

# SUNDAYS RIVER VALLEY MUNICIPALITY

## Performance Management in Government



PERFORMANCE MANAGEMENT REPORT  
2017/18

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## 1. Introduction

The purpose of the Performance Report is to reflect the status quo of Sundays River Valley Municipality Performance at the end of the financial year under review. It is a reporting tool for the purpose of documenting and measuring the progress of the municipality against the targets set as approved by Council.

This report considers the actual performance of the institution versus the targets and performance indicators contained in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for the 2017/18 financial year.

The Key Performance Indicators (KPI) of Sundays River Valley Municipality is in alignment with the 5 National Key Performance Areas:

- National Key Performance Area 1: Municipal Transformation & Organisational Development
- National Key Performance Area 2: Basic Service Delivery & Infrastructure
- National Key Performance Area 3: Local Economic Development
- National Key Performance Area 4: Good Governance & Public Participation
- National Key Performance Area 5: Financial Viability & Management

The Annual Performance Report of SRVM is a comprehensive document that specifies the service delivery of the institution, developmental achievements as well as challenges experiences and remedial/correctives measures that need to be taken. This is in alignment of the Municipality's obligation to ensure that it is an accountable and transparent organisation that seeks to improve on its' mandate and uplift the community it services through improved access to service delivery, economic growth, sound financial practices, good governance and on-going organisational improvement and development.

Performance management measures the implementation of an organisation's strategy. It is a process that is designed to plan, monitor, measure, and report and review performance indicators to ensure efficiency, effectiveness in service delivery. In the local government sphere, performance management is institutionalized through legislative requirements on practices and processes.

## 2. Legislative Requirements

The compilation of the Annual Performance Report is in compliance with several important legislative requirements. Local Government: Municipal System Act (MSA), Act No. 32 of 2000, requires local government to;

- the performance of the municipality and each external service provider during that financial year;
- A comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and (c) measures taken to improve performance.
- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP);
- Publish an annual report on performance management for the councilors, staff, the public and other spheres of the government;
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government;
- Conduct an internal audit on performance before tabling the report;
- Have an annual report audited by the Auditor-General, and ;
- Involve the community in setting indicators and targets and reviewing municipal performance

The Constitution of the Republic of South Africa, 1996, section 152, dealing with the objects of local government, paves the way for performance management with the requirement for an “accountable government”. The democratic values and principles in terms of section 195(1) of the Constitution are also linked with the concept of performance management, with reference to the principles of inter alia:

- The promotion of efficient, economic and effective use of resources;
- Accountable public administration
- To be transparent by providing information
- To be responsive to the needs of the community
- To facilitate a culture of public service and accountability amongst staff

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.”

Section 57 of the MSA makes the employment of the municipal manager and managers directly accountable to him subject to a separate performance agreement concluded annually before the end of July each year. Section 67 of the MSA regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively. Performance management, therefore, is not only relevant to the entire organisation, but also to the individuals employed in the organization as well as external service providers and municipal entities.

### 3. Performance Management

In an effort to promote and improve performance management in Sundays River Valley Municipality the Municipal Council approved a Performance Management Policy Framework that helps govern and guide performance management as a process within the institution. The Performance Management Policy has the following objectives:

- Clarify processes of implementation
- Ensure compliance with legislation
- Demonstrate how the system will be conducted
- Define roles and responsibilities
- Promote accountability and transparency
- Reflect the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

#### 3.1. The objectives of the SRVM Performance Management System, as aligned with the MSA are to:

- Create and improve strategy development
- Increase accountability
- Promote skills development and transfer
- Provide early warning signs of poor processes and/or targets not being met
- Promote a culture of ethical and good practice
- Facilitate decision making

#### 3.2. The benefits of Performance Management to the municipality are:

- Create the IDP in a clear and concise manner to facilitate a better understanding to all stakeholders, councilors and employees of a municipality and to clarify roles and responsibilities in relation to priorities and strategic objectives as set out in the document
- Satisfactorily provide services in an efficient manner
- Implement reporting practices that detect early warning signs
- Continuously assess performance against targets
- Creates targets based on the SMART principle: specific, measurable, attainable, relevant and timely.
- Capacitate the workforce by empowering them with the necessary skills to fulfill their mandate and ensure that skills development and enhancement takes place

#### 3.3. The benefits of Performance Management to the community are:

- The foundation of a simplified system that translate the IDP and objectives of the municipality into measurable targets for the community
- Good governance to the community
- Provision to ensure that the compilation of the IDP remains a consultative process; identify, incorporating and taking the needs of the community into consideration when assessing the Budget
- The accountability and transparency of the institution

**4. Performance Management Process & Cycle:**

The Performance Management Systems is a strategic approach to management that focuses on enabling councilors, stakeholders, managers and employees of a municipality to regularly monitor, plan, evaluate, measure and review performance. This entails continuous reporting in order to identify service delivery levels and the meeting of key strategic objectives. Such a holistic approach is necessary and integral to maintaining the integrity and financial sustainability of the organisation. It facilitates employees’ confidence in their abilities to effectively meet their mandates, which provides integral support to management and stakeholders. This translates into councilors being better informed and able to meet the needs of their constituents. It is a process that improves the lives of all parties concerned.

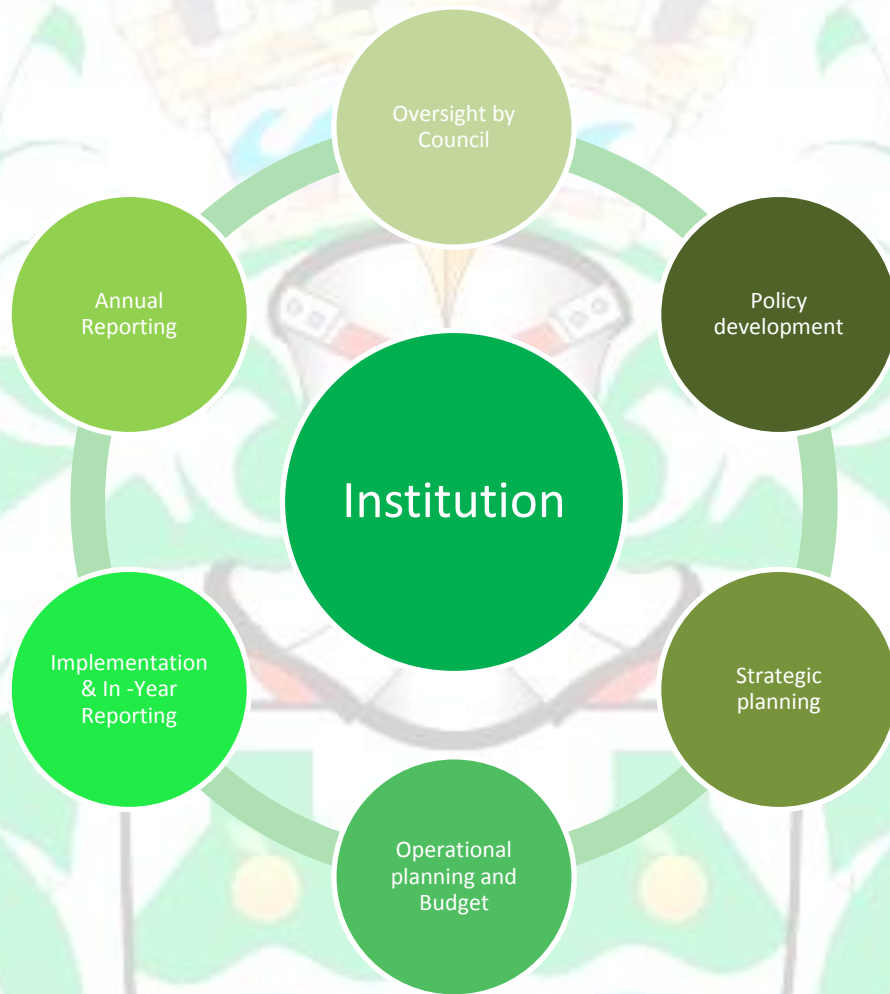
Performance management is directed at the municipality’s monitoring of the IDP and continuously improving its operations in terms of section 19 of the Local Government: Municipal Structures Act, 1998. Additionally it places emphasis on the annual review of its overall performance in achieving organisational and institutional objectives. The system is designed to improve strategic focus and effectiveness.

An electronic Performance Management System is operational within SRVM. The same system forms the basis of performance evaluations of the directors and Municipal Managers. The municipality ensured that the SMART (Specific, Measurable, Attainable, Relevant and Timely) principle was adhered to during the compilation of the SDBIP. When targets were developed, consideration was given to specificity and the time period, thus making certain that they are measurable and realistic.

**Deliverables of the PMS process in SRVM:**

	Performance Management Policy	All MSA S56/57 Performance Agreements signed	Audit Committee	Municipal Public Accounts Committee	Quarterly reporting to Council	Annually reporting to Council
In Place?	Yes	Yes	Yes	Yes	Yes	Yes

4.1.1. Process



4.1.2. Performance Management Cycle:



4.2. Planning for Performance Management

- Priority setting: The IDP delivers products such as a set of delivery priorities and objectives, a set of internal transformation strategies, priorities and objectives and identified projects that contribute to the achievement of the above objectives and a financial plan.
- Setting Objectives: All components of the IDP need to be translated into a set of clear and tangible objectives. The statements of objectives require a tangible, measurable and unambiguous commitment to be made. In setting objectives, a municipality needs to carefully consider the desired results, review the precise wording and intention of the objective, avoid overly broad results statements, be clear about the scope and nature of change desired and ensure that objectives are outcome and impact focused.
- Key Performance Indicators: The priorities and objectives in the IDP will guide the identification of indicators. The development of objectives should be clustered into key performance areas, such as service delivery development, institutional transformation, governance and financial management among others. The activities and process identified in the IDP for achieving the developmental objectives as well as the resources earmarked must also be taken into account.

The following general Key Performance Indicators are prescribed in terms of section 43 of the Local Government Municipal Systems Act 2000 and must therefore be included:

- a. The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal.
- b. The percentage of households earning less than R1100 per month with access to free basic services.
- c. The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.
- d. The number of jobs created through municipality's Local Economic Development initiatives including capital projects.
- e. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan.
- f. The percentage of a municipality's budget actually spent on implementing its workplace skills plan.
- g. Financial viability



## 5. Municipal Overview

Sunday River Valley Municipality is a category B institution in the Eastern Cape. It is one of nine local municipalities within the Sarah Baartman District. It is approximately 50 KM from the Coega Industrial Zone in the Nelson Mandela Bay Metro. Two drivers of the economy of Sundays River Valley Municipality (SRVM) are tourism and Agriculture which are boosted by the Addo Elephant National Park and Citrus respectively. The Valley is characterized by harsh climate conditions, with summer temperatures rising in excess of 40°C. Rainfall is spread over the year and is between 250-500mm per annum.

### 5.1. Mission and Vision

#### Vision

- A people-centred Municipality providing efficient and effective services to communities.

#### Mission

- To deliver effective, efficient services in an accountable and transparent manner and to create an inclusive, safe, sustainable socio-economic environment for improved quality of life.

#### Values

- Accountability; Transparency; Integrity and honesty; Community-oriented.

6. Strategic Objectives of SRVM as per the IDP

National Key Performance Area	Strategic Objective	Key Indicator	Performance	Achievements 2016/17	Achievements 2017/18
1. Municipal Transformation and Organizational Development	Skills Development and Implementing of EE and that targets are met	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan		<ul style="list-style-type: none"> <li>8 women at middle management</li> <li>2 woman at top management</li> </ul>	<ul style="list-style-type: none"> <li>8 women at middle management</li> <li>2 woman at top management</li> </ul>
	Capacity building and empowerment programmes to enhance skills development of staff	Percentage of a municipality's budget actually spent on implementing its workplace skills plan		62.5%	<ul style="list-style-type: none"> <li>43%</li> </ul>
2. Basic Service Delivery	Ensure that poor households access free basic services and that each household has access to a set of basic household services	The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal		Over 90%	<ul style="list-style-type: none"> <li>Bersheba communities received water standpipes at 200 m radius</li> <li>Enon Greenfields Communities received water standpipes at 200 m radius</li> <li>602 households in Molly Blackburn and Valencia received non-grid electricity</li> </ul>
	Ensure that poor households access free basic services and that each household has access to a set of basic household services	Percentage of households earning less than R1100 per month with access to free basic services		100% of 3074 households registered in the system	All indigent households receive free basic services 100%
	Ensure compliant reporting in all respects of all grants	Percentage of a municipality's infrastructure developments grants actually spent on capital projects identified for a period in terms of the DoRA		81% MIG	MIG- 100% INEP-100% SMR-100% EPWP-100%

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3. Local Economic Development	Facilitate employment creation	The number of jobs created through municipality's local economic development initiatives including capital projects	148	278
4. Good Governance & Public Participation	Capital Projects	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	MIG 81%	MIG 100% INEP 100% SMR 100% EPWP 100%
5. Financial Viability and Management	Financial Viability as expressed by ratios	Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year)	1.28	0%
	Financial Viability as expressed by ratios	Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services)	191	415 days
		Cost coverage (Available cash + investments) / Monthly fixed operating expenditure)	1	1 month



7. Municipal Achievements

Financial Year	Total KPI's	Total Achievements
2016/17	64	44
2017/18	78	49



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### 8. PERFORMANCE RESULTS AS PER KPA

#### KEY PERFORMANCE AREA : GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Number	Pre-determined Objective	Key Performance Indicator	Previous year (2016/17) performance	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Plans to improve on performance
1	Annual review and development of IDP/Budget	% progress of IDP review	100% progress in IDP review (IDP & budget was approved by Council on the 31 <sup>st</sup> May 2017)	100%	100% progress on the review of the IDP and Budget as it was approved by Council on the 31 May 2018.	-	-
2	To enhance Council oversight	Number of Council resolutions executed	All resolutions of Council were executed.	All resolutions executed	All applicable resolutions of Council implemented.	-	-
3		Number of MPAC meetings held	4 MPAC meetings	4	3 MPAC meetings held in the year.		
4		Number of audit committee meetings held	3 audit and risk meetings	4	8 audit and risk meetings held.	-	-
5	Continuously ensure good customer care for SRVM's stakeholders.	Number of community outreach awareness campaigns conducted	6 community outreaches awareness campaigns.	4	8 community outreaches conducted in the year.		
6		Number of IGR meetings held	3 IGR meetings held.	4	2 IGR meetings held in the year.	Municipality did not stick to its own schedule.	Matter to be looked at closely in the coming year by both office of the Mayor and Municipal Manager.

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Number	Pre-determined Objective	Key Performance Indicator	Previous year (2016/17) performance	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Plans to improve on performance
7	Representation, participation and inclusion of the vulnerable groups in the municipal agenda, workforce and relevant decision making structures.	Number of youth programmes convened		8	9 youth programmes conducted in the year.	-	-
8		Number of women programmes convened		1	1 programme for women convened in the year.	-	-
9		Number of business plans developed for elderly people		1 business plans developed for elderly people	No business plans developed.	Lack of capacity to execute the project.	Project to be relooked and reworked in the coming financial period with relevant stakeholders.
10		Number of programmes for children convened		4	4 programmes for children executed in the year.	-	-
11	To ensure a fully functional Performance Management System	number of signed performance agreements	5 signed performance agreements.	5	5 performance agreements signed in the year; for all section 56 managers.	-	-
12		number of times performance assessments conducted for all section 56 managers	Performance assessments took place via the electronic PMS tool.	20.	Only 10 assessments conducted.	3 <sup>rd</sup> and 4 <sup>th</sup> quarter outstanding. Late submission of information and the absence of a audit and risk committee	Both outstanding quarters to be done within the first quarter of the financial period.

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Number	Pre-determined Objective	Key Performance Indicator	Previous year (2016/17) performance	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Plans to improve on performance
						at the year-end contributed (for purposes of an evaluative panel)	
13	To intensify HIV/AIDS awareness and education in SRVM	Number of HIV/AIDS programmes conducted	4 HIV/AIDS programmes conducted.	8	8 HIV/AIDS programmes conducted for the year.	-	-
14	To ensure all findings by the Auditors are addressed	% progress towards improving AG audit outcome		50%	15%. The audit action plan was developed but its monitoring has been inconsistent.	Capacity constraints within the internal audit Unit.	Internal audit to be capacitated by interns in the coming financial period to assist the current staff compliment.
15		% of Internal Audit and Audit Committee accepted recommendations implemented	65%	80%	Only 15% of recommendations from A&R committee have been implemented.		
16		Number of internal audit reports submitted to audit and risk committee	New KPI	4%	0 reports submitted to audit and risk committee.		
17		Nature of audit opinion	New KPI	Qualified opinion	Qualified opinion achieved.	-	-
18		% progress in the capacitation of the internal audit unit	New KPI		Internal audit still to be capacitated.		

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### KEY PERFORMANCE AREA : LOCAL ECONOMIC DEVELOPMENT

Number	Pre-determined Objective	Key Performance Indicator	Previous year (2016/17) performance	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Plans to improve on performance
1	Establishment of policy framework for LED	Number of development strategies developed/ reviewed	New KPI	3 development strategies reviews/ developed (LED strategy, SMME strategy, SMME policy)	3 LED strategic documents developed/reviewed.	-	-
2	To strengthen the capacity of SMMEs and Increase the number of viable emerging businesses	Number of business development programmes conducted	19	8	12 business development programmes conducted in the year.	-	-
3		% of SMMEs in our database who benefited from skills and business development training	New KPI	60% of SMMEs in our database who benefited from skills and business development training	66.9% of SMMEs benefitted from skills and business development training.		
4		Amount spent on local SMME procurement in third and last quarter of 2017/18	New KPI	No target	No credible records for reporting	No credible records for reporting	Improve record keeping

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Number	Pre-determined Objective	Key Performance Indicator	Previous year (2016/17) performance	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Plans to improve on performance
5		Amount spent on local suppliers in third and last quarter of 2017/18	New KPI	No target	No credible records for reporting	No credible records for reporting	Improve record keeping
6	To facilitate employment creation	Number of jobs created through the municipality's local economic development initiatives including capital projects	148	160	278 jobs created in the year.	-	-
7	To expand the tourism potential of SRV area	% of tourism budget transferred to LTO	New KPI	100% (R60 000) transferred to LTO in line with service level agreement signed	35% of the budgeted amount spent.	SBDM and the LTO financed the remaining amount, which was a saving to the Municipality.	

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### KEY PERFORMANCE AREA: COMMUNITY AND SOCIAL SERVICES

Number	Pre-determined Objective	Key Performance Indicator	Previous year (2016/17) performance	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Plans to improve on performance
1	Communities have sufficient and affordable solid waste disposal options to encourage clean and healthy environment	Number of Clean-up campaigns for targeted areas	4	4	3 clean-up campaigns conducted in the year.	Cash-flow problems inhibited the successful attainment of the target.	Eradication of illegal dumping sites to be prioritized
2		The percentage of formal households with access to basic level of solid waste removal	-	70%	70% target achieved. All formal households receive access to basic level of solid waste removal.	-	-
3		Number of times each landfill site is maintained	New KPI	6	Audited achievement is 10.	-	-
4		Number of landfill sites upgraded	New KPI	2	0. Audited achievement	-	-
5	To ensure provision of water quality monitoring and food control	Number of water samples tested	174	144	201 water samples tested.	-	-
6		Number of inspections conducted at food selling	155	160	169 inspections carried out in food-selling premises.	-	-

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Number	Pre-determined Objective	Key Performance Indicator	Previous year (2016/17) performance	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Plans to improve on performance
		premises.			Audited achievement is 0		
7	To ensure the provision of effective and efficient fire and disaster management services throughout the SRVM	Number of premises inspected for fire safety compliance	197	100	126 premises inspected in the year for fire safety compliance.	-	-
8		% progress in the development of the Disaster Management Plan	New KPI	100% progress in the development of the of the Disaster Management Plan	100% progress in the development of the DMP. The Disaster Management Plan has been developed and is available.	-	-
9		% progress in the refurbishment to the Kirkwood Fire Station	New KPI	100% progress in the refurbishment to the Kirkwood Fire Station	100% progress. All refurbishments completed.		
10	To ensure provision of traffic services including improved revenue enhancement	Number of road traffic law enforcement operations conducted	27	12	32 road traffic operations conducted in the year.	NA	NA
11		% progress in the upgrades to the Roadworthy	New KPI	100% progress in the upgrades to the	0 Audited achievement	There were delays in the supply chain	The project will be fast-tracked in the coming

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Number	Pre-determined Objective	Key Performance Indicator	Previous year (2016/17) performance	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Plans to improve on performance
		Test Centre		Roadworthy Test Centre		management process.	financial period.
12		% improvement in traffic fines revenue from the previous year quarter baseline (comparing quarter to quarter of the same period)	25.6% improvement	5%	-28.80% decrease.  Current year income from law enforcement is R282 303 and the previous year is R380 505.	Poor revenue enhancement mechanism.	New revenue enhancement strategy has been employed.
13	Communities of SRVM with specific reference to youth have access to suitable and affordable recreational and sport facilities and public amenities.	Number of community halls renovated	3	2	3 halls (Zunney, Paterson and Valencia) renovated in the year.	-	-
14		Number of cemeteries maintained	New KPI	8	10 cemeteries maintained throughout the year.	-	-
15		Number of library programmes conducted	New KPI	8	13 library programmes conducted in the year.	-	-

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### KEY PERFORMANCE AREA: INSTITUTIONAL MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

#	Strategic Objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Remedial action for underperformance
1	To ensure the municipality approves the organogram and fills vacancies	% progress in the review of the organizational structure	100%	100%	100% progress in the review of the organogram. The organogram was submitted and approved by Council.	-	-
2		% of existing budgeted vacancies filled	20%	70% (9 out of the 13 existing budgeted vacancies filled).	62%. 8 people appointed in the year.		
3	Capacity building and empowerment programmes to ensure skills enhancement of staff.	Number of employees trained	35	40	46 employees trained in the year. .	Cash-flow.	Employees to be trained in the following financial period.
4		% of the municipality's budget actually spent on implementing its workplace skills plan	100%	100%	43%	Poor planning and execution between training unit and finance. Also, cash-flow made it impossible for some training to commence.	Training funds to be ring-fenced and used only for training in accordance with the training plan.
5	To ensure that the municipality has employment equity plan and that targets are met	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a	8 women at middle management	2 women at senior management and 8 women at middle management	2 women at senior management and 8 women middle management level.	-	-

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#	Strategic Objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Remedial action for underperformance
		municipality's approved employment equity plan					
6	To ensure effective public participation of ward committees.	number of ward committee meetings organized (as per schedule)	8 ward committee meetings	32 ward committee meetings	All 32 ward committee meetings organized but not all sat.	Items not received to draft an agenda and continue with the planned meetings. In some instances the problem was quorum.	Matter to be elevated to the office of the speaker.
7	To optimise the information and communications technology(ICT) function to support organizational performance	% progress in resolving ICT audit improvement plan	70%	70%	30%. Target not met. 1. Approved standards and procedures on how users are created on the system. 2. DRP, adopted and approved. 3. Documented backup and restoration process (15 in the DRP)		
8		% progress in the review of the ICT strategic plan	New	100% progress in the review of the ICT strategic plan (draft plan submitted to Council)	Plan still to be developed.	Capacity constraints in the Unit.	To be raised as a matter of concern.
9	To enhance employee wellness through	number of employee health	7	4	6 EHS programme conducted in the	-	-

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#	Strategic Objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Actual Performance as at 30 June 2018	Reasons for under-performance	Remedial action for underperformance
	prevention and provision of therapeutic programmes and physical fitness	and safety programmes conducted			year.		
10	To ensure effective and efficient records management	Number of modules for the electronic document management system implemented	New KPI	Records management allocation fully expended	All planned modulus completed. Records management fully expended for the year.	-	-
11	To develop and review policies and by-laws	% progress in the review of HR policies	New KPI	100% progress in the review of HR policies	100% progress. All HR policies reviewed and submitted to Council.	-	-

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### KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

#	Strategic Objective	Key Performance Indicator (KPI)	Previous year (2016/17) performance	Annual Target	Actual performance as at 30 June 2018	Reason for underperformance	Remedial plan
1	Ensure access and a continuous supply of good quality water and sanitation to each user by 2022	% Progress in the upgrading of the Valencia Bulk Water	New KPI	( a) Elevated storage tank completed (b)Pump station completed main (c) 2km Pumping Main	Project only reached bid adjudication stages and the actual upgrade is 0%	Procurement not effected on time	
2		% progress on rehabilitation of the bulk pipeline feasibility study	0%	100% % progress on rehabilitation of the bulk pipeline feasibility study  (2 business plans submitted and 2 Tender Documentation completed)	100% progress in the rehabilitation of the bulk pipeline feasibility study. 3 business plans completed which are the following; 1. Augmentation and upgrading of Sewer Network in Paterson 2. Augmentation and upgrading of Sewer Network in Addo 3. Augmentation of Bulk and Reticulation Network in Enon & Bersheba	None	Not applicable
3		% progress in the upgrading of the Paterson Waste Water Treatment Works	-	100% of the works ((i)3 ponds lined with PVC liner  (ii)Chlorination Chamber 80% completed)	100% progress in the upgrading of the Paterson Waste Water Treatment Works. 6 ponds completed  5 ponds lined with pvc liner 1 ponds lined with concrete	None	Not applicable
4	SRVM Community	% progress in the upgrade of the	1km of gravel road upgraded in	100% progress in the 1.3 kms of	100% progress in the 1.3 kms of roads block paving	None	Not applicable

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#	Strategic Objective	Key Performance Indicator (KPI)	Previous year (2016/17) performance	Annual Target	Actual performance as at 30 June 2018	Reason for underperformance	Remedial plan
	has access to good quality roads built according to applicable standards.	1.3Kms of roads upgraded to block paving standards in Paterson Link Road	Paterson entrance road	roads block paving upgraded to surface standards.	upgraded to surface standards. 1.3km of roads upgraded to block paved standards.		
5		% progress on the Msengeni bulk taxi route	0.32kms of storm-water pipes installed in Emsengeni.	100% progress on the Msengeni Bulk taxi route (300m of block paving completed.	0% regarding block paving in Msengeni.  What was done was the ff 1. Sub base layer completed 2. Stormwater Management Pipes Completed 3. 1600m Kerbing completed	Adjustment of the construction programme.	Programme of construction to be readjusted to suit the Msengeni local condition.
6		Kms of roads upgraded in the small town revitalization programme (phase1)	New KPI	6kms	5.110 km of roads upgraded to block paving standards. Contractor had to excavate and install storm water pipes.	Contractor had to excavate and install storm water pipes.	Extension of time
7	To ensure compliant reporting in all respects of all grants	The percentage of a municipality's infrastructure development grants actually spent on capital projects identified for a particular financial period in terms of the DORA	81% MIG	100% of 68 500 000 (MIG; INEP; Small town revitalization)	MIG 100% INEP 100% SMR 100% EPWP 100%	None	Not Applicable

**SUNDAYS RIVER VALLEY MUNICIPALITY ANNUAL PERFORMANCE REPORT 2017/18**

#	Strategic Objective	Key Performance Indicator (KPI)	Previous year (2016/17) performance	Annual Target	Actual performance as at 30 June 2018	Reason for underperformance	Remedial plan
8	Improved efficiency in municipal water usage	Number of cisterns replaced	New KPI	500	0 replaced	Reprioritization of works for Plumbers. Municipality prioritized repair of major leaks instead of using contracted plumber on minor leaks.	Plumbers to start with new installations in the new financial year.
9	Effective Town Planning administration within SRVM jurisdiction	Timeous approval of building plans	8 weeks	1 month from submission to approval	1 month	None	None
10	Upgrade electricity network for future development	% compliance with NERSA assessment (D-form)	70% compliance with NERSA assessment	70%	N/A Assessment outcomes not received by year-end from NERSA.	All forms submitted but no response was received from NERSA	Not applicable
11	To ensure that the poor households access free basic services and that each household has access to a set	The percentage of formal households earning less than R1100 per month with access to free basic services	100% of the 3074 households registered in the system.	80%	100% of all indigents in our register receive access to basic service.	-	-
12	of basic household services	The percentage of formal households with access to basic level of water, sanitation, electricity and solid waste	Over 90% of households have access to basic services, those without are largely informal.	70%	<ol style="list-style-type: none"> <li>1. Basic Water - 100%</li> <li>2. Basic Sanitation - 97%.</li> <li>3. Electricity - 94.5%</li> <li>4. Solid Waste - 70%</li> </ol>	Budget constraints	Solid waste removal will be done by Municipal employees.

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#	Strategic Objective	Key Performance Indicator (KPI)	Previous year (2016/17) performance	Annual Target	Actual performance as at 30 June 2018	Reason for underperformance	Remedial plan
		removal					

## SUNDAYS RIVER VALLEY MUNICIPALITY ANNUAL PERFORMANCE REPORT 2017/18

### KEY PERFORMANCE AREA : FINANCIAL VIABILITY AND MANAGEMENT

#	Strategic objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Actual Performance by 30 June 2018	Reasons for under performance	Remedial Action for under performance
1	To produce financial reports that meet the requirements of National Treasury department	Timely submission of AFS to Council and Auditor General	Submitted before 31 August 2016	Timely submission of AFS to Council and Auditor General on/or before 31 August 2017	Timely submission of AFS to Council and Auditor General on/or before 31 August 2017	-	-
2		Timely submission of annual and adjustment budget	Both annual and adjustment budget submitted within stipulated time	Timely submission of annual budget on/or before 30 May 2018 & Timely submission of adjustment budget on/or before 28 February 2018	The budget was ready for tabling on the 28th of May 2018 but was then postponed and later tabled on the 1st of June 2018.	-	-
3		Number of statutory reports submitted on time to AO, Mayor, PT and NT	12	12 section 71 reports submitted within 10 working days of each new month to AO, Mayor, PT and NT	All sec 71 reports were submitted, some not within 10 working days except for the month.	Systems challenges	-
4			12	12 grants reports submitted on time to AO, Mayor, PT and	All grants report have been submitted on time i.e within 10		

**SUNDAYS RIVER VALLEY MUNICIPALITY ANNUAL PERFORMANCE REPORT 2017/18**

#	Strategic objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Actual Performance by 30 June 2018	Reasons for under performance	Remedial Action for under performance
				NT	working days		
5			4	4 section 52d reports submitted within 30 days of each new quarter	All section 52d reports prepared and submitted within 30 days of each new quarter.	-	-
6	To ensure compliant reporting in all respects of all grants	% expenditure on FMG grant	100%	100%	100% expenditure for the year.	-	-
7	To ensure a sustainable cash flow	Number of days creditors outstanding, excluding long term creditors	New KPI	60	We could not meet the target of 60days due to cash-flow challenges.	Cash-flow challenges and receiving invoices late.	
8	To ensure debt is managed sustainably	% increase in revenue collected		10% increase in revenue collected	-14% decrease. An annual collection of R53 448 553.19 has been done for the financial period 2017-2018 while the previous year was R62 234 260.	Increase on unemployment, Increase on Indent debtors Removal of water meters in town without a proper strategy	Debt recovery schemes in place Data cleansing and indigent registration Installation of prepaid water meters.
9		Number of indigents registered	3097	1200	The total number of indigents registered for the financial year is 2704 of which verification has been done and the list was sent to the council for	-	-

**SUNDAYS RIVER VALLEY MUNICIPALITY ANNUAL PERFORMANCE REPORT 2017/18**

#	Strategic objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Actual Performance by 30 June 2018	Reasons for under performance	Remedial Action for under performance
					approval		
10	To ensure proper procurement of goods and services in terms of chapter 11 of MFMA	% Irregular expenditure reduced, relative to the previous financial year	New KPI	50% irregular expenditure reduced, relative to the previous financial year	50% increase relative to previous year.	Due to non-compliance with SCM regulations – the constitution of the bid adjudication committee (exclusion of senior SCM personnel).	Appointment of SCM accountant.
11	To ensure proper asset management	Number of movable asset verifications performed	New KPI	2 movable asset verifications performed	2 Movable asset verification performed for the year.	-	-
12		Number of GRAP compliant asset register submitted for external audit	1	1 GRAP compliant asset register submitted for external audit	1 GRAP compliant asset register submitted for external audit.	-	-
13	Financial viability as expressed by ratios	$A = (B-C)/D$ A - debt coverage B- total operating revenue received C- operating grants D – debt service payments (i.e. interest + redemption) due within the current financial period	1.28	45%	Debt coverage 0%.  This ratio is within the standard norm. Municipality should therefore be able to meet its short term obligations.		
14		$A = B/C$ A – outstanding service debtors to revenue B – total outstanding service	191	30 days	415 days	This ratio clearly reveals that the municipality still has problems collecting amounts due to it. Various issues influence	The municipality must therefore investigate, write off and improve its revenue and cash

**SUNDAYS RIVER VALLEY MUNICIPALITY ANNUAL PERFORMANCE REPORT 2017/18**

#	Strategic objective	Key Performance Indicator (KPI)	Baseline	Annual Target	Actual Performance by 30 June 2018	Reasons for under performance	Remedial Action for under performance
		debtors C – annual revenue actually received				the non- payment culture within the jurisdiction.	management through the implementation of strategies at their disposal
15		A = (B+ C)/D A – cost coverage B – all available cash at a particular time C – investments D – monthly fixed operating expenditure	1	1 – 3 months	Cash / Cost Coverage Ratio - 1 month. This ratio is within the norm. The municipality should be able to meet its obligation to provide basic services.  However this ratio on should not be viewed on its own but along with debtor management ratios to fully assess the institutions cash flow risks.		

**SUNDAYS RIVER VALLEY MUNICIPALITY ANNUAL PERFORMANCE REPORT 2017/18**

**PERFORMANCE GRID**

<b>KPA</b>	<b>TOTAL</b>	<b>KPIs ACHIEVED</b>	<b>KPIs NOT ACHIEVED</b>	<b>KPIs NOT MEASURED</b>
<b>FINANCIAL VIABILITY AND MANAGEMENT</b>	<b>15</b>	<b>10</b>	<b>5</b>	<b>-</b>
<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>	<b>18</b>	<b>10</b>	<b>8</b>	<b>-</b>
<b>LOCAL ECONOMIC DEVELOPMENT</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>-</b>
<b>INSTITUTIONAL DEVELOPMENT</b>	<b>11</b>	<b>8</b>	<b>3</b>	<b>-</b>
<b>COMMUNITY AND SOCIAL SERVICES</b>	<b>15</b>	<b>10</b>	<b>5</b>	<b>-</b>
<b>BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>-</b>
	<b>78</b>	<b>49</b>	<b>29</b>	<b>-</b>

# SUNDAYS RIVER VALLEY MUNICIPALITY

## Performance Management in Government



POSTAL ADDRESS  
PO BOX 47  
KIRKWOOD  
6120

CONTACT DETAILS  
TEL 042-230 7730/7772  
FAX 042-230 1799/0468  
WEB [WWW.MDBS.CO.ZA](http://WWW.MDBS.CO.ZA)

PHYSICAL ADDRESS  
33 MIDDLE STREET  
KIRKWOOD  
6120