ANNEXURE A

AMENDED 2019-20 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN





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1. PURPOSE

The purpose of this annexure is to provide a summary report on the effected amendments from the original Service Delivery and Budget Implementation Plan (SDBIP) for 2019/2020 financial year.

2. COMPLIANCE WITH STRATEGIC OBJECTIVE

Compliance with the following strategic objectives as per the approved IDP of the municipality:

- Strategic Objective 4.1 To ensure financial management practices that enhance viability & compliance with the requirements of MFMA &other relevant legislation.
- Strategic Objective 5.1 To enforce, promote and adhere to Good Governance practices
 by complying with prescribed laws and regulations at all levels within the organisation.
- Strategic Objective 5.6 To ensure effective oversight over the affairs of the municipality.

3. LEGAL REQUIRMENTS

This report was developed as per the requirements of the Municipal Finance Management Act no. 56 of 2003 and its regulations and circular no 13 of the MFMA, chapter 6 of the Municipal Systems Act no, 32 of 2000 and Municipal Planning and Performance Management Regulations of 2001.

4. BACKGROUND AND DISCUSSIONS

The process for the review of the Service Delivery and Budget Implementation (SDBIP) of the municipality is guided by the requirements as stipulated under section 72 of the Local Government: Municipal Finance Management Act of 2003 which requires from the Accounting Officer of the municipality by 25 January each year to:

- (a) Assess the performance of the municipality during the first half of the financial year, taking into account:
 - (i) The monthly statements referred to in section 71 for 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;

After performing such an assessment as provided for in terms section 72 the accounting officer must submit such a report to the Mayor of the municipality, National Treasury and the relevant Provincial Treasury. The accounting office must over and above as part of the review 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.

The process for the review of the Service Delivery and Budget Implementation Plan is guided by provisions of section 54 of the MFMA on budgetary control and early identification of financial problems. Which requires that on receipt of a statement or report submitted by the Accounting Officer of the municipality in terms of section 71 and 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 any revisions to the service delivery and budget implementation plan, provided that 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 problem;
- (f) In the case of section 72 report, submit the report to the council by 31 January of each year.



5. AMENDMANTS EXISITING KEY PERMANCE INDICATORS

		Performance	Objectives And Ind	icators			Anı	nual Performance Targe	ets		
ID	Strategic	Strategies	Кеу	Unit of	Baseline	2019/20 Financial Year					
	Objective		Performance Indicator (KPI)			Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
1.3(a)	Improve	Ensure	100% of Auditor-	% of Auditor-	70% of Post Audit	Address 100% of	KPI Not	Compile Audit	Address 50% of	Address 100% of	
	administrative	continuous	General's findings	General's findings	Action Plan for	Auditor-General's	applicable	Action Plan for the	Auditor-General's	Auditor-General's	
	and financial	institutional	relating to	relating to financial	matters relating to	findings relating to		previous audited	findings relating to	findings relating to	
	capability of the	development by	financial	management,	leadership, pre-	financial		financial year by 30	financial	financial	
	municipality.	embracing and	management,	leadership,	determined	management,		September 2019.	management,	management,	
		implementing	leadership,	predetermined	objectives	leadership,			leadership,	leadership,	
		sector reforms as	predetermined	objectives and other	resolved and	predetermined			predetermined	predetermined	
		introduced by	objectives and	matters addressed	other matters and	objectives and other			objectives and	objectives and	
		Treasury, CoGTA	other matters	by 30 June 2020.	100% of matters	matters by 30 June			other matters by	other matters by	
		and other sector	addressed by 30		relating to findings	2020.			31 March 2020.	30 June 2020.	
		leaders and	June 2020.		on pre-						
		ensure proper risk			determined						
		management,			objectives during						
		adequate internal			2018/19.						
		controls for									
		improved financial									



		Performance	Objectives And Indi	cators	Annual Performance Targets					
ID Strategic Strategies Key Unit of Baseline 2019/20 Financial Year										
	Objective		Performance Indicator (KPI)	Measurement	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
		management, and improved overall organisational performance.								

6. NEW KEY PERFRMANCE INDICATORS INTRODUCED

		PERFORMANCE	OBJECTIVES AND IN	DICATORS		ANNUAL PERFORMANCE TARGETS					
				FOR TH	HE PERIOD 1 JULY	2019 – 30 JUNE 202	20				
ID	Strategic	Strategies	Key	Unit of	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	Objective		Performance	Measurement		2015/16					
			Indicator (KPI)								
4.1(i)	To ensure	Plan, implement,	4 quarterly	Number of quarterly	Audit Action Plan	4 quarterly reviews	1 quarterly review	1 quarterly review	1 quarterly review	1 quarterly review	
	financial	monitor and	reviews and	reviews and	of 2015/16	and updating of	and updating of	and updating of	and updating of	and updating of	
	management	report financial	updating of	updating of financial		financial	financial	financial	financial	financial	
	practices that	management	financial	management		management	management	management	management	management	



		PERFORMANCE	OBJECTIVES AND IN	IDICATORS			ANNUA	L PERFORMANCE TA	RGETS	
					HE PERIOD 1 JULY	2019 – 30 JUNE 202	20			
ID	Strategic	Strategies	Кеу	Unit of	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Objective		Performance	Measurement		2015/16				
			Indicator (KPI)							
	enhance	activities in	management	related internal		related internal	related internal	related internal	related internal	related internal
	viability &	accordance with	related internal	controls based on		controls based on	controls based on	controls based on	controls based on	controls based on
	compliance with	MFMA, its	controls based on	the quarterly		the quarterly	the quarterly	the quarterly	the quarterly	the quarterly
	the	associated	the quarterly	Internal Audit		Internal Audit	Internal Audit	Internal Audit	Internal Audit	Internal Audit
	requirements of	regulations and	Internal Audit	reports by 30 June		reports by 30 June	reports by 30	reports by 31	reports by 31	reports by 30 June
	MFMA &other	prescribed	reports by 30	2020.		2020.	September 2020	December 2020	March 2020	2020
	relevant	accounting norms	June 2020.							
	legislation	and standards.								
4.1(j)	To ensure	Plan, implement,	100% of all	% of all monthly	2015/16 Payment	100% of all monthly	100% of all	100% of all monthly	100% of all	100% of all monthly
	financial	monitor and	monthly payment	payment vouchers	vouchers & files	payment vouchers	monthly payment	payment vouchers	monthly payment	payment vouchers
	management	report financial	vouchers and	and accompanying		and accompanying	vouchers and	and accompanying	vouchers and	and accompanying
	practices that	management	accompanying	supporting		supporting	accompanying	supporting	accompanying	supporting
	enhance	activities in	supporting	documents of filed,		documents of filed,	supporting	documents of filed,	supporting	documents of filed,
	viability &	accordance with	documents of	registered and kept		registered and kept	documents of	registered and kept	documents of	registered and kept
	compliance with	MFMA, its	filed, registered	in safe custody		in safe custody	filed, registered	in safe custody	filed, registered	in safe custody
	the	associated	and kept in safe	within 30 days of		within 30 days of	and kept in safe	within 30 days of	and kept in safe	within 30 days of
	requirements of	regulations and	custody within 30	the end of each		the end of each	custody within 30	the end of each	custody within 30	the end of each



		PERFORMANCE	OBJECTIVES AND IN					AL PERFORMANCE TA	RGETS	
		-			HE PERIOD 1 JUL	<mark>Y 2019 – 30 JUNE 2</mark> 0	20			-
ID	Strategic	Strategies	Кеу	Unit of	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Objective		Performance	Measurement		2015/16				
			Indicator (KPI)							
	MFMA &other	prescribed	days of the end of	month throughout		month throughout	days of the end of	month throughout	days of the end of	month throughout
	relevant	accounting norms	each month	2016/17 financial		2016/17 financial	each month	this quarter	each month	this quarter
	legislation	and standards.	throughout	year.		year.	throughout this		throughout this	
			2016/17 financial				quarter		quarter	
			year.							
4.1(k)	To ensure	Plan, implement,	2 biannual assets	Number of biannual	2015/16 Annual	2 biannual assets	N/A	1 biannual assets	N/A	1 biannual assets
	financial	monitor and	verification	assets verification	Assets	verification		verification		verification
	management	report financial	performed and	performed and	Verification	performed and		performed and		performed and
	practices that	management	asset registers	asset registers		asset registers		asset registers		asset registers
	enhance	activities in	updated with all	updated with all		updated with all		updated with all		updated with all
	viability &	accordance with	assets	assets movements,		assets movements,		assets movements,		assets movements
	compliance with	MFMA, its	movements, and	and report any		and report any		and report any		and report any
	the	associated	report any	damaged / missing		damaged / missing		damaged / missing		damaged / missing
	requirements of	regulations and	damaged /	items by 30 June		items by 30 June		items by 31		items by 30 June
	MFMA &other	prescribed	missing items by	2017		2017		December 2016		2017
	relevant	accounting norms	30 June 2017							
	legislation	and standards.								



		PERFORMANCE	OBJECTIVES AND IN					AL PERFORMANCE TA	RGETS	
						<mark>(2019 – 30 JUNE 20</mark> 2				
ID	Strategic	Strategies	Кеу	Unit of	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Objective		Performance	Measurement		2015/16				
			Indicator (KPI)							
4.1(l)	To ensure	Plan, implement,	Nil / Zero amount	Amount of	2015/16 Annual	Nil / Zero amount of	Nil / Zero amount	Nil / Zero amount of	Nil / Zero amount	Nil / Zero amount of
	financial	monitor and	of unauthorised,	unauthorised,	Financial	unauthorised,	of unauthorised,	unauthorised,	of unauthorised,	unauthorised,
	management	report financial	irregular and	irregular and	Statements	irregular and	irregular and	irregular and	irregular and	irregular and
	practices that	management	fruitless &	fruitless & wasteful	disclosure and the	fruitless & wasteful	fruitless &	fruitless & wasteful	fruitless &	fruitless & wasteful
	enhance	activities in	wasteful	expenditure	Auditor-General's	expenditure	wasteful	expenditure	wasteful	expenditure
	viability &	accordance with	expenditure	incurred due to non-	Report	incurred due to non-	expenditure	incurred due to non-	expenditure	incurred due to non-
	compliance with	MFMA, its	incurred due to	compliance to the		compliance to the	incurred due to	compliance to the	incurred due to	compliance to the
	the	associated	non-compliance	municipality's		municipality's	non-compliance	municipality's	non-compliance	municipality's
	requirements of	regulations and	to the	Supply Chain		Supply Chain	to the	Supply Chain	to the	Supply Chain
	MFMA &other	prescribed	municipality's	Management Policy,		Management Policy,	municipality's	Management Policy,	municipality's	Management Policy
	relevant	accounting norms	Supply Chain	Supply Chain		Supply Chain	Supply Chain	Supply Chain	Supply Chain	Supply Chain
	legislation	and standards.	Management	Management		Management	Management	Management	Management	Management
			Policy, Supply	Regulations, 2005		Regulations, 2005	Policy, Supply	Regulations, 2005	Policy, Supply	Regulations, 2005
			Chain	and the MFMA by		and the MFMA by	Chain	and the MFMA by	Chain	and the MFMA by
			Management	30 June 2017		30 June 2017	Management	31 December 2016	Management	30 June 2017
			Regulations, 2005				Regulations, 2005		Regulations, 2005	
			and the MFMA by				and the MFMA by		and the MFMA by	
			30 June 2017						31 March 2017	



Key P	Key Performance Area 4: Financial Management & Viability										
		PERFORMANCE	OBJECTIVES AND IN	DICATORS			ANNUA	L PERFORMANCE TA	RGETS		
	FOR THE PERIOD 1 JULY 2019 – 30 JUNE 2020										
ID	Strategic	Strategies	Кеу	Unit of	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	Objective		Performance Indicator (KPI)	Measurement		2015/16					
							30 September 2016				



7. TECHNICAL INDICATOR DESCRIPTION

MFMA Circular No.13 describes the SDBIP as a layered plan, with the top layer of the plan dealing with consolidated service delivery targets and in-year deadlines, and linking such targets to top management.

The section below – Part A - therefore outlines the detailed performance indicators and targets based on the following five key performance areas of local government:

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

Part A therefore does not only link planned performance outcomes to the five performance areas of local government as outlined above, but also serves as the basis of quarterly projections of service delivery targets and performance indicators for each vote as contained in the top-layer SDBIP and under Component 3 and provides more details against which the technical indicator descriptions that follows in Part B of this document were derived.

The technical indicator description is one of the requirements to support the annual performance plans of public institutions in terms of the Framework for Strategic Plans and Annual Performance Plan of 2010 as published by the National Treasury. In terms of the framework, both the outcome and performance indicators must be assigned technical indicators. This document therefore serves exactly this purpose and further recognises the strategic alignment that must exist between various planning concepts and models in local government as outlined above.

The technical indicator description is one of the requirements for defining Key Performance Indicators in terms of the Strategic Planning and Annual Performance Plan framework issued by the National Treasury. Both the outcome and performance indicators must be assigned technical indicators. Below are the details of complete technical indicators for the Outcome indicators as outlined above as Strategic Oriented Outcome Goals.



The set of technical indicators contained in this document will therefore be focused on performance indicators "KPIs" as contained on the top-layer SDBIP. The Outcome indicators will form as Annexure to the IDP while the Performance indicators will form Annexure to the SDBIP.



The table below provides an explanation of the technical indicator protocol used to describe technical indicators in this document.

Indicator Title	Identifies the title of the strategic outcome oriented goal, objective or programme performance indicator
Short definition	Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator
Purpose / Importance	Explains what the indicator is intended to show and why it is important
Source / collection of data	Describes where the information comes from and how it is collected
Method of Calculation	Describes clearly and specifically how the indicator is calculated
Data limitations	Identifies any limitation with the indicator data, including factors that might be beyond the department's control
Type of indicator	Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or
	some other dimension of performance such as efficiency, economy or equity
Calculation type	Identifies whether the reported performance is cumulative, or non-cumulative
Reporting cycle	Identifies if an indicator is reported quarterly, Quarterly or at longer time intervals
New indicator	Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year
Desired performance	Identifies whether actual performance that is higher or lower than targeted performance is desirable
Indicator responsibility	Identifies who is responsible for managing and reporting the indicator

Table 1: Explanation of technical indicator protocol



Indicator Title	4 quarterly reviews and updating of financial management related internal controls based on the quarterly Internal Audit reports by 30 June 2020.
Indicator ID	4.1(i)
Short definition	This indicator is about continuous improvement of internal controls related to financial management activities that would be necessitated by Internal
	Audit recommendations based on their assessment of effectiveness of existing controls.
Purpose / Importance	To ensure financial management practices that enhance viability & compliance with the requirements of MFMA & other relevant legislation
Source / collection of data	Internal Audit Reports and Finance Performance Reports
Method of Calculation	Simple calculation (count)
Data limitations	None.
Type of indicator	Performance indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is equal to or higher than targeted performance.
Indicator responsibility	Chief Financial Officer



Indicator Title	100% of all monthly payment vouchers and accompanying supporting documents of filed, registered and kept in safe custody within 30 days of the
	end of each month throughout 2019/20 financial year.
Indicator ID	4.1(j)
Short definition	This indicator is about ensuring that full and proper records of the financial affairs of the municipality are kept in safe custody and in a prescribed
	manner.
Purpose / Importance	To ensure financial management practices that enhance viability & compliance with the requirements of MFMA & other relevant legislation
Source / collection of data	Internal Audit Reports and Finance Performance Reports
Method of Calculation	Simple calculation - (count)
Data limitations	None
Type of indicator	Performance indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is equal to targeted performance.
Indicator responsibility	Chief Financial Officer



Indicator Title	2 biannual assets verification performed and asset registers updated with all assets movements, and report any damaged / missing items by 30 June
	2020
Indicator ID	4.1(k)
Short definition	This indicator is about ensuring that the assets of the municipality are properly managed, accounted for, safeguarded and maintained
Purpose / Importance	To ensure financial management practices that enhance viability & compliance with the requirements of MFMA & other relevant legislation
Source / collection of data	Internal Audit Reports and Finance Performance Reports
Method of Calculation	Simple calculation - (count)
Data limitations	Data inaccuracies may arise as a result of lack of integrated management systems to collate all the required information from various sources to report
	on this indicator.
Type of indicator	Performance indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is equal to targeted performance.
Indicator responsibility	Chief Financial Officer



Indicator Title	Nil / Zero amount of unauthorised, irregular and fruitless & wasteful expenditure incurred due to non-compliance to the municipality's Supply Chain
	Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2020.
Indicator ID	4.1(l)
Short definition	This indictor is about compliance with prescribed procurement processes, spending according to the available budget and paying transaction in time.
Purpose / Importance	To ensure financial management practices that enhance viability & compliance with the requirements of MFMA & other relevant legislation
Source / collection of data	Internal Audit Reports and Finance Performance Reports
Method of Calculation	Simple calculation - (count)
Data limitations	Data inaccuracies may arise as a result of lack of integrated management systems to collate all the required information from various sources to report
	on this indicator.
Type of indicator	Compliance indicator
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance that is equal to targeted performance.
Indicator responsibility	Executive Mayor, Speaker, Municipal Manager, Chief Financial Officer & All HODs



8. SYSTEM DESCRIPTION

System description for the newly introduced indicators was also developed for audit purpose.