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REF: 3/2/6/3

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DATE: 28 April 2023

TO WHOM IT MAY CONCERN

Council Resolution Extract Number OCM/04/2023 of an Ordinary Council Sitting held on 25 April 2023:

OCM/04/2023	F: 3/2/6/3	OVERSIGHT REPORT SECOND QUARTER PERFORMANCE REPORT
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RESOLVED:

1. That all council committee's resolutions be prioritised and resolved as a matter of urgency;
2. That the Accounting Officer table to Council a progress report on the implementation of MPAC Recommendations on a quarterly basis;
3. Council to play oversight on outstanding resolutions and matters that are due by management;
4. The PMU and Budget and Treasury (SCM) to provide forward planning to Council on plans avoid roll-overs and to improve on grant spending;
5. That PMU, Resident Engineer and PSC should ensure regular monitoring of projects;
6. That there should be a spontaneous improvement on poor performance;
7. That Management should improve on timeous submission of documents and POE;
8. That written responses to MPAC must be honest, informative and responsive to questions asked;

9. That all relevant Portfolio Committees to monitor the performance of their respective Directorates and keep track of resolutions taken through a resolutions register;
10. That Council adopts the report as presented; and
11. That the report be submitted to CoGHSTA, SALGA and the Provincial MPAC Forum.



CLLR NM MASWANGANYI
COUNCIL SPEAKER



DATE

**MOPANI DISTRICT MUNICIPALITY MPAC
OVERSIGHT REPORT ON THE 2ND QUARTER
PERFORMANCE**



25 APRIL 2023

CHAIRPERSON'S FOREWORD

The contents of report focuses mainly on the performance of the Municipality during the second Quarter of the 2022/23 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 also to serve as 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 would be a 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 session with the PMS Deputy Manager on the second quarter performance report for the 2022/23 financial year. Specific focus would be given to the Key Performance Indicators that were not achieved 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 second Quarter Performance report in order 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 second quarter of the Institutional Performance Report on the SDBIP for the 2022/23 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.

4. METHODOLOGY

As per the compliance MPAC is required to scrutinize the performance report quarterly.

MPAC also conducted projects visit across local municipalities to monitor progress and identify areas of impediments in projects construction with view to raise those challenges with recommendations before Council. Rural sanitation projects across the local municipalities in the Mopani District were also visited to monitor progress.

5. FINDINGS & REMEDIAL ACTION

The committee focused specifically on (1) the Second Quarter Reports per Key Performance areas in terms of the SDBIP; (2) Projects emanating from the Second Quarter Reports and (3) the Rural Sanitation Sites visit. The three tables below have categorised the projects as such.

5.1 SECOND QUARTER REPORTS PER KPA

Investigation under this section was Conducted and projects visits were done due to the nature of the information that was required.

NO	FINDINGS	RECOMMENDATIONS
KPA 1: MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT		
1.	Overdue labour related cases that rolled over from previous financial years currently at 88% against the expected target of 100% and delays in finalising due to continuous appeals	a. Disciplinary cases should be resolved within 90 days and proper arrangements be made on time with the Bargaining; b. Council be provided with the 12% outstanding cases which could not be concluded for further review and directive
2.	Non quarterly assessment of the performance of sec. 54 and 56 Managers	The Accounting Officer must prioritise these quarterly performance assessment as they negatively reflect and affect the performance of the Municipality

3	Internal Audit findings not implemented, the status quo of 25% target and 33% actual performance as of 1 st quarter remains similar	Resolve and comply with the implementation of Internal Audit findings within 90 days
KPA 2 : BASIC SERVICE DELIVERY		
NO	FINDINGS	RECOMMENDATIONS
4	Delayed fixing of graders breakdown resulting in failure to achieve the expected target KM's	a) Supply Chain Management to urgently adhere to the procurement plan to ensure timely appointment of service providers to fix the broken graders b) That Council consider the appointment of Grader Technician who will be always on site to alleviate the breakdown challenges
KPA 4 : MUNICIPAL FINANCIAL VIABILITY		
NO	FINDINGS	RECOMMENDATIONS
5.	Poor revenue collection, the municipality is at 45% while the target is aimed at 95% and this is less than 50% of its actual performance.	a. Implementation of the Revenue Improvement strategy & credit control policy. b. Management should implement the Credit Control policy as a matter of urgency.

6.	Poor debt collection on outstanding debts, only 30% was achieved out of the targeted 60% for the period under review (Municipalities & government institutions)	a. Enforcement of the SLA's with all the local municipalities. An agreement should be entered into with government Institution for the outstanding debt and repayment plan be agreed upon; b. Management must strengthen internal control on credit policy and review of indigent policy
7.	Data cleansing was not performed during the 1 st and 2 nd quarter and thus resulting in zero percentage	a. CFO must enforce SLA's with all the local municipalities. b. CFO must provide the statistical status of all meters both functional and non-functional to MPAC before the end of the financial year (30th June 2023)
8.	Quarterly financial statements not compiled and submitted to Provincial Treasury as required	a. The CFO to ensure the preparation of the Financial Statements 14 days after the end of the quarter and submit to Provincial Treasury as required b. That the BTO officials be capacitated; c. That the Municipality to include skills transfer clause in the contract with Service Provider for AFS.
9.	Service providers are not being payed within 30 days of receipt of invoices as per the legislation. The municipality targeted 100% for the second quarter but only managed to 70%.	a. The Municipality should find a way to receive invoices on a central office with dedicated official to deal with such. b. The CFO must provide a register of all received invoices to MPAC within 30 days

10.	Capital budget not spent as approved by council within the stipulated time, Only 17% of the targeted 40% was achieved for the period	The CFO together with the Technical Services should do forward planning for projects to ensure that the SCM processes are finalised prior commencement of the projects.
11.	MIG budget not spent as approved by council within the stipulated time, Only 17% of the targeted 45% was achieved for the period	The CFO together with the Technical Services should do forward planning for projects to ensure that the SCM processes are finalised prior commencement of the projects.
12.	WSIG budget not spent as approved by council within the stipulated time, Only 10% of the targeted 40% was achieved for the period	The CFO together with the Technical Services should do forward planning for projects to ensure that the SCM processes are finalised prior commencement of the projects.
13.	WSIG budget not spent as approved by council within the stipulated time, Only 18% of the targeted 40% was achieved for the period	The CFO together with the Technical Services should do forward planning for projects to ensure that the SCM processes are finalised prior commencement of the projects.
KPA 5 : GOOD GOVERNANCE & PUBLIC PARTICIPATION		
NO	FINDINGS	RECOMMENDATIONS
14.	Poor implementation of Portfolio Resolutions, 68% of the targeted 100% was attained	Manager in the office of the EM must ensure to set as priority and accelerate the Resolutions

15.	Slow implementation of IGR resolutions during the 2 nd quarter, 86% of the anticipated 100% was achieved	The Municipal Manager must ensure the full implementation of IGR structures resolutions.
16.	Ward Committee Meetings not held, one meeting was scheduled and zero percentage achieved for the period	Manager in the EM's Office to ensure the coordination, scheduling and attendance of such Ward Committee Meetings
17.	Unavailability of developed Newsletters during the 2 nd quarter	Manager in the EM's Office must prioritise a budget for quarterly Newsletters development to ensure the public gets informed about the Municipality's performance and achievements
18	Audit committee resolutions not implemented, only 33% of the targeted 100% for the 2 nd Quarter was achieved	The Municipal Manager to ensure that audit committee resolutions and recommendations are implemented by the fourth quarter to ensure good governance and compliance to legislation and resolutions and that it be a standing item in all management and Committee meetings.
19.	Failure to obtain an Unqualified Audit Opinion, instead a Disclaimer Audit Opinion was attained	Municipal Manager must ensure that Financial misstatement should not recur since a Disclaimer Opinion has a detrimental effect to the Municipality
BASIC SERVICE DELIVERY PROJECTS		
20	Construction of Water Reticulation at Eco -Park (Xikukwana) water reticulation and Khujwana	That the Technical Services Directorate together with SCM present to council a developed accelerated plan to

	Water reticulation reflects zero actual performance during the second quarter	expedite appointment of constructors and how to closely monitor the implementation of the projects
21	The upgrade of internal water reticulation at Mageva did not take off during the second quarter	The Technical Services Directorate and SCM to present to Council the accelerated plan to expedite the implementation of projects
22	Delayed refurbishment of specialised vehicle, and non-purchase of equipment during the second quarter	Community Services Directorate and SCM to ensure accelerated appointment of the service provider

6. RECOMMENDATIONS TO COUNCIL

The following recommendations are brought before Council for further consideration and to provide advices where required:

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11. That the report be submitted to CoGHSTA, SALGA and the Provincial MPAC

Forum


Cllr MM MUKHABELE
MPAC CHAIRPERSON

24/04/2023

DATE