

BIG 5 HLABISA LOCAL MUNICIPALITY



ANNUAL PERFORMANCE REPORT FOR 2017/18 FINANCIAL YEAR

MANAGEMENT REPORT ON THE ANNUAL PERFORMANCE FOR THE PERIOD JULY 2017 TO JUNE 2018

1. INTRODUCTION

The Big 5 Hlabisa Municipality 2017\18 Annual performance report reflects the institution's service delivery and developmental achievements, as well as challenges, in recognition of the Municipality's obligation to be an accountable, transparent and efficient organization, and the municipality's financial position. The compilation of this report is done in compliance to various pieces of legislation. Key amongst such legislations is Local Government: Municipal Systems Act (MSA) No. 32 of 2000, Local Government: Municipal Finance Management Act No 56 of 2003, and National Treasury Circulars (circulars 11 and 63). Section 46 of MSA state that a municipality must prepare for each financial year a performance report and further that the referred to report must form part of the municipality's annual report for each financial year in terms of chapter 12 of the MFMA. This annual performance report is a reflection of the municipality's actual performance in relation to what was planned for in the IDP and SDBIP. It is therefore a post-reflection of planned targets and their actual performance with a provision for reasons for variance as well as mitigating\corrective measures taken. This report of the Big 5 Hlabisa Municipality is aligned to the Municipal IDP and Budget for the 2017\18 financial year and that it is aligned to the Service Delivery and Budget Implementation Plan and in-year reports.

2. PURPOSE OF THE ANNUAL INSTITUTIONAL PERFORMANCE REPORT

This Annual Performance Report Seeks to Attain the Following Purposes:

- The provision of a report on performance in service delivery and budget implementation plan for the 2017\18 financial year
- To promote transparency and accountability for the activities and programmes of the municipality vis-à-vis the six key performance areas
- To provide a record of activities of the municipality for the 2017\18 financial year to which this report relates.

3. THE ROAD MAP

The attached Annual report of the Big 5 Hlabisa Municipality is a product of in-year reports which have been consistently submitted to council and its committees. Upon the signing of the SDBIP 2017\18 on the **10th June 2017**, the municipality facilitated the signing of performance plans and agreements by the Senior Management team led by the Accounting Officer. On a monthly basis reports regarding the implementation of the SDBIP were sent to the Executive Committee and on a quarterly basis to Council. Two (2) institutional Performance Review sessions were conducted regarding the 2017\18 SDBIP and the underperformance emanated from some projects been incorporated to the IDP. On a quarterly basis the IDP\Budget Steering Committee, comprising of the management, takes effect to consider the reports of each quarter and finally submit same to the Institutional Performance Review session.

4. SUMMARY OF PERFORMANCE FOR THE 2017\18 FINANCIAL YEAR.

The Municipality had five directorates, including the office of the Municipal Manager, during the period under review. Those Directorates were (1) Finance; (2) Corporate Services; (3) Community Services; (4) Technical Services; and (5) Office of the Municipal Manager. All the five directorates cumulatively contributed to the annual performance report of the Municipality for the period under review. The SDBIP and Annual Performance Report 2017\18 is arranged in terms of the six Key Performance Areas of Local Government, viz, (1) Basic Service Delivery, Municipal Transformation and Institutional Development; (3) Local Economic Development; (4) Good Governance and Public participation; (5) Financial Viability; and (6) Cross cutting. The municipality operated with acting arrangements in respect of the position of Chief Financial Officer, Director Technical Services which were ultimately filled by end of the financial year.

PERFORMANCE ANALYSIS AS PER KEY PERFORMANCE AREA: 2017/18 FINANCIAL YEAR

(a) 2017/18 FINANCIAL YEAR

Key Performance Area	No. of Key Performance Indicators	No. of KPI Achieved	No. of KPI not Achieved	% Achieved	% not Achieve
Municipal Transformation and institutional development	18	16	2	88%	12%
Good Governance and Public Participation	57	34	23	60%	40%
Basic Service Delivery	15	5	10	33%	67%
Local Economic Development	8	6	2	75%	25%
Municipal Financial Viability	24	23	1	96%	4%
Cross Cutting	11	5	6	45%	55%

(b) 2016/ 17 Financial Year

Key Performance Area	No. of Key Performance Indicators	No. of KPI Achieved	No. of KPI not Achieved	% Achieved	% not Achieve
Municipal Transformation and Institutional development	27	13	14	48%	52%
Good Governance and Public Participation	32	14	18	44%	56%
Basic Service Delivery	15	6	9	40%	60%
Local Economic Development	5	4	1	80%	20%
Municipal Financial Viability	19	18	1	95%	5%
Cross Cutting	12	6	6	50%	50%

PERFORMANCE COMPARISON ON THE 2016/17 FY AND 2017/18 FINANCIAL YEAR

2016/17 FINANCIAL YEAR			2017/18 FINANCIAL YEAR		
TOTAL NO. OF KPIs	KPIs ACHIEVED	KPIs NOT ACHIEVED	TOTAL NO.OF KPIs	KPI ACHIEVED	KPI NOT ACHIEVED
110	61	49	133	89	44

THE IMPLEMENTATION OF THE 2017\18 INTEGRATED DEVELOPMENT PLAN NOTED THE FOLLOWING KEY DRAWBACKS:

The municipality operated with acting arrangements for position of the Chief Financial Officer and Director: Technical Services, until the referred to posts were filled during June 2018 for the CFO while the Technical Services Director is still vacant.

The following reflect as the drawback during the implementation of 2017/18 IDP.

- Capital projects on electrification of villages.
- The non-achievement of the roads maintenance plan as a result of ageing plant.
- Actual financial performance on the revenue side was also hampered by poor collection due to customers' resistance and culture of non-payment.
- Cascading of performance management to all levels of employee's Other areas of unachieved KPIs are found in the remainder of the Key Performance Areas and it include, amongst others, functionality of committees.

NB: There were some KIP's withdrawn from the SDBIP for 2017/18 due to lack of funds. The corrective actions on the unachieved is reflected in the main report while the 2018\19 SDBIP has taken into cognizance such and has accommodated those programmes in the subsequent financial year.

MATTERS THAT NEED TO BE TAKEN INTO CONSIDERATION TO IMPROVE MUNICIPAL PERFORMANCE, EFFICIENCY AND INNOVATION IN THE 2018\19 SDBIP

- Complete financial turnaround strategy that will look at enhanced revenue generation while minimizing all aspects of financial leakages
- Full enforcement of all municipal by laws.
- Strengthen debt management collection strategies to increase and maintain municipal revenue
- Revision and implementation of municipal service standards and
- Enforce performance management as well as consequences management.

