

## **3. DEPARTMENTAL RESULTS**

### **3.1. OFFICE OF THE MUNICIPAL MANAGER**

The Annual Performance Report was prepared and submitted to the Audit Committee, as well as to the Auditor General on the 30 August 2013.

The 2014/2015 IDP process has commenced, the draft Process and Framework plan is prepared. IDP road shows scheduled to take place has been successful thus far.

### **3.2 TECHNICAL SERVICES**

No households were targeted for water connection in this quarter however progress on construction is underway. Challenges have been identified which the department is trying to around. However it is recommended that the milestones be relooked at when the adjustment process commences especially in areas where reasons are due to operational reasons and budget availability.

The total expenditure for water project is **R33, 297,250.35** and for sanitation projects is **R5, 605,915.80**.

The progress on the sanitation projects is **777hh** connected against a target of **882hh**. The progress implementation of the repairs and maintenance plan is 49% against a target of 25%. The percentage on the services that are **re-instated within 48hrs for water and 24 hrs for sanitation respectively are at 100%**.

### **3.3 FINANCE DEPARTMENT**

The budget unit is on track in terms of targets, all statutory monthly & quarterly reports are submitted to all relevant stakeholders by deadline. The annual financial statements were submitted to the Auditor General on the 30<sup>th</sup> of August and the consolidated AFS was submitted by deadline. The budget programme was also submitted to the Mayor, in preparation for the draft budget of 2014/15 financial year.

The expenditure unit are still faced with some challenges, but are trying to find ways to address them. Payment of creditors is **95%**, the department is working with the IT department to implement an automated process of monitoring the flow of invoices between other departments which will assist in meeting the target. The Debt coverage ratio is on target at 3:1 and the cost coverage ratio is at 1:1 against a target of 1:1. Cash on hand is at **11 days** against the projection of **30 days**. A comprehensive strategy to improve the municipality's cash flow position is in place. This strategy will encompass reinforcing expenditure management, implementation of revenue turnaround as well as budget monitoring on capital projects.

Revenue collection is **at 68%** in this quarter, however it must be noted that the customers are being handed over for collection in line with the policy. This quarter it was reported that **91%** of overdue accounts were submitted to Technical services for restriction. Only **19% of the debtors** were handed over for collection, an economic profiling and risk analysis of debtors in the debt book was conducted, and options are being looked at in terms of handing over of debtors.

Percentage implementation of the Annual Procurement plan is at 32% against a target of 25% for this target. The quotations were done on an average turnaround time of 11, 70 days for quotations between R30 000 & R200 000 and 3, 27 days for quotations between R2000 and R29 999. The Bids were reported to be **averaging 89 days** against a target of 90 days, there is a great improvement when compared to previous actuals reported.

Asset Management Unit is on track, movable assets have been verified. Updating of the asset register is being done monthly. Stock takes are also being done monthly with all queries/variances resolved within a 14 day turnaround time.

### **3.4 CORPORATE SERVICES**

The Human Resource section implemented 66% of the HRD policy against a target of 10%. The employees are going under induction to ensure they are well aware of the organisation and its culture, **74%** have been inducted. Percentage of employees trained in accordance with the WSP is at **20%**, with **0.47%** of the municipality's budget spent thus far in terms of implementation. Percentage of posts filled on the organogram is on target with 20% filled in quarter one.

Environmental Health is progressing well in their various activities in the unit such **213 food premises** inspected, **100%** funeral undertaker applications processed and **100%** building plans in terms of the health & regulations act scrutinised within the turnaround time of 4 days. The water quality samples were conducted, none were found to be non-compliant.

Council support is functioning well with all the meeting requested held.

Legal Services is on target with an average of **5, 41** days turnaround time to vet legal document and Service Level Agreement. All SLA requests in this quarter were **100%** concluded. The percentage of legal matters of the municipality that are resolved are at **16, 67%**, awaiting information from line departments to conclude outstanding matters.

The Manager ICT has had great challenges this quarter in terms of meeting targets awaiting the response of the BAC. However where possible the department will try to fast track progress.

### **3.5 CORPORATE GOVERNANCE**

Heritage celebrations were successfully hosted this quarter with a target of 4 planned to take place. The draft annual report was prepared and submitted to the Auditor General by deadline.

The Communications Unit has exceeded target with 17 public meetings held against a target of 2. The review of the Customer Satisfaction is underway and on track. Mayoral radio slot took place in quarter one as targeted. The District continues to facilitate the IGR meetings as well as the sub forums meeting and all were held as planned.

The Disaster Risk management unit reported a **100%** of incidents responded to. Four awareness campaigns and 4 capacity building workshops were held in this quarter. Development of Level 2 of the District Disaster Management plan is in progress, the task team members have been identified and the service provider will be appointed soon to commence with review. The Disaster Management system is completed with finer details on electrification and plumbing to be finalised, once concluded fully the communication system will be relocated.

A total of 5 programmes were implemented as per the approved gender plan and 4 programmes as the youth plan, with a total of 50 youths benefitting from the youth programmes held. The department has also been tasked to co-ordinate/host interventions in all local Municipalities with regards to Operation Sukuma Sakhe, in this quarter a total of 6 interventions were hosted against a target of 4. In terms of HIV/Aids awareness campaigns 1 took place.

### **3.6 MUNICIPAL ENTITY – ENTERPRISE ILEMBE**

In terms of section 93B of the Municipal Systems Act, the parent municipality must ensure that the performance objectives and indicators for the municipal entity are established by agreement with the entity and included in the municipal entity's multi year business plan in accordance with section 87 (5) (d) of the MFMA. It is for this reason that the report for the Enterprise Ilembe has been included as part of this performance report.

Application for funding of projects directly developed by Enterprise iLembe has been submitted to COGTA and other sources of funding has been identified, responses are awaited.

In terms of the new open fields projects targeted has been exceeded with 38 reported as actual against a target of 1. Co-operatives registered to increase job opportunities were effective with 2 having registered.

Progress to source funding for feasibility studies has been approved by IDC for the renewable energy to commence.

Tourism, Marketing and promotions are on track, 2 exhibitions have been attended, 1 advert was placed in the Suid Afrika magazine. The Dolphin Ultra race was held as a support event which will add to the increase of visitors in the District.

Monthly financial reports as well as performance reports with completed portfolios of evidence are submitted to the District by deadline.

The detailed report is attached as part of the annexure

### **4. PERFORMANCE OF SERVICE PROVIDERS**

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. The formalization of the oversight function on the performance of service providers is being done through the Supply Chain Management Unit. Monthly reports on performance of service providers is being submitted to the Finance Portfolio Committee.

The end user department are providing monthly reports to the SCM unit, which in turns compiles a quarterly progress report on the overall performance of the service providers within the municipality. The Municipal Managers intervention in this function is also noted as poor performance must be acted upon immediately.

## **5. MEASURES TO IMPROVE PERFORMANCE**

The system is improving from quarter to quarter and management is ensuring where target is not met, meaningful corrective measures are stated to ensure that these tools are really assisting the management and adding value in streamlining their work. The departmental reports attached as annexure have corrective measures on all targets that were not met.

## **6. CONCLUSION**

The iLembe District wishes to reinforce its commitment and dedication in ensuring the service delivery and changing the lives of the people within our district.

# ANNEXURES



# **Organisational Scorecard**

ORGANISATIONAL SCORECARD 2013-2014 (EXCO SUBMISSION)

Organisational Scorecard 2013/2014 SDBIP (EXCO Submission)

OUTCOME	NATIONAL KPA'S	IDP OBJECTIVE	KPA	BACKLOG	BASELINE	KPI'S	UNIT OF MEASURE	ANNUAL TARGET	1ST QUARTER TARGET	1st Quarter Actual	RESPONSIBLE DEPARTMENT
Improved access to basic services	Basic Service Delivery	Improve access to basic sanitation services	Water Projects	38 320	5452hh	Number of new hh with access to water	Number	4332hh	0hh	0hh	Technical Services Department
		Improve access to basic sanitation services	Water backlog eradication	24%	22%	Percentage backlog eradication	Percentage	17%	N/A	N/A	Technical Services Department
		Improve access to basic sanitation services	Sanitation Projects	44 188	3812hh	Number of new hh with access to sanitation	Number	3528hh	882hh	777 hh	Technical Services Department
		Improve access to basic sanitation services	Sanitation backlog eradication	28%	28%	Percentage backlog eradication	Percentage	26%	N/A	N/A	Technical Services Department
		Improve access to basic water services	Water Projects Expenditure	N/A	R226.600m	Rand Value of expenditure - Water	Rand value	R240.263,180	R41,200,000	R 33 297 250,35	Technical Services Department
		Improve access to basic sanitation services	Sanitation Projects Expenditure	N/A	R39.200m	Rand Value of expenditure - Sanitation	Rand value	R75.560,627	R17 814,683	R 5 605 915,80	Technical Services Department
		Improve access to basic water and sanitation services	Refurbishment	N/A	a) 100% b) R29m	a) Percentage Progress in the implementation of repairs & maintenance plan b) Expenditure	Percentage and number	a) 100% b) R35,770,080	a) 25% b) R3,942,500	a) 49% b) 6 232 997,23	Technical Services Department
		Monitor Siza Water concession contract	Siza Water Plan	N/A	30 June 2013	Draft 5 year review plan by deadline	Date	30 June 2014	N/A	N/A	Technical Services Department
		To improve the level of financial utilisation non-wasteful but for specified projects	Capital Expenditure	N/A	100%	Percentage of municipalities annual capital budget spent on agreed IDP projects	Percentage	100%	15%	12%	Technical Services Department
		Improve response time to water and sanitation interruptions	iLembe DM specific Water Infrastructure	N/A	100% within 48hrs	Percentage of reported households responded with services reinstated within 48 hours on water	Percentage	100% within 48 hours	100% within 48 hours	100%	Technical Services Department
		Improve response time to water and sanitation interruptions	iLembe DM specific Sanitation Infrastructure	N/A	100% within 24hrs	Percentage of reported households responded with services reinstated within 24 hours on sanitation	Percentage	100% within 24 hours	100% within 24 hours	100%	Technical Services Department
		To provide excellent water quality that will meet or exceed the National Standards	Green drop status	N/A	New measure	Final assessments conducted for 2013/2014 FY for Green drop status by deadline	Date	By end June 2014	Final results received for 2012/2013 FY	No results received yet.	Technical Services Department
		To provide excellent water quality that will meet or exceed the National Standards	Blue drop status	N/A	New measure	Final assessments conducted for 2013/2014 FY for Blue drop status by deadline	Date	By end June 2014	Final results received for 2012/2013 FY	No results received yet.	Technical Services Department
		To improve the level of financial utilisation non-wasteful but for specified projects	Repairs & Maintenance	N/A	8%	% operational budget spent on repairs and Maintenance	Percentage	10%	3%	2,48%	Technical Services Department

ORGANISATIONAL SCORECARD 2013-2014 (EXCO SUBMISSION)

OUTCOME	NATIONAL KPA's	IDP OBJECTIVE	KPA	BACKLOG	BASELINE	KPI's	UNIT OF MEASURE	ANNUAL TARGET	1ST QUARTER TARGET	1st Quarter Actual	RESPONSIBLE DEPARTMENT
Improved Municipal Financial & Administrative Capabilities	Financial Viability and Management	To ensure effective management of budgeting process (realistic & credible)	Complete Budget for 2014/2015	N/A	30 June 2013	Approved fully funded Operating & Capital Budget for 2014/2015 by deadline	Date	30 June 2014	Submit 2014/2015 budget programme to the Mayor	Done in July	Finance Department
		To achieve a clean audit	Obtain Clean Audit for 2012/13	N/A	a) Unqualified audit report 2011/2012 b) 25% c) 0	a) Clean audit report by the AG for 2012/13 b) % decrease in AGs findings c) No repeat findings	a) AG Report b) Percentage c) Number	a) Clean audit report by the AG for 2012/13 b) 25% c) 0	a) Submission of AFS by 30 August 2013 for IDM, Consolidated AFS by 30 Sept 2013 b) N/A c) N/A	a) IDM AFS were submitted to AG by 30 August 2013. Consolidated AFS have been submitted by deadline. b) Not applicable c) Not applicable	Finance Department
		To ensure long-term financial viability and sustainability of Ilembe District Municipality.	Capital Expenditure	N/A	100%	% quarterly capital expenditure as of planned expenditure ( <i>Actual capex/budgeted capex</i> ) x100	Percentage	100%	95%	78%	Finance Department
		To ensure long-term financial viability and sustainability of Ilembe District Municipality.	Operational Expenditure	N/A	100%	% quarterly operational expenditure as of planned expenditure ( <i>Actual opex /budgeted opex</i> ) x100	Percentage	100%	100%	112%	Finance Department
		To raise monthly collection rate on billings	Revenue Collection Rate	N/A	a) 80% b) 40%	a) Percentage collection rate b) Percentage increase in the proportion of consumers paying in full vs the number of consumers billed	Percentage	a) 85% b) 45%	a) 70% b) 31%	a) 68% b) 40%	Finance Department
		To ensure compliance with SCM policy & regulations	Procurement time in the line with the SCM Policy	N/A	a) 10 days b) 5 days	a) Turnaround time for the SCM processes in recommending preferred bidders to Departments (quotations, adverts etc) (Between R30 000 & R200 000) b) Turnaround time for the SCM processes in recommending preferred bidders to Departments (quotations, adverts etc) (Between R2000 and R29 999)	Number of days	a) 10 days b) 5 days	a) 10 days b) 5 days	a) 11.70 b) 3.27	Finance Department
		To ensure compliance with SCM policy & regulations	Compliance with the SCM Policy	N/A	63 days	a) Turnaround time for processing all the bids	Number	90 Days	90 Days	89 days	Finance Department
		To ensure long-term financial viability and sustainability of Ilembe District Municipality.	Payment of creditors	N/A	100%	% of claims with no outstanding issues submitted to Finance paid within 30 days	Percentage	100%	100%	95%	Finance Department
		To ensure long-term financial viability and sustainability of Ilembe District Municipality.	Statutory reports	N/A	100%	Percentage of monthly reports that are submitted by the 14th of each month	Percentage	100%	100%	100%	Finance Department

**ORGANISATIONAL SCORECARD 2013-2014 (EXCO SUBMISSION)**

OUTCOME	NATIONAL KPA's	IDP OBJECTIVE	KPA	BACKLOG	BASELINE	KPI's	UNIT OF MEASURE	ANNUAL TARGET	1ST QUARTER TARGET	1st Quarter Actual	RESPONSIBLE DEPARTMENT	
Differentiated approach to Municipal financing, planning & support	<b>Institutional Transformation and Development</b>	To have an updated, approved and populated organogram in all critical need areas of the IDP	Human Resources	N/A	90%	Percentage of positions filled	Percentage	85%	20%	20%	Corporate Services	
		To ensure full compliance with the Employment Equity Act within iLembe District Municipality	Employment Equity	N/A	New measure	Number of people from the EE target groups employed in compliance with the EE plan	Number	20	5	17	Corporate Services	
		To ensure that conflicts within the municipality are resolved in line with relevant labour Relations legislations	Legal matters	N/A	100%	% increase in the total number of legal cases that are resolved (excluding cases which become the subject of contested litigation)	Percentage	100%		100%	16,67%	Corporate Services
		Ensure sufficient budget that complies with the provision of the Skills Development Act	WSP	N/A	2%	Percentage municipality's budget spent on implementing the approved WSP	%	1%		0,25%	0,47%	Corporate Services
		To promote an institution that is representative, participative and empowered to improve the institutional capabilities for service delivery.	Training	N/A	30 June 2013	WSP & ATR compiled by deadline	Date	WSP & ATR to LGSETA by 30 June 2014		N/A	N/A	Corporate Services
	<b>Socio Economic Services</b>	A District complying with Disaster Management Legislation	Disaster Management Communication System	N/A	New measure	% installation and testing of the Disaster Management Communication system by deadline	Percentage	100%	100% by end March 2014	Installation & testing of the system	The target is behind schedule.	Corporate Governance
		A District complying with Disaster Management Legislation	Emergency Relief Aid	N/A	Maintain 100%	Percentage of incidents responded to	%	100%	100%	Maintain 100%	100%	Corporate Governance
		To ensure that statutory requirements controlling occupational health & environmental health services are enforced minimising risks in the work place, community and promoting a safe and healthy environment	Occupational Health & Safety	N/A	a) 100 b) New measure c) New measure	a) Number of staff trained b) Number of sites inspected in terms of unsafe working conditions c) Number of reports compiled on sites inspected for remedial action	Number	a) 120 b) 60 c) 4	a) 30 b) 20 c) 1	a) 0 b) 4 c) 4	Corporate Services	
		To provide appropriate environment and facilities for the provision of Social Services.	Health & Safety - Water Quality (domestic samples)	N/A	a) 144 b) 0	a) Number of samples taken and analysed b) Percentage of unsatisfactory samples reported and rectified	Number & %	a) 156 b) 0%	a) 39 b) 0%	a) 36 b) 0%	Corporate Services	
		To facilitate and stimulate economic growth in the District	Expanded Public Works Programme	N/A	1000	Number of jobs created through implementation of the Capital Works Plan	Number	1000	N/A	N/A	N/A	Technical Services Department
Community work programme implemented & cooperative supported	To facilitate and stimulate economic growth in the District	Local Economic Development	N/A	4	Number of LED Projects directly developed by EI	Number	4	1	0	0	Enterprise iLembe	
	To facilitate and stimulate economic growth in the District	Local Economic Development (School Nutrition Programme)	N/A	18	Increase in Number of new Open Fields Projects	Rand value	22	1	38	38	Enterprise iLembe	