

**MOPANI DISTRICT MUNICIPALITY MPAC
OVERSIGHT REPORT ON THE 1ST QUARTER
PERFORMANCE**



30 NOVEMBER 2023

CHAIRPERSON'S FOREWORD

The contents of this report focus mainly on the performance of the Municipality during the First Quarter of the 2023/24 financial year.

Service Delivery & Budget Implementation Plan (SDBIP) is a strategic tool that enables the municipality to evaluate its performance. SDBIP gives effect to the IDP and Budget of the Municipality and this will only be possible if IDP and Budget are fully aligned with each other. The planning document makes it feasible for Council to monitor the performance of the Municipality against quarterly targets on service delivery and to serve as an early warning pointer for underperformance.

It is on this basis that MPAC, guided by legislative imperatives, deems it necessary to apprise Council on the performance status of the Municipality with view to identify areas for possible improvements. Improved performance is a step towards eradication of service delivery protests; will improve audit outcome of the municipality and will also improve the municipality's output in terms of service delivery. Performance Management is a solution and the heartbeat of any flourishing organization. Prioritization of performance Management by Mopani District Municipality and its personnel will be the beginning of an end to community dissatisfaction and protests.

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1. INTRODUCTION

The report relates to the outcome of the several meetings and working session with the Manager Strategic and institutional stakeholders on the First quarter performance report for the 2023/24 financial year. Specific focus would be given to the Key Performance Indicators that were flagged in terms of the Municipality's Service Delivery & Budget Implementation Plan. The Report would briefly look at the relevant legislative prescripts guiding performance management systems in the local government environment. The Report will also provide the processes followed as well as the methodology used that led to the delivery of the final product as well as the findings and recommendations for Council to make its further determination.

2. PURPOSE OF THE REPORT

The purpose of the Report is to apprise Council on the results of the oversight conducted on the Municipality's First Quarter Performance report for Council to make the necessary intervention where appropriate so that Council resolutions are passed for implementation.

3. SCOPE OF THE REPORT

The scope of the report covers the First quarter of the Institutional Performance Report on the SDBIP for the 2023/24 financial year. Specific focus would be referred to the key performance indicators versus the set targets in order to assess whether or not, the municipality is performing in terms of the expectation per MFMA.

4. METHODOLOGY

As per the compliance MPAC is required to scrutinize the performance report quarterly. MPAC has therefore arranged a session with the PMS, Legal, Internal Audit and Risk divisions on the 21st – 23rd November 2023 in order to probe the content of the First Quarter SDBIP report.

5. FINDINGS & RECOMMENDATIONS

The committee focused specifically on the first Quarter Report per Key Performance areas in terms of the SDBIP. The three tables below have categorised the item, findings and recommendations as such.

5.1 FIRST QUARTER REPORTS PER KPA

Investigation under this section was Conducted owing to the nature of the information that was required, submitted and adopted by council on the 31st October 2023.

NO	FINDINGS	RECOMMENDATIONS
KPA 1: MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT		
1. TLMTO D_04 (P7)	Overdue outstanding labour related cases that are still ongoing from previous financial years currently at 25% against the expected target of 100% and delays in finalising them	a. That disciplinary cases must be resolved within 90 days as per the recommendation of SDBIP adopted by Council. b. That the Accounting Officer must provide all outstanding disciplinary cases, progress per each case and costs incurred in the process on a quarterly basis.

KPA 2: BASIC SERVICE DELIVERY INDICATORS		
NO	FINDINGS	RECOMMENDATIONS
2. TLBSD 07 (P11)	Slow progress on House holds access to sanitation, out of the targeted 473 a zero percent was achieved in the period under review.	That the Accounting Officer must do forward planning in the appointment of service providers and closely monitor the execution of projects.
KPA 4: MUNICIPAL FINANCIAL VIABILITY		
NO	FINDINGS	RECOMMENDATIONS
3. TLFV _01 (P13)	Poor revenue collection, the municipality is at 42% as of the fourth quarter while the target is aimed at 95% and this is less by 53% of its actual performance.	a. That Implementation of the Revenue Improvement strategy & credit control policy. b. That Management should implement the Credit Control policy as a matter of urgency.

4. TLFV _ 02 (P13)	Poor debt collection on outstanding debts, 0% was achieved out of the targeted 40% for the first quarter	a. That Enforcement of the SLA's with all the local municipalities apply. An agreement should be entered into with government departments and big corporate for the outstanding debts and repayments plan be agreed upon; b. That Management must strengthen internal control on credit control policy and review of indigent policy in partnership with the local municipalities.
5. TLFV _ 03 (P13)	Data cleansing was not performed during the 1 st quarter and thus resulting in zero percentage	a. That the Accounting Officer must enforce SLA's with all the local municipalities; b. That Accounting Officer must provide the statistical status of all meters and progress made thus far on data cleansing on a regular basis in consultation with locals through the SLAs.
6. TLFV _ 04 (13)	Quarterly financial statements not compiled and submitted to Provincial Treasury as required	a. That the Accounting Officer must ensure that Financial Statements are presented to the Provincial Treasury as required by MFMA, b. That the BTO officials be capacitated. c. That the Municipality to include skills transfer clause in the contract with Service Providers for AFS.

7. TLFV _ 16 (P15)	Service providers are not being paid within 30 days of receipt of invoices as per the legislation. The municipality targeted 100% for the first quarter but only managed to pay 65%.	a. That the CFO must not accept any invoices where the checklist is not fully complied with. b. That the CFO must strengthen internal control and enforce compliance. c. That the CFO must ensure all Managers develop Standard Operating Plan within their divisions.
8. TLFV _ 18 (P16)	Assets Verification not conducted in line with the GRAP Standards during the first quarter, one verification was targeted, and zero percent achieved.	The CFO must ensure that Assets Verification targets are adhered to in line with GRAP standards.
9. TLFV _ 19 (P16)	Capital budget not spent as approved by council within the stipulated time, at least 17% of the targeted 20% was achieved for the quarter	a. That the Accounting Officer through the CFO and the Technical Services must do forward planning for projects to ensure that the SCM processes are finalised and implemented as per budget implementation plan. b. That consequence management must be applied to the Accounting Officer and relevant Senior Managers for failure in achieving the expected target in the first quarter.
10. TLFV _ 21	MIG budget not spent as approved by council within the stipulated time, at least 17% of the	a. That the Accounting Officer through the CFO and the Technical Services must do forward planning for projects to ensure that the SCM processes are finalised and

(P16)	targeted 20% was achieved for the quarter under review.	implemented as per budget implementation plan. b. That consequence management must be applied to the Accounting Officer and relevant Senior Managers for failure in achieving the expected target in the first quarter.
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION		
NO	FINDINGS	RECOMMENDATIONS
11. TL-G GPP	Poor implementation of Council Resolutions, 90% of the targeted 100% was attained	(a) That the Accounting Officer must ensure the implementation of Council Resolutions.

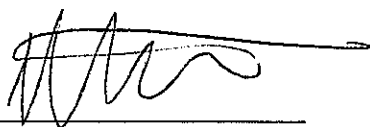
_05 (P20)		(b) That Section 79 Chairpersons and Chair of Chairs must play their oversight role
12. TL_G GPP _07	Slow implementation of IGR resolutions during the 1 st quarter, 90% of the anticipated 100% was achieved	That the Accounting Officer must ensure the full implementation of IGR structures resolutions.
(P21)		
13. TL_G GPP _12	Ward Committee Forums not held, 100% was scheduled and zero (0) percentage achieved for the period	That the Speaker must ensure the coordination, scheduling, and attendance of District Ward Committee Forums
(P21)		
14. TL_G GPP _23	Audit committee resolutions not implemented within the financial year, only 64% of the targeted 100% during the first Quarter was achieved.	That the Accounting Officer to ensure that audit committee resolutions and recommendations are implemented and ensure good governance, and compliance to legislation, and that it be a standing item in all management and Committee meetings.
(P23)		

6. RECOMMENDATIONS TO COUNCIL

The following recommendations are brought before Council for further consideration and approval:

1. That all council resolutions be prioritised and implemented as a matter of urgency as reflected in the previous reports.
2. That the Accounting Officer table to Council a progress report on the implementation of MPAC Recommendations on a quarterly basis;
3. That Section 79 Committee Chairpersons and Chair of Chairs must play oversight role on the implementation of Council resolutions
4. That MMCs to ensure that Council resolutions and matters that are due by management are executed.
5. That PMU and Budget and Treasury (SCM) to provide forward planning to Council on plans to avoid roll-overs and to improve on grant spending;
6. That the Accounting Officer and relevant directorates should ensure regular monitoring of projects;
7. That Management must comply on timeous submission of documents and POE when required by MPAC;
8. That written responses to MPAC must be honest, informative and relevant to questions asked;
9. That all matters requiring Consequence Management be referred to the Financial Misconduct Board (FMB) as per MFMA circular 76.

10. That quarterly reports be submitted to Council and MPAC to comply to the requirements of the statutes in assisting MPAC to deal with backlog.
11. That Council adopts the report as presented; and
12. That the report be submitted to CoGHSTA, SALGA and the Provincial MPAC Forum.



Cllr MM MUKHABELE
MPAC CHAIRPERSON

29/11/2023

DATE