

**MFMA SECTION 72 REPORT
MID YEAR BUDGET AND PERFORMANCE ASSESSMENT OUTCOME FOR 2023/2024
FINANCIAL YEAR.**

1. PURPOSE

- 1.1 The purpose of this report is to table the outcome of the assessment conducted in terms of MFMA section 72, for the period covering 1 July 2023 to 31 December 2023, to the Executive Mayor of Thaba Chweu Local Municipality with a view to: -
- make recommendations as to whether an adjustment budget is necessary; and
 - recommend revised projections for revenue and expenditure to the extent that this may be necessary.

2. LEGISLATIVE FRAMEWORK

- 2.1 Municipal finance management Act, Act 56 of 2003
2.2 Division of revenue Act
2.4 Municipal systems Act, Act 32 of 2003.
2.5 Municipal performance regulation of 2006

3. LEGISLATIVE BACKGROUND

- 3.1 MFMA Section 72 states that; the accounting officer of a municipality must by the 25 January of each year;
- (a) assess the performance of the municipality during the first half of the financial year, taking into account-
- (i) the monthly budget statements referred to in section 71 of the first half of the financial year;
- (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- a) Submit a report on such assessment to -
- i. the mayor of the municipality;
 - ii. the National Treasury and
 - iii. the relevant provincial secretary
- (2) The statement referred to in section 71 (1) for the sixth month to a financial year may be incorporated into the report.
- (3) The accounting officer must as part of the review-**
- (a) Make recommendations as to whether an adjustments budget is necessary; and
- (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

- 3.2 Furthermore MFMA section 54 on **Budgetary Control and early identification of financial** problems, states that;
- (i) On receipts of statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must-
 - (a) Consider the statement or report
 - (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
 - (c) consider and, if necessary, make revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget
 - (d) issue any appropriate instructions to the accounting officer to ensure-
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
 - (e) Identify any financial problems facing the municipality, including any emerging or impeding financial problems; and
 - (f) in case of a section 72 report, submit the report to the council by 31 January of each year.

4. DELIBERATIONS/DISCUSSION

- 4.1 A high level assessment of the Performance covering the first six months of the financial (1 July 2023 to 31 December 2023) was conducted and concluded. The purpose of this review and analysis was to enable the accounting officer to make informed recommendations as required by MFMA Section 72(3)
- 4.2 To ensure successful outcome of the review and analysis, only a high level review of the approved budget Summary was undertaken. It should therefore be noted that this report does not provide for an assessment of each individual segment/ line item contained in the approved budget of Thaba Chweu Local Municipality for the 2023/2024 financial year.
- 4.3 This report merely highlights the current status on key revenue and expenditure segments that may require revision of the approved annual budget through an adjustments budget in terms of section 28 of the MFMA. It must further be noted that the operating expenditure reflects direct expenditure and excludes non-cash transactions e.g. depreciation, provisions and deferred finance charges etc. These expenditures are not yet accounted for monthly but rather on an annual basis as accounting adjustments. However, their exclusion does not have material impact on assessing of actual expenditure and revenue and the possibility of an adjustment budget.

EXECUTIVE SUMMARY:

4.4 High Level

DESCRIPTION	ORIGINAL BUDGET	MID YEAR ACTUALS	VARIANCE	PERFORMANCE %
Revenue	R 900 451 000	R 418 486 863	R 481 964 137	46%
Operational Expenditure	-R 976 685 714	-R 466 734 761	-R 509 950 953	48%
Capital Expenditure	-R 164 615 600	-R 57 340 984	-R 107 274 616	35%
Surplus/ (Deficit)	-R 240 850 315	-R 105 588 882	-R 135 261 432	

Analysis:

The high-level analysis indicates that revenue generation and expenditure incurred at midyear is within the expected performance of below 50% in line with management expectations. However, a serious concern can be noted on the performance of capital expenditure which is materially below the expected performance of above similar percentage.

4.4.1 Revenue Per Source:

REVENUE BY SOURCE	ORIGINAL BUDGET	EXPECTED MID YEAR BILLING	YTD BILLING	YTD COLLECTION	MID YEAR PROJECTED BILLING VS YTD BILLIN	BILLING RATE	COLLECTION RATE
Property Rates	R 125 000 000	R 62 500 000	R 62 005 431	R 40 314 437	-R 494 569	50%	65%
Water	R 66 543 000	R 33 271 500	R 32 904 736	R 14 336 505	-R 366 764	49%	44%
Sewerage	R 23 032 000	R 11 516 000	R 10 513 177	R 5 216 789	-R 1 002 823	46%	50%
Electricity	R 212 788 999	R 106 394 500	R 102 039 806	R 115 313 190	-R 4 354 694	48%	113%
Refuse	R 25 374 000	R 12 687 000	R 12 459 215	R 11 765 256	-R 227 785	49%	94%
Interest on outstanding Debtors	R 20 000 000	R 10 000 000	R 23 982 716	R 2 446 973	R 13 982 716	120%	10%
TOTAL	R 472 737 999	R 236 369 000	R 243 905 081	R 189 393 150	R 7 536 082	103%	78%

Analysis:

The billed rates and service charges is within the expected performance; however, it should be noted with concern that interest on outstanding debtors billed much higher than other sources of billing. This indicate that consumers are not settling their accounts on time and billed revenue is converted into debtors at a higher rate, the performance does not indicate improvement on main sources.

Collection rate is at 78% which is below management target of 85%. Should the current performance persist, the operational cashflow will be materially impacted to the tune of R33 million. To mitigate the situation the municipality must urgently prioritise mechanisms aimed to improve revenue collection.

4.4.2 Revenue from Grants:

GRANT DESCRIPTION	ORIGINAL ALLOCATION	GRANT RECEIVED	VALUE OF CONDITION MET	LIABILITY BLANCE	EXPENDITURE ON RECEIVED FUNDS	TRANSFERS %
Equitable Share	R 207 969 000	R 126 691 000	R 126 691 000	R -	100%	61%
Finance Management Grant (FMG)	R 3 000 000	R 3 000 000	R 216 667	R 2 783 333	7%	100%
Expanded Public Works Programme (EPWP)	R 1 731 000	R 1 212 000	R 1 731 000	-R 519 000	143%	70%
Municipal Infrastructural Grant (MIG)	R 56 241 000	R 29 690 000	R 26 616 927	R 3 073 073	90%	53%
Water Service Infrastructure Grant (WSIG)	R 80 000 000	R 15 000 000	R 18 717 921	-R 3 717 921	125%	19%
Regional Bulk Infrastructure Grant (RBIG)	R 10 000 000	R 2 000 000	R 742 522	R 1 257 478	37%	20%
GRANT TOTAL	R 358 941 000	R 177 593 000	R 174 716 036	R 2 876 964	98%	49%

Analysis:

Based on the above table, there is notable under expenditure on the performance of FMG & RBIG grants. The responsible departments are urged to devise acceleration plans to expedite the expenditure in the 3rd quarter to ensure 100% spending by 30 June 2024. Also, a red flag can be noticed on the transfers of WSIG and MIG grant. The below percentage is an indication that National Treasury withheld scheduled transfers due to under performance noted.

4.5 Operational Expenditure

EXPENDITURE BY TYPE	ORIGINAL BUDGET 2023/24	MID YEAR EXPECTED EXPENDITURE	MID YEAR EXPENDITURE	MID YEAR %
Employee related costs	R 245 859 006	R 122 929 503	R 118 383 981	48%
Remuneration of councillors	R 12 500 000	R 6 250 000	R 6 516 268	52%
Bulk purchases - electricity	R 195 855 000	R 97 927 500	R 135 853 252	69%
Inventory consumed	R 11 449 956	R 5 724 978	R 5 102 475	45%
Debt impairment	R 103 499 952	R 51 749 976	R -	0%
Depreciation and amortisation	R 80 000 000	R 40 000 000	R -	0%
Interest	R 45 000 000	R 22 500 000	R 57 098 961	127%
Contracted services	R 171 229 748	R 85 614 874	R 82 505 549	48%
Transfers and subsidies	R 999 996	R 499 998	R 1 000 000	100%
Irrecoverable debts written off	R 11 500 000	R 5 750 000	R 6 459 023	56%
Operational costs	R 98 791 995	R 49 395 998	R 53 815 252	54%
Total Expenditure	R 976 685 653	R 488 342 827	R 466 734 761	48%

Operational Costs Breakdown:

ITEM DESCRIPTION	ORIGINAL BUDGET	MID YEAR EXPECTED EXPENDITURE	MID YEAR EXPENDITURE	MID YEAR %
<i>Municipal Services/Eskom SPU</i>	R 22 800 000	R 11 400 000	R 12 187 893	53%
<i>Software licenses</i>	R 9 049 968	R 4 524 984	R 5 449 298	60%
<i>External Audit Fees</i>	R 9 000 000	R 4 500 000	R 8 014 213	89%
<i>Insurance Underwriting</i>	R 8 249 988	R 4 124 994	R 8 197 925	99%
<i>Commission</i>	R 6 999 984	R 3 499 992	R 3 423 673	49%
<i>Leamerships and Internships</i>	R 4 461 996	R 2 230 998	R 2 020 260	45%
<i>Wet Fuel</i>	R 3 999 996	R 1 999 998	R 2 132 615	53%
<i>Uniform and Protective Clothing</i>	R 3 199 980	R 1 599 990	R 1 243 720	39%
<i>Printing Machine Services</i>	R 3 099 996	R 1 549 998	R 1 095 537	35%
<i>Facilitation of title deed rectification and registration</i>	R 3 000 000	R 1 500 000	R 902 700	30%
<i>Other Expenditure</i>	R 24 930 087	R 12 465 044	R 9 147 418	37%
TOTAL	R 98 791 995	R 49 395 998	R 53 815 252	54%

Analysis:

- *The midyear overall expenditure on cashflow related items is within the expected percentage of below 50%. Eskom bulk account performance is distorted by July and August accounts which are normally higher due to Eskom billing with winter tariffs. The provided budget except for interest will be sufficient for the remainder of the financial period.*

- *The breakdown of operation expenditure indicates a higher spending percentage on insurance, licenses and audit fees. Insurance premiums was paid in advance for the whole financial year. Audit fees and licenses spending will also remain within the original budget.*

4.6 Capital Expenditure:

PROJECTS BY VOTE	FUNDING	ORIGINAL BUDGET	YTD EXPENDITURE	% YTD/BUDGET
WATER PROJECTS	MIG	R 20 033 786	R 4 250 706	21%
ELECTRICITY	INTERNAL FUNDING	R 5 500 000	R -	0%
SANITATION PROJECTS	MIG&WSIG	R 98 752 178	R 32 323 555	33%
ROADS	MIG	R 15 649 636	R 6 369 665	41%
VEHICLE	INTERNAL FUNDING	R 4 000 000	R -	0%
MACHINERY & EQUIPMENT	INTERNAL FUNDING	R 5 300 000	R 5 353 498	101%
MINI SUBSTATIONS & TRANSF	INTERNAL FUNDING	R 3 880 000	R 5 975 742	154%
OFFICE EQUIPMENT/COMPUTE	INTERNAL FUNDING	R 1 500 000	R 1 739 050	116%
FURNITURE	INTERNAL FUNDING	R 500 000	R -	0%
BUILDINGS	INTERNAL FUNDING	R 500 000	R -	0%
WASTE MANAGEMENT	INTERNAL FUNDING	R 9 000 000	R 1 328 768	15%
TOTAL		R 164 615 600	R 57 340 984	35%

Analysis:

The mid-year assessment of capital expenditure is within the budget, however lower expenditure indicates slow progress on the implementation of the projects. The responsible departments must develop acceleration plans to Fastrack expenditure in the 3rd quarter of the financial period to ensure allocated funds are depleted before 30 June 2024. This will ensure the municipality avoids rollover applications.

4.8 Debtors Age Analysis:

Account Type	30 Days	60 Days	90 Days	120 Days	150 Days+	Sum of TOTAL
AGRICULTURAL R	2 348 634	R 2 110 693	R 2 036 581	R 2 021 564	R 103 599 596	R 112 117 069
BUSINESS R	5 975 726	R 1 731 665	R 1 361 150	R 1 039 854	R 26 516 084	R 36 624 481
INDUSTRIAL R	1 198 017	R 587 691	R 406 811	R 356 417	R 15 416 243	R 17 965 179
MINING R	1 855	R 1 855	R 1 855	R 1 855	R 43 788	R 51 209
MULTIPLE USE P R	1 272 754	R 959 350	R 910 665	R 894 091	R 39 577 446	R 43 614 306
PROTECTED AREA R	3 006	R 3 006	R 3 006	R 3 006	R 578 983	R 591 007
PUBLIC BEN ORG R	336 743	R 127 182	R 71 028	R 79 157	R 2 084 494	R 2 698 603
PUBLIC SERVINF R	36 538	R 34 342	R 33 993	R 34 132	R 2 751 327	R 2 890 332
PUBLIC SERVPURF R	1 091 955	R 357 937	R 277 327	R 239 841	R 2 534 508	R 4 501 567
RESIDENTIAL R	11 982 902	R 8 868 285	R 8 500 941	R 8 085 802	R 361 854 064	R 399 291 994
RESIDENTIAL OTH R	1 326 045	R 691 313	R 668 856	R 576 217	R 16 984 252	R 20 246 682
UNDEVELOPED R	2 177 924	R 1 975 491	R 1 903 515	R 1 861 658	R 98 610 342	R 106 528 929
Grand Total R	27 752 099	R 17 448 810	R 16 175 727	R 15 193 595	R 670 551 127	R 747 121 358

Analysis:

Debtor's book is currently sitting at R 747 million as of 31 December 2023. Categories of debtors owes the municipality as follows:

Residential House Holds 56%

Businesses owe 7%

Agriculture owes the municipality around 15%

Government owes the municipality around 1%

Other owes the municipality 20%.

The overall balance at R747 million indicates higher risk of cashflow loss due to non-collection of billed revenue. Credit control and Debt collection policy must be implemented full and be supported by at political level.

4.9 Creditors Age Analysis

Description	0-30Days	31-60Days	61-90Days	91-120Days	121-150Days	151-Over 1 Year	TOTAL
Bulk Electricity	R 26 176 075	R 11 323 673	R31 618 650	R26 974 423	R682 973 061	R 663 343 664	R 1 442 409 546
Bulk Water	R -	R -	R -	R -	R -	R -	R -
PAYE Deduction	R -	R -	R -	R -	R -	R -	R -
VAT(Output less I	R -	R -	R -	R -	R -	R -	R -
Pensions/Retirem	R -	R -	R -	R -	R -	R -	R -
Loan Repayments	R -	R -	R -	R -	R -	R -	R -
Trade Creditors	R 9 278 051	R 2 428 675	R 1 094 886	R -	R131 472 053	R -	R 144 273 665
Audit General	R -	R 3 341 758	R 2 488 096	R -	R -	R -	R 5 829 854
Other	R -	R -	R -	R -	R -	R -	R -
TOTAL	R 35 454 126	R 17 094 106	R 35 201 632	R 26 974 423	R 49 452 175	R 45 775 766	R 1 592 513 065

Total balance of creditors as at 31 December 2023 is R 1.59 billion. Eskom constitute 98% of the balance with R 1.568 billion. Other creditors which management manages to pay monthly are amounting to R 24.1 million (2%). conditions stated by National Treasury as a strict requirement for the approved debt relief must be monitored for implementation to ensure the municipality benefit from the planned write off on the condition that the municipality fulfil its responsibility as required by MFMA circular 124.

5. AUDIT OUTCOMES

Thaba Chweu has regressed in terms of the audit outcome for 2022/2023 audit period. The municipality received a qualified audit opinion on five matters which within the time frame of the audit process management could not come with corrective measures that would have prevented the negative outcome. As part of implementing the recommendation of auditor general, management are at advance stage of developing audit action plans that will ensure the municipality does incur similar findings in the coming audit period.

The developed plans will be reviewed by Audit Committee, Provincial Treasury and Auditor General to ensure that they address root causes not just symptoms of the previous audit findings with a view of achieving unqualified audit opinion in the coming audit of 2023/2024 financial period.

6. Non-Financial Performance

Performance Management is done in terms of the Performance Management Policy which was approved by Council on 31 May 2023. The Performance Management System is still a manual system that uses the approved Service Delivery Budget and Implementation Plan (SDBIP) as its basis. The SDBIP is a layered plan comprising a **Top Layer SDBIP and Departmental SDBIPs**.

The SDBIP as approved by the Executive Mayor on 28 June 2023. The SDBIP comprises quarterly high level non-financial service delivery targets as well as financial projections for revenue collection (cash flow) as well as operational and capital expenditure.

Performance reporting on the top layer SDBIP is done to the Mayoral Committee, the Audit Committee who also acts as the Performance Audit Committee, and Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis (Annual Report).

Any amendments to the Top Layer SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget.

This report is based on the **Top Layer SDBIP** and is comprised of a summary of the overall performance for the first half of the financial year (Mid-year), in terms of the National Key Performance Areas (KPA) for Local Government which are listed below:

- Basic Services and Infrastructure Development
- Good Governance & Public Participation
- Municipal Transformation and Institutional Development
- Local Economic Development
- Spatial Planning & Rationale
- Financial Viability & Management

6.1 SUMMARY OF PERFORMANCE INFORMATION RESULTS

A summary of the performance of the Municipality in terms of the targets set for the FY2023/2024 is provided in Table below.

When a target is recorded as achieved, it means that target was fully implemented as planned and when a target is recorded as not achieved, it means that the target was not implemented as planned. This will also include targets that were partially achieved. For targets not achieved reasons for non-achievement and remedial actions need to be stated.

The following is a breakdown of the Mid-year performance per Key Performance Area:

KPA	TOTAL INDICATORS	N/A	Total Reported	Achieved	Not Achieved	% Achieved	% Not Achieved
Basic Services and Infrastructure Development	9	-	9	5	4	56%	44%
Good Governance & Public Participation	17	2	15	11	4	73%	27%
Municipal Transformation and Institutional Development	6	3	3	1	2	33%	67%
Local Economic Development	3	-	3	3	-	100%	0%
Spatial Planning & Rationale	3	-	3	3	-	100%	0%
Financial Viability & Management	8	1	7	3	4	43%	57%
TOTAL	46	6	40	26	14	65%	35%

The table above depicts the number of targets achieved and targets not achieved. The total of 40 targets in Top Layer of the SDBIP were reported on. Thus 26 out of 40 targets were achieved, which translates to 65% of the Mid-year targets being achieved. The not achieved targets were 14 out of the 40 and this translates to 35% of the targets not achieved.

The detailed report on the implementation of the SDBIP is contained as Appendix A to this report.

6.2 QUARTERLY AND MID-YEARLY PERFORMANCE REVIEWS

In line with the PMS Policy as adopted and the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, of 2006, section 28 of the Regulations provides for the quarterly review of performance, as also contained in the annual performance agreements of the senior managers.

The objective of the performance review sessions was to:

- (a) Look service delivery at implementation based on the approved SDBIP.
- (b) Report based on the SDBIP for improved accountability.
- (c) Identify areas of under achievement, remedial action to be taken and to highlight challenges faced.

Performance reviews took place as follows:

DEPARTMENT	DATE OF PERFORMANCE REVIEW	DATE OF COMAF BY INTERNAL AUDIT
Technical & Engineering Services	15 January 2024	19 January 2024
Community Services	10 January 2024	18 January 2024
Corporate Services	09 January 2024	18 January 2024
LED & Planning	11 January 2024	18 January 2024
Finance	15 January 2024	19 January 2024
Office of the Municipal Manager	10 January 2024	18 January 2024

The following are key recommendations made during the performance review sessions held:

- All reporting must be informed by weekly and monthly plans linked to quarterly targets in order to ensure that reporting is done based on clear plans;
- Continuous interaction between the Directors, PMS and the Internal Audit unit must be ongoing during performance audits to ensure that any challenges can be immediately addressed;
- Quarterly management meetings must be held to deal with performance information, ideally before the report is submitted to the Audit Committee and Mayoral Committee;
- The role of Secretaries must be strengthened in the consolidation of monthly and quarterly departmental information;
- Subsequent to the midyear assessment and adjustment budget, certain targets may have to be revised, and or improved on to be SMART where after same must be approved by Council;

- Subsequent to the midyear assessment and adjustment budget, certain targets may have to be removed due to the adjustments in the budget;
- Directors must also cascade performance review to the lower levels;
- Finance (SCM) to present quarterly update on the implementation of the procurement plan.

7. Conclusion

7.1 Financial Performance

The financial performance as of mid-year indicates that the municipality is generating revenue in line with projections made in the original budget. The generated revenue however is not converted into actual revenue due to low collection of 78%, which is below target of 85%. This translates into anticipated cashflow loss of R33 million.

The mid-year expenditure performance indicates that main line expenditure items such as employee cost and bulk purchases have been provided adequate budgets. However, repairs and maintenance budgets will not be sufficient for the remainder of the financial period. It must also be borne in mind that the midyear expenditure did not take into consideration the movement of non-cash items and as such, it's inevitable that the municipality will incur unauthorised expenditure on these items.

Capital expenditure performance is below expected performance at 35%. This indicates risk of losing grants. As at midyear, National Treasury withheld scheduled grants payment to the tune of R40 million and this might impact the budget and the implementation of the project.

The municipality must prioritise revenue collection measures to mitigate against the risk of running cashflow and compliance to approved Eskom debt relief to mitigate against defaulting and not benefiting in terms of the write off.

Overall, the mid-year performance analysis does not support budget adjustments as required by MFMA section 28.

7.2 Non-Financial Performance

- There has been an improvement in terms of the timely submission of performance information in the second quarter and mid-year performance reporting due to the formal performance reviews that were held with all six (6) departments. This also led to improved accuracy and validity of submitted POEs.
- During the second quarter and mid-year performance reviews KPIs that need to be revised or removed from the SDBIP were identified. This adjustment of the SDBIP will be inline with the budget and legislative requirements.
- Continuous interaction with Directors to deal with any discrepancies or uncertainties identified in submitted reports will remain an ongoing process to continuously improve and better the quality and content of both the performance information reports as well as the portfolios of evidence as the mode of information verification.

8. RECOMMENDATIONS

- 8.1 THAT, council take note of the mid-year budget and performance assessment report for 2023/2024 financial year, prepared in accordance with section 54 and 72 of the MFMA.
- 8.2 THAT, council take note that revenue collection rate at 31 December 2023 is 78% which is below the targeted rate of 85% and overall operational expenditure spending rate is 48%.
- 8.3 THAT, council take note of the Mid-year organisational performance report in terms of the implementation of the Top layer 2023/2024 SDBIP for the first half of the financial year.
- 8.4 THAT, council approves the adjustment of the SDBIP in line with the budget adjustments outcomes and legislative requirements.
- 8.5 THAT, council takes note of the submission of the accounting officer in terms of MFMA Section 72(3) that based on the outcome of the mid-year performance assessment, the compilation of the adjustment budget as might be required in terms of MFMA section 28 is not recommended.

QUALITY ASSURANCE CERTIFICATE:

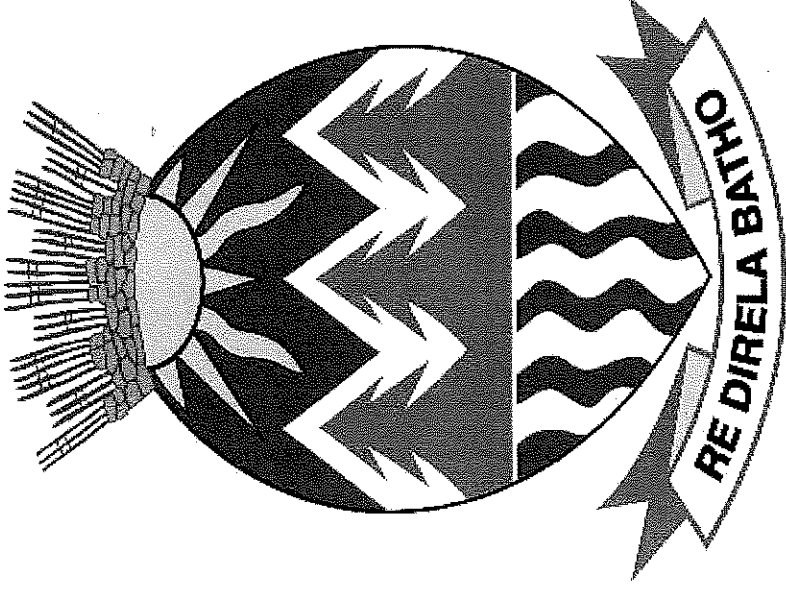
Makwakwa Roy Steven, the Municipal Manager of Thaba Chweu Local Municipality, hereby certify that the Mid-year Assessment Report and supporting documentation for the first half of 2023/2024 financial year, started from 1 July 2023 to 31 December 2023 has been prepared in accordance with the requirements of Municipal Finance Management Act and the Regulations made under the act.



**MAKWAKWA RS
MUNICIPAL MANAGER**

APPENDIX A: MID-YEAR ORGANISATIONAL PERFORMANCE REPORT

THABA CHWEU LOCAL MUNICIPALITY



MID-YEAR ORGANISATIONAL PERFORMANCE REPORT

FOR THE 2023/24 FY

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Acronyms

AC	-	Audit Committee	LAC	-	Local Aids Council
AGSA	-	Auditor General of South Africa	LED	-	Local Economic Development
AIDS	-	Acquired Immune Deficiency Syndrome	LOCS	-	Local Council of Stakeholders
APR	-	Annual Performance Report	MFMA	-	Municipal Finance Management Act
BTO	-	Budget and Treasury Office	MSA	-	Municipal Systems Act
COGTA	-	Cooperative Governance and Traditional Affairs	MIG	-	Municipal Infrastructure Grant
EAP	-	Employee Assistance Programme	MMC	-	Member of Mayoral Committee
EIA	-	Environmental Impact Assessment	MSCOA	-	Municipal Standard Chart of Accounts
EPWP	-	Expanded Public Works Programme	NT	-	National Treasury
GIS	-	Geographical Information System	OHS	-	Occupational Health and Safety
HIV	-	Human Immune Virus	PMS	-	Performance Management Committee
ICT	-	Information and Communication Technology	RMC	-	Risk Management Committee
IDP	-	Integrated Development Plan	SAYC	-	South African Youth Council
INEP	-	Integrated National Electrification Programme	SCM	-	Supply Chain Management
KM	-	Kilo Meter	SDF	-	Skills Development Facilitator
KPA	-	Key Performance Area	SPLUMA	-	Spatial Plan Land Use Management Act
KPI	-	Key Performance Indicator	TCLM	-	Thaba Chweu Local Municipality
			TOR	-	Terms of Reference
			WAC	-	Ward Aids Council
			WSIG	-	Water Service Infrastructure Grant

Executive Summary

The first section of this report, being the introduction, gives an overview of the Municipality's Vision & Mission and briefly refers to the legislative and policy framework in terms of which this report is compiled. An overview of the processes which lead to the compilation of the strategy (IDP), the allocation of financial resources (Budget) for the implementation thereof, the alignment of the organisation with the strategy, as well as the implementation plan (SDBIP) is provided in the 2nd Section.

The 3rd section of this report presents the content of the strategy which is the institution's goals, strategic objectives and organisational programmes in terms of each of these strategic objectives, Key Performance Indicators (KPIs) set for the measurement of the performance on each programme and targets set in terms of these KPIs. It further reflects on the KPAs of local government.

The last section of this report provides detailed information on the performance of the Municipality and is structured in a tabular format in terms of each KPI. Tracking of the project level information serves as early warning indicator for underperformances.

1. Introduction

1.1. Background

This report is prepared in compliance with Section 72 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), as a Mid-year Organisational Performance Report.

The Municipal Finance Management Act, 2003 (Act 56 of 2003), stipulates in Section 72 (1) (a) (ii) that the Municipality must do the following in terms of Performance Management System:

- 72. (1) The accounting officer of a municipality must by 25 January of each year—**
- (a) assess the performance of the municipality during the first half of the financial year, taking into account—*
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan.*

Performance Management is done in terms of the Performance Management Policy which was approved by Council on 31 May 2023 (Council under item A47/2023). The Performance Management System is still a manual system that uses the approved Service Delivery Budget and Implementation Plan (SDBIP) as its basis. The SDBIP is a layered plan comprising a **Top Layer SDBIP and Departmental SDBIPs**.

The SDBIP as approved by the Executive Mayor on 28 June 2023. The SDBIP comprises quarterly high level non-financial service delivery targets as well as financial projections for revenue collection (cash flow) as well as operational and capital expenditure.

Performance reporting on the top layer SDBIP is done to the Mayoral Committee, the Audit Committee who also acts as the Performance Audit Committee, and Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis (Annual Report).

Any amendments to the Top Layer SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget.

This report is based on the **Top Layer SDBIP** and is comprised of a summary of the overall performance for the first half of the financial year (Mid-year), in terms of the National Key Performance Areas (KPA's) for Local Government.

1.2. Vision and Mission

The *vision* of Thaba Chweu Local Municipality is to be a:-

Custodian of sustainable service delivery, economic development and good governance

The *mission* of the Municipality is as follows:-

Improving socio-economic conditions by improving service delivery and growing the economy through sound governance

Thaba Chweu Local Municipality is guided by the following values in conducting its business:-

- Putting people first
- Delivery of quality service
- Uphold local government laws
- Investor friendly

2. Integrated Planning, Budgeting and Performance Management for the FY 2023/24

The strategic plan in local government is called the Municipal Integrated Development Plan (to be referred to as "the IDP"). The budgetary process is the provision of resources for the implementation of the strategy (the IDP), whilst the Service Delivery and Budget Implementation Plan (to be referred to as "the SDBIP") is the annual plan for implementation of the IDP. The alignment between the Municipal Integrated Development Plan, the Budget, SDBIP and the Performance Management System is critical to ensure strategic alignment of programmes and projects with the strategy. The Performance Management System is monitoring the implementation of the SDBIP on a quarterly basis. The

signing of the Performance Agreements by the Municipal Manager and the Section 56 Managers assures accountability for the implementation of the strategy (IDP).

2.1. Integrated Development Planning (IDP)

The IDP process unfolded in compliance with Chapter 5 of the Municipal Systems Act and in accordance with the Municipality's Council approved IDP Process Plan. The IDP for the FY 2023/24 was approved by Council under item **A47/2023**, during a Special Council meeting held on 31 May 2023.

2.2. Municipal Strategic Priorities

The priorities of the Municipality are based on Community needs and are reviewed annually during IDP consultation meetings. These priorities are the basis in which the Municipality develops its municipal objectives and outputs/targets. These priorities are also equally informed by policy and planning directives emanating from national government, provincial government and the district.

Tabled below are the fourteen (14) priorities of the Municipality:

Table1: Municipal Priorities

Priority Issue	Key Issues to be address
1. Water and Sanitation	<ul style="list-style-type: none"> ▪ Bulk (Storage, Network & Capacity) upgrade in Lydenburg ▪ New Bulk (Licence, Storage, WTP, Network/ Reticulation) supply construction in Matibidi, Leroro & Moremela ▪ Maintenance of sewer lines in Lydenburg, Sabie & Graskop ▪ Bulk (WWTP, Network & Capacity) upgrade in Graskop ▪ Refurbishment and upgrade of WWTP
2. Roads & Stormwater	<ul style="list-style-type: none"> ▪ Refurbishment of roads/streets ▪ New construction of roads in formal townships (Newly formalised areas, existing formal areas) ▪ Refurbishment of storm water drainage system in all towns

Priority Issue	Key Issues to be address
3 Electricity	<ul style="list-style-type: none"> ▪ Paving of roads ▪ Maintenance of road infrastructure ▪ New connection of households for new development & Backlog ▪ Bulk upgrade (network & capacity) for growth ▪ Maintenance of existing network (poles, overhead lines and safety mechanisms)
4 Waste Management & Environmental Management	<ul style="list-style-type: none"> ▪ Alternative land fill site for Lydenburg ▪ Improve management of Land fill sites ▪ Extend Collection to rural (Matibidi, Leroro & Moremela) and farm areas ▪ Facilitate and coordinate monitoring and compliance to NEMA (neighbouring mining community and the institution) ▪ Facilitate and promote safety, protection and cleanliness of environment through various programmes
4. Public Facilities	<ul style="list-style-type: none"> ▪ Maintenance of Parks, Halls, Sports facilities, Cemeteries and municipal servitudes and related facilities
5. LED/Employment Opportunities	<ul style="list-style-type: none"> ▪ Facilitate PPP investment in Lydenburg, Sabie, Graskop and CPAs farms ▪ Facilitate catalytic investment in the municipality ▪ Facilitate and coordinate the exploitation mining, tourism and agricultural opportunities aimed at socio-economic improvement in the municipality ▪ Strengthen skills development for the unemployed and SMMEs
6. Human Settlement	<ul style="list-style-type: none"> ▪ Facilitation of housing delivery in line with legislation and council policies

Priority Issue	Key Issues to be address
	<ul style="list-style-type: none"> ▪ Acquisition of Land ▪ Issuing of Title deeds (New & Re-registration) ▪ Safeguard all municipal Infrastructure
7. Safety & Security	<ul style="list-style-type: none"> ▪ Need for disaster management equipment i.e. fire truck, jaws of life etc. ▪ Refurbishment of control rooms/Disaster centre
8. Disaster Management	<ul style="list-style-type: none"> ▪ Tariffs reviews on critical services under which policies and by-laws applies ▪ Combat illegal electricity and water connections ▪ Review SLAs on council assets
9. Revenue Enhancement	<ul style="list-style-type: none"> ▪ Formation of informal settlements in Lydenburg ▪ Township establishment (Brown field development) in Lydenburg
10. Spatial Planning/SDF Implementation	<ul style="list-style-type: none"> ▪ Support the mainstreaming of social programmes aimed at improving different special social groups
11. Social Programmes mainstreaming	<ul style="list-style-type: none"> ▪ Facilitate development and expansion of Schools, Libraries and further education and training
12. Education	<ul style="list-style-type: none"> ▪ Office Space (Renovation of Municipal Offices & Reconstruction of Municipal Offices) ▪ Compliance to legislation ▪ Individual Performance management implementation ▪ Organogram Responsive to IDP Priorities (Pyramid Structure)
13. Institutional Transformation	

The Municipality developed Strategic objectives in order to deal with the identified Municipal priorities. The Municipal has eight (08) Strategic Objectives which are aligned to the Municipality's Key Performance Areas.

The table below depicts the Municipality's Strategic Objectives and Priorities reflected in terms of the Key Performance Areas:

Table 2: Municipal Strategic Objectives and Priorities reflected in terms of the Key Performance Areas

Strategic Objectives and Priorities reflected in terms of the Key Performance Areas		Key Performance Area
Strategic Objective	Priority Issues or Programmes	Key Performance Area
SO 1: Provide access to quality services in line with council mandate	Roads Water Sanitation Electricity Public Facilities Waste Management	Basic Services and Infrastructure Development
SO 2: Realisation of harmonious development within the municipal jurisdiction	Spatial Planning/SDF Implementation	Spatial Planning & Rationale
SO 3: Increase revenue base and financial viability	Revenue Enhancement	Financial Viability & Management
SO 4: Enhance economic development and growth	LED Strategy implementation SMME Support Stakeholder engagements and communication of strategies to stakeholders Project support and streamlining of opportunities to SMMEs	Local Economic Development
SO 5: Improve institutional transformation and resources management	Institutional Transformation	Municipal Transformation and Institutional Development
SO 6: Ensure effective and good governance	Performance Management Risk Management Internal Audit	Good Governance & Public Participation
SO 7: Strengthen IGR & stakeholder relation	Education Public Participation	Good Governance & Public Participation
SO 8: Mainstreaming of social advocacy and marginalised groups	Social Programmes mainstreaming	Good Governance & Public Participation

2.3. The Budget Process

The budget process unfolded simultaneously with the IDP process. The budget was approved by Council under item A47/2023 during the Special Council meeting held on 31 May 2023.

2.4. Alignment of the Organisation with the Strategy

After the approval of the IDP, the objectives of the departments were aligned with the strategy of the organisation. This was followed by a process of alignment of the programmes and projects of the divisions within the departments with the departmental objectives. A SDBIP was drafted for the organisation as well as departmental SDBIPs for each department, which have informed the Performance Plans of Senior Managers, creating a situation where all the activities and energy in the organisation were focused on achieving the organisational strategy.

Table 3: Alignment of Priorities and Strategic Objectives

No	Focus Areas	Problems Description	Strategic Objectives [Code=SO#]
1.	Water	<ul style="list-style-type: none"> • Improve Bulk Water Supply (Demand + Supply) • Provide portable water supply • Lack of water use licence in the northern areas • Illegal Connection of Water (water distribution losses) • Dilapidated water infrastructure (Pipelines/Networks, treatment plants) • Maintenance of Boreholes • Installation of meters in households without meters • Conduct water meter audits & Replace faulty meters • None existence of Water infrastructure in Informal Settlements • Poor water quality • Lack of security for municipal water & sanitation infrastructure 	Provide access to quality & Sustainable services in line with council mandate (SO1)
2.	Roads	<ul style="list-style-type: none"> • Dilapidation Road Network (need refurbishment & New construction) • Inadequate Road Signage or Incorrect Signage • None existence or Incorrect Street Names • Lack of maintenance of Road Signs, Street Names and Robots • Gravel Roads Networks (Need grading & Paving) 	Provide access to quality & Sustainable services in line with council mandate (SO1)

No	Focus Areas	Problems Description	Strategic [Code=SO#]	Objectives
		<ul style="list-style-type: none"> • None maintenance or none existence of Road Walkways • Dilapidating Storm Water infrastructure • Speeding vehicles in townships (Installation of Speedhumps) 		
3.	Sanitation	<ul style="list-style-type: none"> • Develop & implement water & sanitation master plans • Improve Bulk Sanitation Supply (Demand + Supply) • Illegal Connection of Sewer & New Connections • Dilapidating infrastructure (Sewer Plants) • None existence of Sewer infrastructure in Informal Settlements • Lack of security for municipal water & sanitation infrastructure 		Provide access to quality & Sustainable services in line with council mandate (SO1)
4.	Electricity	<ul style="list-style-type: none"> • Lack of Electrical Maintenance Plans • Illegal connection (Conduct Meter audits & Replace faulty meters) • Dilapidating Electricity Network (upgrade + maintenance) • Improve Electricity Capacity (Network and Bulk) • Electricity infrastructure Theft • Electrification of formalised informal settlements & Past backlogs (New Connections) • Dark areas around towns and townships (Need for high mast lights/Street lights & Refurbishment) • Lack of effective power supply backup • Implementation of the credit control & Debt collection (Top 100 Debtors & Households). • Lack of security for municipal electrical infrastructure 		Provide access to quality & Sustainable services in line with council mandate (SO1)
5.	Public Facilities (Halls, Cemeteries, Stadium, Parks, Recreational	<ul style="list-style-type: none"> • None maintenance of public facilities (Parks, Stadiums, recreational facilities and Halls) • Lack of Security on Public Facilities • Poor management of Public Facilities • Inadequate recreational facilities (Community Halls i.e. Coromandel) • None existence of formal Taxi Ranks • Lack of maintenance of the designated areas 		Provide access to quality & Sustainable services in line with council mandate (SO1) Provide access to quality & Sustainable services in line with council mandate (SO1)

No	Focus Areas	Problems Description	Strategic Objectives [Code=SO#]
	centres, soccer fields etc)	<ul style="list-style-type: none"> Poor relations between the municipality and the Taxi Associations Fencing of new and old Cemeteries Land allocation of new cemeteries 	
6.	Environment & Waste Management	<ul style="list-style-type: none"> Dirtness/Littering in Towns and Townships None collection of waste in the informal settlements None collection of waste in the rural communities (Matibidi, Leroro, Moremela) Illegal Dumping sites Non capitalisation of waste into recycling business for local SMMEs Lack of Pollution Control Monitoring Inadequate cutting of Grass and Trees in the municipal servitudes, Lack of clean and attractive entrances in the municipal Towns and Township Ensuring coordination that the municipality is environmentally compliant (NEMA Compliant) Inadequate waste disposal equipment/facilities Implementation of the IWMP Land Fill sites life span exhaustion Poor Management of Landfill sites Fencing of Landfill sites 	Provide access to quality & Sustainable services in line with council mandate (SO1)
7.	LED	<ul style="list-style-type: none"> Outdated LED Strategy and implementation of the strategy Effective functionality of the LED Forum Lack plans for job creation and poverty alleviation None usage of the Unemployment Graduates Database for municipal programs Linkages of the Internships/Learnerships to the Unemployment Graduates Database in both the public and private sector) Inadequate linkage of EPWP and CWP programs of the municipality (Strengthening) Immersion Contractor Program Management (Control and Education) 	<p>Enhance/Promote economic development and growth (SO4)</p> <p>Ensure effective and good governance (SO6)</p> <p>Strengthen IGR & stakeholder relation (SO7)</p>

No	Focus Areas	Problems Description	Strategic [Code=SO#]	Objectives
		<ul style="list-style-type: none"> • Linkages of the Immerging Contractor with other public and private sector • None existence of value chain programs from various commercial developments (Facilitate value chain linkages of local SMMEs to private/public sector) • Facilitate the involvement of local mines in the implementation of the IDP and support local SMMEs (Mining Exploration and development) • Facilitate eco-tourism development for the municipality • SMME Support 		
8.	Human Settlement	<ul style="list-style-type: none"> • Incorrectly registered Title Deeds • Double allocation of stands • Delay in issuing long outstanding Title Deeds • Updating of municipal property registration (Title Deeds) • Housing Needs Register update (Review of the Housing Chapter) • Fraud and Corruption in allocation of houses and stands • Inadequate Squatter Control/Land use enforcement/control • Effective and efficient management of rental stock • Safeguard all municipal infrastructure 	<p>Realisation of harmonious development within the municipal jurisdiction (SO2)</p> <p>Ensure effective and good governance (SO6)</p>	
9.	Safety & Security	<ul style="list-style-type: none"> • Safeguard all municipal infrastructure 	<p>Provide access to quality & Sustainable services in line with council mandate (SO1)</p> <p>Provide access to quality & Sustainable services in line with council mandate (SO1)</p>	
10.	Disaster Management	<ul style="list-style-type: none"> • Need for disaster management equipment • Refurbish disaster centres 		
11.	Revenue Enhancement	<ul style="list-style-type: none"> • Outdated Revenue Enhancement Strategy (Review & implement) • Expired Lease Agreement • Combat distribution losses (Water & Electricity) • Lease agreement Tariffs (Golf Course, Rooikat etc.) • Low Tariffs in the Flats (e.g. Kerpasol, Kanabas, Fanniestalls) • Court Interdicts affects the implementation of Credit Control • Inaccurate Billing (Conduct audit billing on water & electricity) • Poor Inter-departmental Communication 	<p>Increase revenue base and ensure sound financial viability (SO3)</p>	

No	Focus Areas	Problems Description	Strategic [Code=SO#]	Objectives
12	Spatial Planning (SDF Implementation)	<ul style="list-style-type: none"> • Outdated service provision volumes (waste collection etc) • None alignment of the Land Use and Valuation Roll • Inadequate Disconnection(cut-off) process (Debtors List) • Inappropriate confirmation of Indigent customers (Audit Indigent register) • Existence of Problematic Consumer Accounts • Poor Customer Care • Uncontrolled Outdoor Advertising • None existence of Public Parking • None existence Informal Trading Tariffs • Culture of non-payment of services. • Improve the financial health of the municipality through effective implementation of the Financial Recovery Plan (FRP) 	Realisation of harmonious development within the municipal jurisdiction (SO2)	
		<ul style="list-style-type: none"> • Risk of Escalating informal Settlements • Land Invasion • Illegal approval of building plans over restricted areas (servitudes) • Inadequate Land Use/building Control (illegal extension of buildings and illegal land use) • Uninformed Infrastructure development (Infrastructure development doesn't support the SDF) • Lack of serviced land • Facilitate the installation of services in newly formalised settlements • Community members living in informal settlements (Brown fields) • Poor planning for housing development (<i>building houses without sewer network</i>) • <i>Control Outdoor Advertisements</i> • <i>Review the Spatial Development Framework</i> • <i>An integrated GIS System established and functional</i> 		

No	Focus Areas	Problems Description	Strategic [Code=SO#]	Objectives
13	Social Programmes and services	<ul style="list-style-type: none"> • Lack of Youth Development Programs • Lack of Promotion Programs • Facilitate the development of development (Youth centres) • Insufficient coordination, facilitation and mainstreaming of HIV/AIDS/TB and pandemic program • Ensure sufficient wellbeing programmes for municipal employees and local residents • Inadequate mainstreaming of Transversal issues (Women, Children, Youth, senior citizens and disable people) in municipal programs • Inadequate Child Headed families support program (e.g. indigent) • Infrastructure/Building designs not catering/not user-friendly to people living with disabilities • Growing population and migration resulting to overcrowded schools • Unavailability of land for Schools and Libraries (Primary and Secondary) including TVET College/Higher education facilities • Capacitate needy/marginalised students/groups within the municipality 	<p>Strengthen IGR & stakeholder relation (SO7)</p> <p>Mainstreaming of social advocacy and marginalised groups (SO8)</p>	
14.	Institutional Transformation and Development	<ul style="list-style-type: none"> • None alignment of the organogram with the IDP and Budget • Lack of Individual Performance Management • Lack of clear Skills Development Plan (Training) • Lack of Employment Equity Plan • Poor Management of Staff • Promote occupational health standards in the workplace & Compliance to OHS • Implement employee assistance programme • Inadequate capacity (knowledge, skills experience etc.) • Ensure clear roles and responsibilities of employees are documented & signed • Lack basic service delivery in privately owned land • Abusive labour practice in the farm community 	<p>Improve institutional transformation and resource management (SO5)</p>	

No	Focus Areas	Problems Description	Strategic [Code=SO#]	Objectives
		<ul style="list-style-type: none"> • conduct awareness campaigns/implementation of consequence management • Ensure the institution has updated by laws and policies • Poor ICT Network Infrastructure • None existence of ICT Data Centre • Insufficient gate protector and licensed software • In-effective and continuous management of the municipal website • Insufficient tools of trade (laptops and computers) • Insufficient Office Space, Board Rooms and Council Chamber. • Ensure effective implementation of the communication strategy and ensure effective communication • ensure Business Continuity for the institution 		

2.5. Service Delivery and Budget Implementation Plan (SDBIP)

The SDBIP is a key element in the process of service delivery, as it provides for the cascading of the strategic level (IDP and the Budget) to a level of implementation. It therefore provides the basis for measuring performance in service delivery and spending of the budget against specific targets. An SDBIP for the FY 2023/24 was compiled to guide the implementation of projects and the spending of funds and has been signed off by the Executive Mayor on 28 June 2023.

3. Municipal Key Performance Areas and Goals

The six key performance areas of local government applicable to TCLM are as follows:--

1) Basic Services and Infrastructure Development

This focuses on the provision of and access to basic services by communities living in the Municipality. The Municipality has a mandate to deliver municipal basic services to the community. The services include the provision of sanitation, electricity, roads and stormwater, waste management and public facilities.

2) Spatial Planning and Rationale

The municipality should ensure realisation of harmonious development within the municipal jurisdiction, and this is done by implementing the SDF.

3) Financial Viability and Management

The Municipality needs to use financial resources prudently, and according to the priorities and needs of the communities when rendering services. The Municipality must have sound and effective systems, supply chain management, financial risk management, asset management and cash flow management.

4) Local Economic Development

This performance area requires the Municipality to enhance economic growth by implementing the LED Strategy, providing support to SMMEs, ensuring Stakeholder engagements, communication of strategies to stakeholders, provide project support and streamline opportunities to SMMEs.

5) Institutional Development and Transformation

This focuses on improving the capacity of the human resource in the Municipality, it covers a range of issues which includes operational efficiency, skills development & training, Occupational Health & Safety, employee wellness and motivation.

6) Good Governance and Public Participation

This performance area is focused on matters of effective integrated development planning, functionality of stakeholder participation processes, inter-governmental and stakeholder relations including traditional authorities, communication systems, and a mechanism to promote feedback to communities, Batho Pele and Council stability.

TCLM derives its mandate from *Chapter 7, Section 152 (1) of the Constitution* which outlines the objects of local governments. The Constitution states the objects of Local government as follows:

- Provide democratic and accountable government for local communities;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of local government.

Based on the aforementioned legislative imperatives of the Municipality, specific goals were derived (as shown in the table 3 below) by the Municipality, which form part of the IDP to ensure that the aforementioned objects as stipulated in Section 152 (1) of the Constitution are achieved.

In order to realize the **Strategic Objectives** council has set itself the following goals that must be achieved by 2027

Table 4: Municipal Goals

Code#	Goal
G1	1. Grow municipal revenue by 2027
G2	2. Improve the capacity of water supply in urban areas of municipality by 2027
G3	3. Provide sustainable water supply in the northern areas and farm communities of the municipality by 2027
G4	4. Improve the capacity of sewer lines and water waste treatment plants in urban areas of the municipality by 2027
G5	5. Eradicate sewer leakages and spillages in the urban areas of the municipality by 2027
G6	6. Improve the condition of road networks in the urban areas of the municipality by 2027
G7	7. Improve the capacity of electricity supply in Lydenburg by 2027

4. Performance Summary for the Mid-year Performance

A summary of the performance of the Municipality in terms of the targets set for the FY2023/24 is provided in Table 5 below.

When a target is recorded as achieved, it means that target was fully implemented as planned and when a target is recorded as not achieved, it means that the target was not implemented as planned. This will also include targets that were partially achieved. For targets not achieved reasons for non-achievement and remedial actions need to be stated.

Table 5: Summary of Performance Results

KPA	TOTAL INDICATORS	N/A	Total Reported	Achieved	Not Achieved	% Achieved	% Not Achieved
Basic Services and Infrastructure Development	9	-	9	5	4	56%	44%
Good Governance & Public Participation	17	2	15	11	4	73%	27%
Municipal Transformation and Institutional Development	6	3	3	1	2	33%	67%

KPA	TOTAL INDICATORS	N/A	Total Reported	Achieved	Not Achieved	% Achieved	% Not Achieved
Local Economic Development	3	-	3	3	-	100%	0%
Spatial Planning & Rationale	3	-	3	3	-	100%	0%
Financial Viability & Management	8	1	7	3	4	43%	57%
TOTAL	46	6	40	26	14	65%	35%

The table above depicts the number of targets achieved and targets not achieved. The total of 40 targets in Top Layer of the SDBIP were reported on. Thus 26 out of 40 targets were achieved, which translates to 65% of the Mid-year targets being achieved. The not achieved targets were 14 out of the 40 and this translates to 35% of the targets not achieved.

5. Performance reviews for the Mid-year Performance

In line with the PMS Policy as adopted and the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, of 2006, section 28 of the Regulations provides for the quarterly review of performance, as also contained in the annual performance agreements of the senior managers.

The objective of the performance review sessions was to:

- (d) Look service delivery at implementation based on the approved SDBIP;
- (e) Report based on the SDBIP for improved accountability;
- (f) Identify areas of under achievement, remedial action to be taken and to highlight challenges faced.

Performance reviews took place as follows:

DEPARTMENT	DATE OF PERFORMANCE REVIEW	DATE OF COMAF BY INTERNAL AUDIT
Technical & Engineering Services	15 January 2024	19 January 2024
Community Services	10 January 2024	18 January 2024
Corporate Services	09 January 2024	18 January 2024
LED & Planning	11 January 2024	18 January 2024

Finance	15 January 2024	19 January 2024
Office of the Municipal Manager	10 January 2024	18 January 2024
THALED	11 January 2024	N/A

The following are key recommendations made during the performance review sessions held:

- All reporting must be informed by weekly and monthly plans linked to quarterly targets in order to ensure that reporting is done based on clear plans;
- Continuous interaction between the Directors, PMS and the Internal Audit unit must be ongoing during performance audits to ensure that any challenges can be immediately addressed;
- Quarterly management meetings must be held to deal with performance information, ideally before the report is submitted to the Audit Committee and Mayoral Committee;
- The role of Secretaries must be strengthened in the consolidation of monthly and quarterly departmental information;
- Subsequent to the midyear assessment and adjustment budget, certain targets may have to be revised, and or improved on to be SMART where after same must be approved by Council;
- Subsequent to the midyear assessment and adjustment budget, certain targets may have to be removed due to the adjustments in the budget;
- Directors must also cascade performance review to the lower levels;
- Finance (SCM) to present quarterly update on the implementation of the procurement plan.

6. Detailed breakdown of Performance Results for the Mid-year performance:

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Provide access to quality services in line with council mandate	Basic Services and Infrastructure Development	Roads	Paving of Main Roads at Moremel (Tshirela ng)	Ward 9 (Moremel)	Number of km	Number of km of road refurbished at Moremel Morotho Kanana Street (Tshirela ng)	Road, Subbase, Stabilized Base, Brick Paving, V-Drains, Culvert Box, Pipe Drainage and Signage	0.866km of road refurbished at Moremel Morotho Kanana Street (Tshirela ng) by 30 June 2024	0.866km of road refurbished at Moremel Morotho Kanana Street (Tshirela ng) (Completion of project)	Not achieved. Project not completed	0.866km of road refurbished at Moremel Morotho Kanana Street (Tshirela ng) was not completed.	Community and Business Forums were stopped during the project demanding money and subcontracting work with high rates.	Training of SMM Es and general public participation	Completion certificate	R 397168 220 (MIG)	R 328 768,07	Director: Technical & Engineering Services	Technical & Engineering Services
Provide access to quality services in line with council mandate	Basic Services and Infrastructure Development	Roads	Recycling Buy Back Centres constructed at Mashish Lydenburg	All wards	Number	Number of Recycling Buy Back Centres constructed at Mashish Lydenburg	New KPI	1 Recycling Buy Back Centre constructed at Mashish Lydenburg	Development of terms of reference and advertisement for the appointment of	Not achieved. Consultant appointed, Contract not appointed	Appointment of contractor and site handover outstanding	Reallocation of funds (allocated budget has been	Target to be removed from the SDBI during	Terms of reference, Advertisement, Appointment letter, Site	R 9 000 000 (MIG)	R ,	Director: Technical & Engineering Services	Technical & Engineering Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Provide access to quality services in line with council mandate	Basic Services and Infrastructure Development	Roads	Refurbishment of Voortrekker Street at Mashishi Lydenburg-Phase 3	Wards 12 & 14	Number of km of road refurbished at Voortrekker Street at Lydenburg	Lydenburg	0.980 km dual carriage road completed	0.980 km of road refurbished at Voortrekker Street at Lydenburg by 30 June 2023	Quarterly progress report on the refurbishment of Voortrekker Street at Mashishi Lydenburg phase 3 & Completion of the project	Not achieved. Project is at practical completion stage	Project not fully complete	Poor performance by the Contractor	The Municipality paid subcontractors directly to ensure completion of the project.	1 Quarterly progress report and a complete certification	R 2 677 953.84 (MIG)	R 5 920 995	Director: Technical & Engineering Services	Technical & Engineering Services
Provide access to quality service	Basic Services and Infrastructure	Roads	Paving of Main Roads at Matibidi	Ward 8	Number of km of road refurbished at		1km of road refurbished in the	1 km of road refurbished at Matibidi	Development of terms of reference &	Achieved TOR develop contract	N/A	N/A	N/A	Terms of reference, Advert	R 9 000 000 (MIG)	R 2 507 134,00	Director: Technical & Engineering	Technical & Engineering

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Provide access to quality services in line with council mandate	Development		(Didimala Village) Phase 2			Matibidi (Didimala Village)	2022/23 FY	(Didimala Village) by 30 June 2024	advertisement for the appointment of a contractor and appointment of a contractor & site handover	appointment & site handover conducted				Appointment letter, Site handover minutes			ring Services	Services
Provide access to quality services in line with council mandate	Basic Services and Infrastructure Development	Sanitation	Refurbishment and Upgrading of Sewer Substation at Mashishi (Phase 2)	Ward 2 (Extension 8)	Number	Number of Sewer Substations refurbished & upgraded at Mashishi Ext. 8	Phase 1 of the refurbishment and upgrading of the Sewer Substation at Mashishi Ext. 8 completed	1 Sewer Substation refurbished & upgraded at Mashishi Ext. 8 by 30 June 2024	Quarterly progress reports on the refurbishment and upgrading of sewer substation	Achieved .2 Quarterly progress reports on the refurbishment and upgrading of sewer substation compiled	N/A	N/A	N/A	Quarterly progress reports	R 6 752 178,17 (MIG)	R 6 521 196,00	Director: Technical & Engineering Services	Technical & Engineering Services
Provide access to quality service in line	Basic Services and Infrastructure	Sanitation	Provision of Sewer Reticulation at	Ward 2 (Extension 8)	Number of meters of water reticulation	Number of meters of water reticulation	New KPI	75 mm diameter x 10 500m of water reticulation	Development of terms of reference & advertisement	Achieved .TOR developed; contract awarded	N/A	N/A	N/A	Terms of reference, Advertis	R 12 000 000 (MIG)	R 4 976 814,00	Director: Technical & Engineering Services	Technical & Engineering Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Provide access to quality service in line with council mandate	Development	Water	Provision of Water Reticulation at Mashishi ng Ext 8	Ward 2 (Extension 8)	Number of meters	Number of meters of sewer reticulation provided at Mashishi ng Ext 8	New KPI	160 mm diameter x 9 500m of sewer reticulation provided at Mashishi ng Ext 8	Development of terms of reference & advertisement for the appointment of contractor and appointment of a contractor and handover	Achieved TOR developed; contractor appointed & site handover conducted	N/A	N/A	N/A	Terms of reference, Advertisement, Appointment letter, Site handover minutes	R 10 033 785,78 (MIG)	R 508 184,00	Director: Technical & Engineering Services	Technical & Engineering Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Provide access to quality services in line with council mandate	Basic Services and Infrastructure Development	Electrification	Electrification of 220 households at Marikan a/Majenje	Ward 5 (Marikana/Majenje)	Number	Number of households connected to Grid at Marikan a/Majenje	220 Households connected to Grid at Majenje in the 2022/23 FY	220 Households connected to Grid at Marikan a/Majenje by 30 June 2024	Development of terms of reference & advertisement for the appointment of a contractor or and Appointment of a contractor & site handover	Not achieved. TOR developed. Contract not appointed & site handover not conducted	Appointment of a contractor & site handover outstanding	Late appointment of contractor	Time sitting of Bid Committee in order to recommend appointment of a contractor, handover minutes to the Accounting Office	Terms of reference, advertisement for the appointment of a contractor, handover minutes	R 500 000 (TCLM)	R 757 408,56	Director: Technical & Engineering Services	Technical & Engineering Services
Provide access to quality services in line with council mandate	Basic Services and Infrastructure Development	Waste Management	Reports on Maintenance of landfill sites (Contracted Service)	All wards	Number	Number of reports compiled on the maintenance of the 3 licensed landfill sites	12 Maintenance of Landfill site reports compiled in 2022/23 FY	12 Reports compiled on the maintenance of the 3 licensed landfill sites by 30 June 2024	6 Reports compiled on the maintenance of the 3 licensed landfill sites	Achieved. 6 Reports compiled on the maintenance of the 3 licensed landfill sites	N/A	N/A	N/A	6 Reports	R 7 200 000,00	R 3 147 036,92	Director: Community Services	Community Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Mainstreaming of Social advocacy and marginalized groups	Good Governance & Public Participation	Transversal	Gender based violence programmes	All wards	Number	Number of Gender Based Violence (GBV) programmes held	4 Gender Based Violence (GBV) programmes held in 2022/23 FY	4 Gender Based Violence (GBV) programmes held by 30 June 2024	2 Gender Based Violence (GBV) programme held	Not Achieved .1 Gender Based Violence (GBV) programme held	1 Gender Based Violence (GBV) programme outstanding	GBV programmes are also conducted by other stakeholders, TCLM did not hold a GBV programme, as it was going to be a duplication.	Identify 2 areas to conduct GBV programme and communicate this programme to other stakeholders.	Invite, Programme, Attendance Register	R 100 000,00	R 100 000,00	Director: Community Services	Community Services
Mainstreaming of Social advocacy and marginalized groups	Good Governance & Public Participation	HIV/AIDS	Civil Society meetings	All wards	Number	Number of Civil Society meetings held at Lydenburg/Mashishing	4 Civil Society meetings held in 2022/23 FY	4 Civil Society meetings held at Lydenburg/Mashishing by 30 June 2024	2 Civil society meeting held at Lydenburg/Mashishing	Achieved .2 Civil society meeting held at Lydenburg/Mashishing	N/A	N/A	N/A	Invite, Programme, Attendance Register	R 500 000,00	R 201 349,44	Director: Community Services	Community Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Mainstreaming of Social advocacy and marginalized groups	Good Governance & Public Participation	HIV/Aids	Local Aids Council meetings	All wards	Number	Number of LAC meetings held at Lydenburg/Mashishing	3 LAC meetings held in 2022/23 FY	4 LAC meetings held at Lydenburg/Mashishing by 30 June 2024	2 LAC meeting held at Lydenburg/Mashishing	Achieved . 2 LAC meeting held at Lydenburg/Mashishing	N/A	N/A	N/A	Invite, Programme Attendance Register			Director: Community Services	Community Services
Mainstreaming of Social advocacy and marginalized groups	Good Governance & Public Participation	HIV/Aids	Technical Working Group (TWG) Meetings	All wards	Number	Number of TWG meetings held at Lydenburg/Mashishing	New KPI	4 TWG meetings held at Lydenburg/Mashishing by 30 June 2024	2 TWG meeting held at Lydenburg/Mashishing	Achieved . 2 TWG meeting held at Lydenburg/Mashishing	N/A	N/A	N/A	Invite, Programme Attendance Register			Director: Community Services	Community Services
Mainstreaming of Social advocacy and marginalized groups	Good Governance & Public Participation	HIV/Aids	HIV/Aids Strategy Development 2023-2027	Institutional	Number	Number of HIV/Aids Strategies developed and tabled to Council	New KPI	1 HIV/Aids Strategy developed and tabled to Council by 30 June 2024	Stakeholder consultation session & Draft HIV/Aids Strategy	Not achieved . No Stakeholder consultation sessions held & Draft HIV/Aids Strategy not in place	Draft HIV/Aids Strategy not in place	Unavailability of provincial stakeholders	Propose number of possible dates of meeting with national and provincial stakeholders	Invite, Agenda, Attendance register, Draft HIV/Aids Strategy, Council resolution			Director: Community Services	Community Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Ensure effective and sound Good Governance	Good Governance & Public Participation	HIV/Aids	Comprehensive campaigns of HIV/Aids	All wards	Number	Number of Comprehensive campaigns of HIV/Aids conducted	New KPI	32 Comprehensive campaigns of HIV/Aids conducted by 30 June 2024	16 Comprehensive campaigns of HIV/Aids conducted	Achieved .16 Comprehensive campaigns of HIV/Aids conducted	N/A	N/A	N/A	Invite, Programme, Attendance Register	R 500 000 (TCLM)	R -	Director: Community Services	Community Services
Ensure effective and sound Good Governance	Good Governance & Public Participation	IDP	IDP Process Plan	Institutional	Number	Number of IDP/Budget Process Plan phases Implemented	IDP 2022/23	4 IDP/Budget Process Plan phases Implemented by 30 June 2024	Process Plan Approved and Analysis/Preparation Phase Started & Analysis Phase completed, strategic phase started & Transition Report compiled	Achieved . Process Plan approved and analysis/preparation phase started & analysis phase completed, strategic phase started & transition at report compiled	N/A	N/A	N/A	Process plan, council resolutions			Director: LED & Planning	LED & Planning

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance	Ordinary Audit Committee Meetings	Institutional	Number	Number of Ordinary Audit Committee meetings held	5 Ordinary Audit Committee meetings held in the 2022/23 FY	4 Ordinary Audit Committee meetings held by 30 June 2024	2 AC meeting held dealing with 4th quarter of 2022/23 FY and 1st quarter of 2023/24 FY	Achieved . 2 AC meeting held dealing with 4th quarter of 2022/23 FY and 1st quarter of 2023/24 FY	N/A	N/A	N/A	Agenda, Attendance register, Minute with resolution register	R 100 000,00	R 20 000,00	Municipal Manager	Office of the Municipal Manager
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance	Organizational Performance Reports	Institutional	Number	Number of organizational performance reports compiled	7 Organizational performance reports compiled in 2022/23 FY	7 Organizational performance reports compiled by 30 June 2024	3 Reports (2022/23 4th quarter & Annual Performance Report, 1st Quarter Performance Report)	Achieved . 3 Reports (2022/23 4th quarter & Annual Performance Report, 1st Quarter Performance Report) compiled	N/A	N/A	N/A	Reports	Opex	Opex	Municipal Manager	Office of the Municipal Manager
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance	Individual assessment Section 56/57	Institutional	Number	Number of Formal Section 56/57 Evaluations	2 Formal Section 56/57 Evaluations	2 Formal Section 56/57 Evaluations	No planned activity	No planned activity	N/A	N/A	N/A	No planned activity - No means	Opex	Opex	Municipal Manager	Office of the Municipal Manager

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance	Managers Development of the SDBIP	Institutional	Date	assessments conducted	assessments in the 2022/23 FY	assessments conducted by 30 June 2024	No planned activity	No planned activity	N/A	N/A	N/A	No planned activity - No means of verification required for the mid-year review	Opex	Opex	Municipal Manager	Office of the Municipal Manager
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance	Performance Agreements	Institutional	Date	Signing of Performance Agreements of Section 56 Managers within the specific	4 Performance Agreements signed in the 2022/23 FY	Performance Agreements of the Municipal Manager and the Section 56 Manager	Drafting of performance agreements and coordinating the signing thereof	Achieved Performance Agreements of the Municipal Manager and the Section 56 Manager drafted	N/A	N/A	N/A	Signed Performance Agreements	Opex	Opex	Municipal Manager	Office of the Municipal Manager

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance & Public Participation	Council Meetings	Institutional	Number	Number of Ordinary & Special Council Meetings held	4 Ordinary Council Meetings & 11 Special Council meetings held in the 2022/23 FY	4 Ordinary Council Meetings & 3 Special Council meetings held by 30 June 2024	2 Ordinary Council Meetings held	Achieved .2 Ordinary Council Meetings held	N/A	N/A	N/A	Agenda, Attendance Registers, Minutes	Opex	Opex	Director: Corporate Services	Corporate Services
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance & Public Participation	Mayoral Committee Meetings	Institutional	Number	Number of Mayoral Committee Meetings held	4 Ordinary Mayoral Committee Meetings and 2 Special Mayoral Committee	4 Mayoral Committee Meetings held by 30 June 2024	2 Mayoral Committee meetings	Achieved .2 Mayoral Committee meetings held	N/A	N/A	N/A	Agenda, Attendance Registers, Minutes	Opex	Opex	Director: Corporate Services	Corporate Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	DEPARTMENTS
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance & Public Participation	Section 80 Council Committees Meetings	Institutional	Number	Number of Section 80 committee Meetings held	12 Section 80 Committee meetings held in the 2022/23 FY	12 Section 80 Committee meetings held by 30 June 2024	6 Section 80 Committee meetings	Not Achieved .4 Section 80 Committee meetings	2 Section 80 Committee meetings not held	The performed activities were considered during the fourth quarter and through special council sittings	To ensure allocation of performed activities within the quarter.	Agenda, Attendance Registers, Minutes	Opex	Opex	Director: Corporate Services	Corporate Services
Ensure effective and sound Good Governance	Good Governance & Public Participation	Good Governance & Public Participation	MPAC Meetings	Institutional	Number	Number of MPAC Quarterly Meetings held	20 MPAC Meetings/ sessions held in the 2022/23 FY	4 MPAC Quarterly Meetings held by 30 June 2024	2 MPAC Meetings	Achieved .2 MPAC Meetings held	N/A	N/A	N/A	Agenda, Attendance Registers, Minutes	R 200,000.00	R	Director: Corporate Services	Corporate Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Ensure effective and sound Good Government	Good Governance & Public Participation	ICT	ICT Steering Committee Meetings	Institutional	Number	Number of ICT Steering Committee Meetings held	4 ICT Steering Committee Meeting held in 2022/23 FY	4 ICT Steering Committee Meetings held by 30 June 2024	2 ICT Steering Committee Meetings	Not Achieved - 1 ICT Steering Committee Meeting held	1 ICT Steering Committee Meeting outstanding	Incomplete implementation of ICT projects	ICT Steering Committee will be held in the 3rd quarter	Agenda, Attendance Register, Minutes	Opex	Opex	Chief Financial Officer	Finance
Improve institutional transformation and resource management	Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	Alignment of Organogram to IDP	Institutional	Date	Tabling of revised organisational structure in line with the IDP to Council for approval	2023/24 Organogram tabled to Council on 31 May 2023	2024/25 Revised organisational structure in line with the IDP tabled to Council for approval by 31 May 2024	No planned activity	No planned activity	N/A	N/A	N/A	No planned activity - No means of verification required for the mid-year review	Opex	Opex	Director: Corporate Services	Corporate Services
Improve institutional transformation and resource	Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	Development of (WSP)	Institutional	Date	Submission of the WSP to LGSET A	2023/24 WSP was submitted to LGSET A on 30 April 2024	2024/25 WSP submitted to LGSET A by 30 April 2024	No planned activity	No planned activity	N/A	N/A	N/A	No planned activity - No means of verification	Opex	Opex	Director: Corporate Services	Corporate Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Improve institutional transformation and resource management	Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	Development of Annual Training Report (ATR)	Institutional	Date	Submission of the ATR to LGSET A	2022/23 ATR was submitted to LGSET A on 30 April 2023	2023/24 ATR submitted to LGSET A by 30 April 2024	Progress Report on implementation of the Annual Training Programmes	Not achieved. No progress report implemented	No progress report implemented	Delay in appointment of panel of training providers through SCM processes	Seek Accounting Office's intervention in fast tracking the appointment process during the third quarter.	Narrative progress reports, ATR, Acknowledgement for submission	Opex	Opex	Director: Corporate Services	Corporate Services
Improve institutional transformation and	Municipal Transformation and Institutional	Municipal Transformation and Institutional	Employment Equity Report	Institutional	Date	Submission of the EE report to the Department	2022/23 EE Report was submitted to Department	2023/24 EE Report submitted to Department	No planned activity	No planned activity	N/A	N/A	N/A	No planned activity - No means of	Opex	Opex	Director: Corporate Services	Corporate Services
Improve institutional transformation and	Municipal Transformation and Institutional	Municipal Transformation and Institutional	Employment Equity Report	Institutional	Date	Submission of the EE report to the Department	2022/23 EE Report was submitted to Department	2023/24 EE Report submitted to Department	No planned activity	No planned activity	N/A	N/A	N/A	No planned activity - No means of	Opex	Opex	Director: Corporate Services	Corporate Services

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Improves institutional transformation and resource management	Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	Individual Performance Management & Development System	Institutional	Percentage	% of IPM Contracts signed by all Employees	New KPI	100% of IPM Contracts signed by all Employees before 31 July 2023 (New employees - within 60 days)	100% of IPM Contracts signed by all Employees	Not Achieved. No IPM Contracts to be signed by employees	100% IPM Contracts signed by employees	Non submission of work plans by department	Fasttrack the signing of Work plans and performance agreements in accordance with the approved IPMS and implementation plan	verification required for the mid-year review	Opex	Opex	Director: Corporate Services	Corporate Services
Improves institutional transformation and resource management	Municipal Transformation	Municipal Transformation	LLF Sittings	Institutional	Number	Number of LLF	6 LLF Sittings held in	4 LLF Sittings held by	2 LLF Sittings held	Achieved .2 LLF	N/A	N/A	N/A	Agenda, Attend	Opex	Opex	Director: Corporate	Corporate

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Enhance economic development and growth	Local Economic Development	Local Economic Development	LEDF Meetings	All Ward	Number of LEDF meetings held	Number of LEDF meetings held in the 2022/23 FY	4 LEDF meetings held in the 2022/23 FY	4 LEDF meeting held by 30 June 2024	2 LEDF meetings	Achieved .2 LEDF meetings held	N/A	N/A	N/A	Agendas, minutes, attendance registers	Opex	Opex	Director: LED & Planning	LED & Planning
Enhance economic development and growth	Local Economic Development	Local Economic Development	Monitoring of Thaleda	Institutional	Number of reports compiled on the performance of Thaleda	New KPI	New KPI	4 Reports compiled on the performance of Thaleda by 30 June 2024	2 Report compiled on the performance of Thaleda	Achieved .2 Report compiled on the performance of Thaleda	N/A	N/A	N/A	Reports	Opex	Opex	Director: LED & Planning	LED & Planning
Enhance economic development and growth	Local Economic Development	Tourism	Development of Tourism and investment strategy	Institutional	Number of Tourism and Investment strategies developed &	New KPI	New KPI	1 Tourism and Investment strategy developed & approved by 30 June 2024	Development of TOR & Appointment of service provider and Inception Meeting	Not Achieved . TOR developed, service provider not appointed, inception	Service provider not appointed; inception meeting not held	All potential service providers did not meet the	Advertise for the potential service providers	TOR, Appointment letter, Inception report, Council resolution	R 500 000 (TCLM)	R -	Director: LED & Planning	LED & Planning

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Realisation of harmonious development within the municipal jurisdiction	Spatial Planning & Rationale	Spatial Planning & Rationale	Rectification of land parcels (subdivision/consolidation/rezoning)	All wards	Number	Number of Ervens subdivided/consolidated/rezoned in the TCLM	20 Ervens subdivided/consolidated/rezoned in the 2022/23 FY	25 Ervens subdivided/consolidated/rezoned in the TCLM by 30 June 2024	Development of TOR, Appointment of service provider, inception meeting & LUM applications	Achieved . TOR developed; service provider appointed & LUM applications/ inception report submitted	N/A	N/A	N/A	TOR, Appointment letter, Inception report, approval certificate (Council)	R 2 000 000,00	R 553 719,50	Director: LED & Planning	LED & Planning
Realisation of harmonious development within the municipal	Spatial Planning & Rationale	Spatial Planning & Rationale	SPLUM Tribunal Meetings	Institutional	Number	Number of SPLUM Tribunal meetings held	1 SPLUM Tribunal meetings held in 2022/23 FY	4 SPLUM Tribunal meetings held by 30 June 2024	2 Tribunal meetings held	Achieved . 2 Tribunal meetings held	N/A	N/A	N/A	Meeting attendance register	R 100 000,00	R -	Director: LED & Planning	LED & Planning

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Realisation of harmonious developmental within the municipal jurisdiction	Spatial Planning & Rationale	Spatial Planning & Rationale	Review of the SDF	Institutional	Number	Number of SDFs reviewed	No SDF reviewed in 2022/23 FY	1 SDF reviewed by 30 June 2024	Development of TOR and Appointment of Service Provider and Drafting inception report (inclusive of a work plan)	Achieved . TOR developed, service provider appointed & inception report compiled	N/A	N/A	N/A	TOR, Appointment letter, Draft Inception report, Attendance register, Minutes, Report . Council resolutions, Public notices	R 500 000 (TCLM)	R	Director: LED & Planning	LED & Planning
Increase revenue base and financial viability	Financial Viability & Management	Revenue Enhancement	Implementation of the Budget Funding Plan (BFP)	Institutional	Number	Number of progress reports tabled to Council on the implementation of the BFP	2 Progress reports tabled to Council in the 2022/23 FY	4 Progress reports tabled to Council on the implementation of the BFP by	2 Progress reports tabled to Council on the implementation of the BFP	Not achieved . No progress report tabled to Council on the implementation of the BFP	1 Progress report not tabled to Council on the implementation of the BFP	The Municipality is currently reviewing the BFP	Reviewed BFP to be tabled to Council on 28 February 2024	Progress Reports, Council resolutions	Opex	Opex	Chief Financial Officer	Finance

STRATEGIC OBJECTIVE	Financial Viability & Management	Revenue Enhancement	Implementation of Financial Recovery Plan	Institutional	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Increase revenue base and financial viability	Financial Viability & Management	Revenue Enhancement	Implementation of Financial Recovery Plan	Institutional		Number of Progress reports on the implementation of Financial Recovery Plan	Number of Progress reports on the implementation of Financial Recovery Plan	12 Progress reports on the implementation of Financial Recovery Plan submitted in the 2022/23 FY	12 Progress reports on the implementation of Financial Recovery Plan by 30 June 2024	6 Status reports compiled on the implementation of Financial Recovery Plan	Not Achieved. 4 Status reports compiled on the implementation of Financial Recovery Plan	2 Status reports on the implementation of Financial Recovery Plan not updated	Treasury has appointed a service provider to review the FRP, last meeting between the Municipality and the service provider was held on 15 November 2023	Enquire with Treasury on the progress of the review of the FRP	Reports	Opex	Opex	Chief Financial Officer	Finance

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Increase revenue base and financial viability	Financial Viability & Management	Budget & Reporting	Section 71 Reports	Institutional	Date	Submission of Section 71 Reports Working days after the end of each month to the Executive Mayor	12 Section 71 Reports compiled in the 2022/23 FY	12 Section 71 Reports submitted to the Executive Mayor after 10 Working days of each month by 30 June 2024	6 Section 71 Reports	Achieved .6 Section 71 Reports compiled and submitted to the Executive Mayor after 10 Working days of each month	N/A	N/A	N/A	Report of submission to EM	Opex	Opex	Chief Financial Officer	Finance
Increase revenue base and financial viability	Financial Viability & Management	Budget & Reporting	Section 52D Reports	Institutional	Date	Submission of Section 52D Reports 30 days after the end of each quarter to the Executive Mayor	4 Section 52D Reports compiled in the 2022/23 FY	4 Section 52D Reports submitted to the Executive Mayor after 30 days of the of each quarter by 30 June 2024	2 Section 52D Reports	Achieved .2 Section 52D Reports submitted to the Executive Mayor after 30 days at the of each quarter	N/A	N/A	N/A	Report of Council Resolution	Opex	Opex	Chief Financial Officer	Finance

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Increase revenue base and financial viability	Financial Viability & Management	Budget & Reporting	Section 72 Report	Institutional	Date	Submission of Section 72 Report to Executive Mayor & Treasury by 25 January 2024	2022/23 Section 72 Report submitted to the EM & Treasury on 25 January 2023	Section 72 Report submitted to Executive Mayor & Treasury by 25 January 2024	No planned activity	No planned activity	N/A	N/A	N/A	No planned activity - No means of verification required for the mid-year review	Opex	Opex	Chief Financial Officer	Finance
Increase revenue base and financial viability	Financial Viability & Management	Budget & Reporting	Approval of Annual Budget	Institutional	Date	Tabling of 2024/25 Annual Budget to Council for approval by 31 May 2024	2023/24 Annual Budget	2024/25 Annual Budget tabled to Council for approval by 31 May 2024	Approval of Budget process plan (31 August 2023)	Achieved Budget process plan approved on 31 August 2023	N/A	N/A	N/A	Budget process plan, Draft budget items, Final budget items, Council resolutions	Opex	Opex	Chief Financial Officer	Finance
Increase revenue base and financial viability	Financial Viability & Management	Revenue Enhancement	Monitoring of Collection Rate	Institutional	Percentage	% of Monthly Collection Rate achieved	66% Average Collection Rate achieved in the 2022/23 FY	85% Monthly Collection Rate achieve by 30 June 2024	85% Monthly Collection Rate	Not Achieved .70 % Monthly Collection Rate	15% deviation	Credit control debt collection policy not fully	To ensure full enforcement of credit control	Collection Rate Reports	Opex	Opex	Chief Financial Officer	Finance

STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	FOCUS AREA	PROJECT NAME	LOCATION	UNIT OF MEASUREMENT	PERFORMANCE INDICATOR(S)	BASELINE	ANNUAL TARGET 2023/24 FY	PLANNED MID-YEAR PERFORMANCE	ACTUAL MID-YEAR PERFORMANCE	DEVIATIONS	REASONS FOR DEVIATIONS	MEANS TO IMPROVE PERFORMANCE	MEANS OF VERIFICATION	BUDGET	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	PROGRAMME COORDINATOR	IMPLEMENTING DEPARTMENTS
Increase revenue base and financial viability	Financial Viability & Management	Revenue Enhancement	Implementation of Revenue enhancement strategy	Institutional	Number	Number of status reports on the implementation of the Revenue enhancement strategy	12 Status reports compiled in FY 2022/23	4 Status reports on the implementation of the Revenue enhancement strategy by 30 June 2024	2 Status reports on Implementation of Revenue enhancement strategy	Not Achieved. 2 Status reports on Implementation of Revenue enhancement strategy compiled	1 Status report on Implementation of Revenue enhancement strategy not compiled	Lack of consolidated Revenue Enhancement strategy.	To develop revenue enhancement strategy.	2 Status reports	Opex	Opex	Chief Financial Officer	Finance

7. Progress made in addressing challenges in the Annual Report for the 2022/23 FY:

The Municipality has been previously classified as a dysfunctional Municipality; a lot of progress has so far been made to turn the situation around. The capacity gaps, particularly at a Senior Management Level was among the many challenges which characterised TCLM in the recent past. It should however be noted that Council has in its last sitting of December 2023 appointed the Accounting Officer, Director LED and Planning and the Director Community Services. Several Service Delivery posts were also formally filled between November and December 2023. Apart from the vacancy levels, the Eskom Debt has always been one of the critical and burning issue within the municipality. It should be noted that the Municipality is among the few municipalities in the country who managed to put up an application to National Treasury seeking relief from such a heavy debt. The application was successful, and the municipality has been subsequently relieved from the Eskom Debt.

In terms of low levels on revenue collection, efforts have been made to reach out to community members, raising awareness on the need to pay for municipal services. This initiative requires a pulling effort from everyone involved.

Our focus is on addressing all shortcomings identified by Auditor General in our recent audit period. Alongside that, there are other monthly compliance programmes like the Finance Recovery Plan (RFP) and a number of areas aimed at strengthening the governance of the municipality. Several gaps were also picked within our agency, THALEDA. It should also be noted that Council has already made some strides towards addressing the institutional gaps within the agency. A Board of Directors will soon be appointed, and the agency will be expected to deliver on its constitutional mandate as expected.

The Municipality is continuously striving to improve performance in terms of service delivery and therefore devises mechanisms to address the areas of underperformance. Although the Annual Report for the 2022/23 FY is still a draft report at the time of producing this Mid-year performance report, the final Annual Report will contain the Annual performance report for the year under review, as well as the report of the Auditor-General on the audit of the Annual Financial Statements, Annual Performance Report and Compliance.

The Annual performance report contains mechanisms to improve performance and an Audit action plan will be compiled to address the shortcomings identified during the audit process.

8. Municipal Entity Performance – THALEDA

Thaleda has not achieved majority of its performance target due to the CEO being vacant and non-existing of the Board. The Municipality (TCLM) is in a process to appoint the New THALEDA Board, there will be much progress in the target once the board has been appointed.

Annexure A is the Mid-year performance for the Municipal Entity THALEDA.

9. Conclusion

During the first two quarters of the financial year challenges were experienced with the timely submission of performance information to ensure a complete audit of performance information, reported achievement were not supported or inadequately supported by relevant POEs.

Continuous interaction with Directors to deal with any discrepancies or uncertainties identified in submitted reports will remain an ongoing process to continuously improve and better the quality and content of both the performance information reports as well as the portfolios of evidence as the mode of information verification.

Concluding remarks by the Accounting Officer:

Mid-year Performance results should be considered during the adjustment of the 2023/24 FY SDBIP.



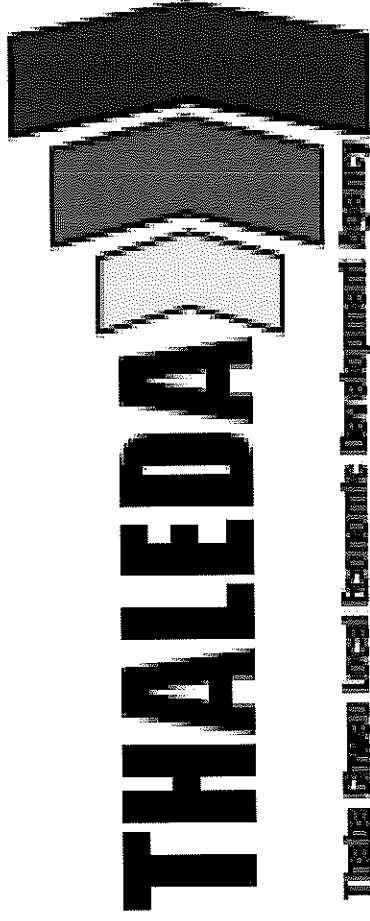
Mr. R. S. Makwaka
Municipal Manager

24 / 01 / 2024
Date

ANNEXURE A: THALEDA PERFORMANCE REPORT

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY

REG NUMBER 2010/017614/07



MID-YEAR PERFORMANCE REPORT 2023/24

JULY TO DECEMBER 2023

IN TERMS OF SECTION 88 OF THE MUNICIPAL FINANCE MANAGEMENT ACT (2003)

THALEDA Mid-Year Performance and budget Report 2023/24

Vision

“To be an effective and sustainable agency of excellence for the economic development of Thaba Chweu Local Municipality.”

Objectives:

- To attract strategic and high impact investments;
- To market and promote TCLM as a preferred investment destination;
- To kick-start and/ or implement high impact/ anchor projects in the TCLM area;
- To implement any other anchor projects listed in the IDP as per Municipal delegation;
- To implement job creation projects (PPP's);
- To stimulate economic growth and job creation

1. Purpose of the Report

The purpose of the report is to assess the mid-year performance and financial position of the Municipal agency. A high level assessment of the actual results for the period July 2023-December 2023 was conducted. The review was to enable Accounting officer to make recommendations as to whether an adjustment Budget for 2023/2024 financial year is necessary.

2. Legislative framework

Section 88 of the MFMA state that

(1) The accounting officer of a municipal entity must by 20 January of each year—

(A) assess the performance of the entity during the first half of the financial year. taking into account-

(i) the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality: and

(ii) the entity's annual report for the past year. and progress on resolving problems identified in the annual report: and

(B) submit a report on such assessment to-

(i) the board of directors of the entity: and

(ii) the parent municipality of the entity.

(2) A report referred to in subsection

(i) must be made public.

3. Chief Executive Officer Report

Chief Executive Officer position is vacant.

4. Service delivery performance report

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT														
QUARTELY REPORT 2023-24														
Project ID	KPA	Objective	Baseline	Project Name	Project Location	Indicator	Annual Target	Quarterly Targets	Progress Report	Expenditure to date	Annexure no of POE	Achieved/Not achieved	Mechanisms to address under performance	Budget & Funding Source
								1st Quarter						
CEO AND PROJECTS														
Strategic Objectives: Investment attraction, Project Implementation, Institutional Capacity Building, Stakeholder Management, Local Economic Development														
A. Institutional Capacity Building														
		Increased investment in the TCLM economy	1	Board structures	THAL EDA	Updated governance charters by Dec 2023	1	N/A	Governance Charter not Updated 31 Dec - 2023	Opex	N/A	Not Achieved	THALE DA Board to Appoint the CEO	OPE X - TCLM

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTELY REPORT 2023-24

	4	Board Support	THAL EDA	No of quality Board Packs with all required documents	4	0	Board Meeting Not Conducted. Currently there's no Board.	Opex	Board Advert	Not Achieved	The Municipality (TCLM) is in a process to appoint the New THALE DA Board, so that Board meetings can be conducted, and Board Packs be prepared	OPE X-TCLM

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLEY REPORT

QUARTELY REPORT 2023-24

4				No of Board packs circulated 7 days before each meeting	4	0	Quality Board Packs Not Circulated	Opex	None	Not Achieved	The Municipality (TCLM) is in a process to appoint the New THALE DA Board, so that Board meetings can be conducted, Board packs be prepared and circulated	OPE X-TCLM

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLEY REPORT

QUARTERLEY REPORT 2023-24

100 %	Percentage of Board resolutions implemented	100%	No Board meetings conducted.	Opex	None	Not Achieved	The Municipality (TCLM) is in a process to appoint the New THALE DA Board, so that Board meetings can be conducted, and meetings resolutions be implemented	OPE X-TCLM

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLEY REPORT

QUARTELY REPORT 2023-24

1	Annual report approved by the Board end December	1	N/A	No Annual Report Developed and Approved by the Board	Opex	None	Not Achieved	THALE DA Board to Appoint the CEO, so that compliance with regards to governance is maintained	OPE X-TCL M				
1	Annual report submitted to TCLM by 10 January	1	N/A	N/A	Opex	N/A	N/A	N/A	OPE X-TCL M				

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTELY REPORT 2023-24

												Not Achieved	THALE DA Board to Appoint Risks & Audit Committee, so that compliance with regard to Risk is maintained	OPE X-TCLM
4	Risk Management	THAL EDA	No of quarterly updated Risk Registers submitted to Board	4	0	No risk registers submitted to Board	Opex	N/A						
100%	Policies and Delegations	THAL EDA	Policies approved by Board and aligned to TCLM policies	100%	100%	N/A	Opex	Operations and Governance policies				Achieved	N/A	OPE X-TCLM
100%	Internal Controls	THAL EDA	% of compliance issues attended to within 7 working days	100%	100%	N/A	Opex	Operations and Governance policies				Achieved	N/A	OPE X-TCLM

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTELY REPORT 2023-24

	100 %	Auditing	THAL EDA	Unqualified Audit opinion	100%	N/A	Qualified Audit opinion	Opex	Audit Report	Not Achieved	THALE DA Board to Appoint the CEO, so that compliance with regards to governance is maintained	OPE X-TCL M
	100 %											
	4			No of quarterly audit committee reports submitted to Board	4	0	No Audit Committee reports submitted to Board	Opex	N/A	Not Achieved	THALE DA Board to Appoint Risks & Audit Committee, so that compliance with regard to Risk	OPE X-TCL M

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTELY REPORT 2023-24

	is maintained												
100%		Organisational Development	THAL EDA	% of organogram filled	100%	25%	Organogram not 100% filled due to Budget Constraints	Opex	N/A	Not Achieved	THALE DA to Source Alternative Funding from other Public & Private Funders	OPE X-TCL M	
100%				% of 3rd party payments made timeously monthly	100%	100%	Payments made timeously	Opex	Payment Report	Achieved	N/A	OPE X-TCL M	

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTERLY REPORT 2023-24

					No of quarterly LED forum meetings attended					LED Meeting Conducted	Opex	LED Meeting Minutes	Achieved	N/A	OPE X-TCL M
	4				4	1									
	3		Skills Development	THAL EDA	number of officials trained	2	1			No officials trained due to Budget Constraints	Opex	N/A	Not Achieved	THALE DA to Source Alternative Funding from other Public & Private Funders	OPE X-TCL M
	1		Performance Management	THAL EDA	Agency scorecard finalised by 31 May	1	N/A			N/A	N/A	N/A	N/A	N/A	OPE X-TCL M

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLEY REPORT

QUARTELY REPORT 2023-24

3	and Development	3	Number of officials with signed Performance Agreements and Development Plans	3	N/A	No Performance Agreements and Development Plans signed	Opex	N/A	Not Achieved	THALE DA Board to Appoint the CEO, so that compliance with regards to governance is maintained	OPE X-TCL M
12	Budget Management	12	No of monthly financial reports submitted to TCLM by the 7th of every month	12	3	Financial reports developed and submitted to TCLM	Opex	Monthly Reports	Achieved	N/A	OPE X-TCL M
1		1	Financial Statements submitted to TCLM	1	N/A	N/A	N/A	N/A	N/A	N/A	OPE X-TCL M

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTELY REPORT 2023-24

		Board Approved budget by 30 April	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPE X-TCL M
1		% of THALEDA budget spent	100%	25%	Budget spent	Opex	Budget Reports	Achieved	N/A	N/A	N/A	OPE X-TCL M
0	Revenue Generation Monitoring and Facilitation Fees: Resort, Gorge & Mashishing Park	R-value revenue generated from alternative (not TCLM) sources	R 800 000	R 332, 210. 73	Invoices Issued	Opex	Invoices	Achieved	N/A	N/A	N/A	OPE X-TCL M
R4 million	TCLM Funding	R-value TCLM grant funding approved for Ops phase 3	R4 million	R 1 000, 000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPE X-TCL M
100%	Asset Management	% GRAP compliance on Asset Register	100%	100%	Asset Register Developed	Opex	Asset Register	Achieved	N/A	N/A	N/A	OPE X-TCL M

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTELY REPORT 2023-24

	2	Economic Growth and Investment	THAL EDA	No of committed investors attracted through THALEDA by year end	2	1	Sabie Gorge Development Investments secured	Opex	Sabie Gorge Development Concept Document	Achieved	N/A	OPE X-TCL M								
	0	SMME Development/ Social inclusion	THAL EDA	No of SMME's capacitated through THALEDA by training, off-take, financial support, institutional support	0	N/A	N/A	N/A	N/A	N/A	N/A	OPE X-TCL M								
	0	Projects	THAL EDA	Conduct Feasibility Studies	0	N/A	N/A	N/A	N/A	N/A	N/A	R0 TCL M								
	1			Conduct Technical Studies	1	N/A	N/A	N/A	N/A	N/A	N/A	R0 TCL M								
	12			Projects Monthly Reports.	12	3	Project Monthly Reports	Opex	Project Quarterly and Monthly	Achieved	N/A	OPE X-TCL M								

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLEY REPORT

QUARTELY REPORT 2023-24

									develo ped	Report s				
	2%				2	0			No project s promoti on and marketi ng conduc ted, due to budget constra ins	Opex	N/A	Not Achieve d	THALE DA to Source Alternat ive Project Promoti on Fundin g from other Public & Private Funder s	R15 0 000 TCL M
									Project promotion, marketing, advertising, procurement & investor facilitation of Sabie Caravan Park, Waste Management and Industrial Park					
B. Project Implementation, Investment Attraction, LED														
	Increase Tourism Attraction.	100 %	Sabie Caravan Park	Ward 7 Sabie	Marketing and Management of Sabie Caravan Park.	Project Marketi ng and Investo r Attracti on.	Bid Adverti se	Marketi ng Plans & Bid Advert Drafted	N/A	Marketi ng Plans & Bid Advert	Achieve d	N/A		R50 000 TCL M

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT
QUARTELY REPORT 2023-24

		1	Transit/ Retail Node	Ward 8A Matibi	Development of a Retail Node in Matibidi, Thaba Chweu Local Municipality.	Registr ation of Comm unity Trust & Land to Survey or Genera l	Hold a Nomin ation & Appoin tment of Project Truste es Meetin g	Project on Hold due to Comm unity Dispute between in the Chief and Traditio nal Council	N/A	N/A	Not Achieve d	Provinci al Govern ment, THALE DA and the Municip ality (TCLM) in a process of resolvin g the matter	Ope x
Increase Retail Develop ment	100 %	Grasko p Holiday Resort	Ward 10 Grask op	Marketing and Management of Graskop Holiday Resort.	Project Marketi ng and Investo r Attracti on.	Bid Adverti se	Marketi ng Plans & Bid Advert Drafted	N/A	Marketi ng Plans & Bid Advert	Achieve d	N/A	R50 000 TCL M	

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTELY REPORT 2023-24

										R50 000 TCLM		
Increase LED, Mining and Manufacturing in TCLM	1	Industrial Park	Ward 12 Lydenburg	Development of the Industrial Park in Mashishing/Lydenburg, Thaba Chweu Local Municipality.	Project Marketing and Investor Attraction.	Bid Advertise	Marketing Plans & Bid Advert Drafted	N/A	Marketing Plans & Bid Advert	Achieved	N/A	R50 000 TCLM
Turn-Around strategy in TCLM	1	Waste Management	Mashishing	Implementation of the Integrated Waste Management Plan (IWMP) in all Wards, Thaba Chweu Local Municipality.	Project Marketing and Investor Attraction.	Bid Advertise	Marketing Plans & Bid Advert Drafted	N/A	Marketing Plans & Bid Advert	Achieved	N/A	R50 000 TCLM
Increase Tourism Attraction	100%	Graskop Development	Ward 10 Graskop	Contract Management of Graskop Gorge PPP project.	Project Monitoring and Evaluation of Graskop Gorge PPP project.	Project Monitoring & Evaluation	Project Monitoring and Evaluation Conducted.	N/A	Monitoring & Evaluation Reports	Achieved	N/A	Open

THABA CHWEU LOCAL ECONOMIC DEVELOPMENT AGENCY QUARTERLY REPORT

QUARTELY REPORT 2023-24

	Increase Tourism Attraction.	1	Sabie Gorge	Sabie Ward 07	Development of Sabie Gorge in Sabie, Thaba Chweu Local Municipality.	Sabie Gorge Concept Development	Project Concept Developed	N/A	Project Concept Document	Achieved	N/A	R80 000 TCLM
	Increase Township-Rural Tourism	1	Mashishing Community Park	Ward 3 Mashishing	Marketing and Management of Mashishing Community Park	Project Marketing and Investor Attraction	Marketing Plans & Bid Advert Drafted	N/A	Marketing Plans & Bid Advert	Achieved	N/A	R50 000 TCLM
C. Stakeholder Management												
	Business Support, Research, Innovation and Capacity Development.	1	Creation and Maintenance of Businesses Partnerships.	All wards	Identify Key Stakeholders, Establish Contacts and Maintain Relationships	01 MoA / SLA signed.	Established Contacts and signed MoA's/SLA.	N/A	MoA / SLA	Achieved	Continuous Ongoing Stakeholder Engagements	R50 000 TCLM

5. Financial performance and Budget report
Statement of financial position and high-level notes

	Budget	Actual	Variance
Assets			
Non-current assets	R75 000,00	R12 135,00	R62 865,00
PPE	R75 000,00	R12 135,00	R62 865,00
Current Assets	R1 945 087,65	R2 463 476,72	-R518 389,07
Cash and Equivalent	R85 478,65	R603 867,72	-R518 389,07
Trade Debtors	R1 859 609,00	R1 859 609,00	R0,00
			R0,00
Total Assets	R2 020 087,65	R2 475 611,72	-R455 524,07
Liabilities			
Current Liabilities	R700 000,00	R874 396,16	-R174 396,16
Trade payables	R0,00	R63 010,00	-R63 010,00
VAT	R150 000,00	R209 949,16	-R59 949,16
Employee Cost(Mae)	R550 000,00	R601 437,00	-R51 437,00
Non-current Liabilities	R0,00	R0,00	R0,00
Total expenses	R700 000,00	R874 396,16	-R174 396,16

Statement of financial performance and high-level notes

	Original Budget	Year to date 31 December 2023		
	Annual Budget	Budget	Actual	Variance
Income				
Municipal equity contribution Grant	R2 000 000,00	R1 000 000,00	R1 000 000,00	R0,00
Revenue Project Monitoring fees(GGLC)	R868 675,00	R434 337,50	R430 457,83	R3 879,67
Revenue Caravan Park	R120 000,00	R60 000,00	R21 982,61	R38 017,39
Other Revenue	R500 000,00	R250 000,00	R0,00	R250 000,00
VAT	R0,00	R0,00	R0,00	R0,00
Interest Received from Cash Reserves Investments	R125 000,00	R62 500,00	R14 112,37	R48 387,63
				R0,00
Total Income	R3 613 675,00	R1 806 837,50	R1 466 552,81	R340 284,69

Expenses				
Audit committee Remuneration	R59 494,88	R29 747,44	R0,00	R29 747,44
Board Remuneration	R179 454,60	R89 727,30	R0,00	R89 727,30
Employee Cost	R1 916 303,94	R958 151,97	R353 559,87	R604 592,10
Operational costs	R190 416,00	R95 208,00	R70 721,34	R24 486,66
Project costs	R2 202 408,00	R1 101 204,00	R321 163,44	R780 040,56
Social Capital	R60 000,00	R30 000,00	R0,00	R30 000,00
Training	R60 000,00	R30 000,00	R9 912,17	R20 087,83
Travel and accommodation	R40 000,00	R20 000,00	R1 149,24	R18 850,76
Total expenses	R4 708 078,42	R2 354 039,21	R756 506,06	R1 597 533,15

Cash flow statement

	Year to date 31 December 2023		
	Budget	Actual	Variance
Cash received	R1 288 720,22	R1 466 552,61	-R177 832,39
Equity Grant	R1 000 000,00	R1 000 000,00	R0,00
Customers	R226 220,22	R452 440,24	-R226 220,02
Interest	R62 500,00	R14 112,37	R48 387,63
			R0,00
Cash Payments	R1 556 358,57	R1 215 801,89	R340 556,68
Employees	R958 151,97	R353 559,87	R604 592,10
Suppliers	R598 206,60	R478 242,72	R119 963,88
Liabilities(Maebela)		R383 999,30	-R383 999,30
			R0,00
Cash flows from investing Activities	R0,00	R0,00	R0,00
Cash flows from Financial Activities	R0,00	R0,00	R0,00
		R0,00	R0,00
Net increase/(decrease) in cash and cash equivalents	-R267 638,35	R250 750,72	-R518 389,07
Cash and cash equivalents at beginning of the year	R353 117,00	R353 117,00	R0,00
Cash and cash equivalents at 31 December 2023	R85 478,65	R603 867,72	-R518 389,07

Net assets

	Share Capital	Accumulated funds	Total Net Assets
Balance at 01 July 2022	R100,00	-R1 401 316,00	-R1 401 216,00
Net Surplus/ (Deficit) for the year		R395 530,00	R395 530,00
Balance as at 30 June 2023	R100,00	-R1 005 786,00	-R1 005 686,00
Net Surplus/ (Deficit) for the year		R756 606,06	R756 606,06
Balance 31 December 2023	R100,00	-R249 179,94	-R249 079,94

Ratio analysis

Key Performance area	Target	31-Dec-23
Current Ratio	Above 1:1	1:2,8
	Current asset/current Liability	
Solvency Ratio	Above 1:1	
	Total Liability/ Total assets	1:0,35
Salaries to expenditure ratio	Below 60%	47%

Pending litigations and possible liabilities

- Management is not aware of any pending and possible litigations.

Statement on amounts owed by and to THALEDA

AMOUNTS OWED BY THALEDA		
NAME	BALANCE	COMMENT
TCLM	R63 010,00	Rates and taxes for MP park
Maebela Debttts	R601 437,00	Amount for salary of the late CEO
TOTAL	R664 447,00	
AMOUNTS OWED TO THALEDA		
NAME	BALANCE	COMMENT
Graskop Holiday Resort	R1 586 200,00	Contract was terminated
Mashishing recreational centre	R245 498,00	Contract was terminated
Petty letting	R4 934,00	Refund for office rent deposit
Hlatini Adventures	R7 137,00	Contract terminated

TOTAL

R1 843 769,00

