



2024/2025

ANNUAL PERFORMANCE REPORT

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HONOURABLE MAYOR'S FOREWORD

It humbles me to present to you the 2024-2025 Annual Performance Report. This has been a year of continued growth and development for our council with many a lesson learnt and such growth has not been without challenges.

This financial year began at a time where the Country was faced by the economic meltdown and as the result, we experienced slow economic growth and high level of unemployment particular to young people and black communities in general. This has also affected Mpofana as it experience a continued downsizing of its textile industry, which does not only translate to lost opportunities but reduced income.

Through this document we intend to review the challenges we have faced, and highlight the successes we have accomplished. The report aims to provide an accountability on the Municipal Performance throughout the year (2024/2025).

We are a municipality that has developed a culture which embodies a commitment to the implementation of a clean administration championed by good governance, and this has proven to be a winning formula in achieving and maintaining favourable audit outcomes from Auditor General of South Africa.

CLLR TM. MAGUBANE

HON. MAYOR

MUNICIPAL MANAGER'S FOREWORD

Mpofana Local Municipality has performed admirably despite the continued challenges and hardships posed by the economic climate in the last six (6) years. This has been clouded by complex social hardships environment in which all Local Governments operates under. This municipality has not been excluded from the hardship since the frustrations of communities regarding matters over which municipalities have control over, such as inadequate National Government Funding for Human Settlement Projects. These are directed to the Local Government Sphere which is at the coalface and closer and most accessible to the communities.

As we submit this Annual Performance Report, I would like to thank all Municipal Officials for their continual strive and initiative throughout 2024/2025 Financial Year in working hard and achieving the strategy goals of Mpofana Municipality (KZN223) as strategically formulated during the recent first of its kind Strategic Planning Session held at the beginning of the Financial Year.

I appeal to management and entire staff to continue to serve Mpofana Municipality Community with endless dedication as they have been doing. It is our obligation to change the narrative that is seen as defining us as the municipality, we need to improve collection and investor confidence.

Performance Management is a process that measures the implementation of an organisations strategy. It is also a management's tool to Plan, Monitor, Measure, and Report and Review its performance indicators and performance targets to ensure efficiency, effectiveness, and the impact of service delivery by Municipality.

In conclusion, Performance Management therefore provides mechanisms to measure whether performance targets meets its strategic goals set by the municipality. This report therefore sets out the details of what was done by the municipality during the year under review- 2024/2025, of utmost vitality the report contains the service provider's performance report. It's a fact that the impact of historical challenges of this municipality and our institutional arrangements need more attention and further strengthening to ensure long-term sustainability of this municipality.

DATE: _____

DR EH. DLADLA

MUNICIPAL MANAGER

ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

1. LEGISLATIVE REQUIREMENTS

The Municipal Systems Act, 2000 (Act no. 32 of 2000) places an obligation on municipalities to develop a Performance Management System that is commensurate with their resources and best suited to their activities.

Performance Management is central to organizational strategic management and equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques for regular planning, continuous monitoring, and periodic measurement and review of the performance of the Municipality in terms of key performance indicators stipulated in the Integrated Development Plan (IDP).

As outlined in Section 40 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Management Regulations (2001), the Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organizational, departmental and employee levels.

Section 46 (1) (a) of the Municipal Systems Act (Act 32 of 2000), inter alia stipulates that a municipality must prepare for each financial year an annual report consisting of a performance report reflecting the following, among other things;

- (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
- (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year;
- (iii) measures that were or are to be taken to improve performance; "

2. INTRODUCTION

Mpofana Local Municipality is committed to promoting a high performance culture among political structures, political office bearers, councilors and its administration in the interest of ensuring accelerated service delivery to the people of Mpofana.

In the interest of ensuring performance management of the highest degree, Mpofana Local Municipality developed a Performance Management Framework and Policy which offers a platform to implement, assess, monitor, measure, review, manage and reward performance throughout the Municipality, thus committing the Municipality to achieving its stated objectives and performance standards. It seeks to provide a comprehensive systematic planning; design and implementation that will help the municipality manage the process of performance planning and measurement effectively. It also serves to link the IDP, the Budget and a Performance Management System in a cycle of prioritized, affordable and accountable municipal planning and effective service delivery involving all staff and the local community.

The most recent Performance Management Framework and Policy review was on 28 March 2025 per Council Resolution RES 20/03/2025, including review of the Standard Operating Procedure to clarify the processes to collect, collate, verify and store of performance information.

On 1 July 2019 the Department of Cooperative Governance Traditional Affairs issued a revised draft set of indicators with technical indicator descriptions for secondary cities and district municipalities. The draft set of indicators were developed with respect to the provisions of Section 43 of the Municipal Systems Act (MSA) 32 of 2000 which provides for the Minister, after consultation with MEC's for local government and organised local government representing local government nationally, to prescribe and regulate key performance indicators to local government.

The document begins by setting out a summary of the proposed indicators for secondary cities and districts differentiated for the respective categories of municipality respectively. The indicators have used MFMA Circular No. 88 as their point of departure and have been crafted so that they reflect the differential allocation of powers and functions between the two categories of municipalities. The indicators have been organised in terms of the Back-2-Basics Pillars (e.g. Putting People First, Service Delivery, Good Governance, Sound Financial Management and Building Capable Local Government Institutions) and are informed by reporting reforms initiated with metropolitan municipalities and formalised in MFMA Circular No. 88.

Technical indicator description for each of the proposed indicators were provided in draft format and municipalities requested to comment on it. It was imperative for Mpofana Municipality to prepare for readiness of implementation of the performance indicators together with Technical Indicator Descriptions.

The OPMS scorecard (Top Layer service delivery targets of the SDBIP) was subsequently restructured from 2022/2023 financial year in line with the new format by the Department of Cooperative Governance and aligned to the Back-2-Basics Pillars.

Draft Technical Indicator Descriptions were developed for the Top Layer with the following objectives:

- to describe the purpose of each indicator, the collection, calculation and interpretation of data;
- to indicate systems used to generate performance information to report on performance indicators;
- to institute a common understanding on the procedures that must be followed to record, collect, collate, verify
- and report on the actual performance on predetermined objectives outlined in the Top Layer SDBIP;
- to indicate the responsibilities at all organisational levels from the level where the performance information originates, up to the point where it is recorded in the SDBIP quarterly performance reports and the finally in the annual report;
- to ensure an audit trail (supporting evidence); and
- to facilitate effective monitoring and evaluation

The Organisational Performance Management function of Mpofana Local Municipality is delivered by an internal Performance Management Unit within the Office of the Municipal Manager. The Performance Management unit consists of 1 permanent employee, i.e. one post of Manager: IDP/PMS and one vacant post of Senior Clerk: IDP/PMS.

3. ANNUAL ORGANISATIONAL PERFORMANCE INFORMATION

Performance Monitoring underpins the Municipality's Integrated Development Plan in terms of reviewing progress regularly in achieving the priorities and delivering value for money services. Early investigation into variances enables remedial action taken where appropriate.

The Organisational Performance Management System Scorecard/Top layer of the Service Delivery Budget Implementation Plan (Top Layer SDBIP) has been developed in complying with stipulations in terms of Section 41 of the Municipal Systems Act and has been included as an annexure to the Mpofana Local Municipal Integrated Development Plan review. The 2024/2025 Integrated Development Plan was finally reviewed at mid-year to reflect the adjusted Top Layer SDBIP performance targets for 2024/2025.

The Top Layer service delivery targets of the SDBIP included in the Draft Annual Performance report is therefore the monitoring and reporting mechanism on measurable performance targets detailing developmental priorities and objectives as set out in the Mpofana Municipality's Integrated Development Plan. The Top Layer basic service delivery targets of SDBIP is reporting the achievements of the municipality on a strategic level which is in line with strategic key performance areas directly aligned to the five national key performance areas.

The Annual Performance Report highlights the key performance measures included in the Integrated Development Plan (IDP) review for the 2024/2025 financial year in the newly adopted format. These priority measures constitute the Organisational Performance Scorecard / Top Layer of the SDBIP on basic service delivery targets) for 2024/2025 financial year.

The Annual Performance Report (Tables - Top Layer of Service Delivery Targets set in the Service Delivery Budget Implementation Plan) should be read in conjunction with the Mpofana Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance on Predetermined Objectives Information for the 2024/2025 financial year.

PMS COMPLIANCE CHECKLIST

No.	DESCRIPTION	DUE DATE	STATUS
1.	Adopted IDP- S25 MSA	30 June 2024	Adopted by Council on the 23 May 2024
2.	Post IDP on Website – S75 MFMA	30 June 2024	Posted on municipal website – 05 June 2024
3.	Submit adopted IDP to MEC – S32 MSA	Within 10 days after adopted of the IDP	Submitted to COGTA on the 02 June 2024
4.	Approved SDBIP – S44 MSA	30 June 2024	Approved by the Mayor 11 June 2024 and adopted by Council on the 21 June 2024
5.	Signed S57 Managers' Performance Agreement	Submission to COGTA BY 6 th August 2025	Signed on 10 July 2025, advertised 01 August and submitted to COGTA on 01 August 2024
6.	Adopted time schedule outlining key deadlines (IDP/BUDGET/ OPMS Process Plan) – S34 MSA	30 August 2024	Adopted by Council on the 30 August 2024
7.	Mid-year budget and performance assessment submitted to the Mayor – S72 MFMA	25 January 2025	24 January 2025
8.	Changes to targets are approved	Mid-Year – 28 February 2025	28 February 2025
9.	Review PMS Framework and prepare draft PMS Scorecard for inclusion into draft IDP (Ensure draft scorecard indicators are aligned to IDP objectives)	28 March 2025	31 March 2025
10.	Draft 2024/2025 Annual Performance Report – S46 MSA	31 August 2025	28 August 2025

INTERNAL AUDIT ACTIVITIES

Internal Audit Activity is an independent appraisal function to provide Council, Audit Committee and Management with assurance on the adequacy and effectiveness of the Systems of Internal Control as well as to provide consultative and investigation services. Internal Audit Activity makes recommendations to management where deficiencies have been identified in the Internal Control Systems. The Internal Audit is co-sourced with Nkazimulo Consulting who has been given a responsibility of transferring skills to internal staff. A three year has been given and our own assessment indicate that satisfactory progress is achieved on skills transfer.

Internal Audit Activity has based its three-year audit plan on the Mpofana Municipality's Risk Register, which is reviewed on a quarterly basis, in particular on the key risks. Internal Audit Activity has engaged in various assignments comprising internal audit reviews as well as advisory during the financial year. The sampling guide for the execution of these audits ensures coverage of a broad spectrum of business units and departments through the various reviews performed during the year.

Framework

The Internal Audit Activity has adopted an Internal Control Framework as set out by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The value of COSO-based auditing is that it enables effective evaluation of the soft controls while avoiding the faulty, negative findings that can sometimes result from traditional audit methods. Customer-focused and outcome-oriented, this method addresses systemic root causes, avoids placing blame and produces workable solutions.

Authority and Competence

Internal Audit Activity's authority is established by the Internal Audit Charter. The quality of work performed by Internal Audit Activity is continuously assessed by management and at least annually by the Audit Committee. External quality assessments are conducted at least once every five years by a qualified, independent reviewer or review team from outside the Municipality.

ENTERPRISE RISK MANAGEMENT

Risk Management is the identification, evaluation and prioritization of risk followed by coordinated and economical application of resources to minimize, monitor and control the probability or impact of unfortunate events or to maximize the realization of opportunities. Strategies to manage threats (uncertainties with negative

consequences) typically include avoiding the threat, reducing the negative effect or probability of the threat, transferring all or part of the threat to another party, and even retaining some or all of the potential or actual consequences of a particular threat.

Mpofana has in the 2022/2023 in November 2022, financial year taken drastic measures to ensure that the Risk is managed properly. These measures amongst others include:

- Establishment of a Risk Management Unit
- Appointment of a Risk Management Committee
- Appointment of Risk Champions per Department

Mpofana conducted a Risk Assessment for 2023/2024 and the assessment has in the main identifies the following Strategic Risks

1. Inability to establish sound financial management.
2. Failure to attract business and consequently increasing indigent customer base.
3. Failure to provide basic services to the community.
4. Failure to communicate effectively with the community.
5. Inability to have resources (human and capital) to attain municipal goals and objectives.

On the 2021 Auditor-General Road Shows that were done based on the Municipal audit results it was apparent that one of the biggest risk was that Municipalities were at the brink of collapse. Based on our recent assessments it obvious that Mpofana is not an exception to this risk. The continued losses made by the municipality in the recent past, the uncash-backed conditional grants and escalating liabilities are the obvious indicators that the Municipality might not be able to continue in operation for the foreseeable future.

Municipal Management has taken significant steps in trying to address this issue. Such steps have included a strategic planning that seek to establish mechanisms that will ensure that the situation of Mpofana Municipality is turned around. The Risk Management Committee continue to ensure that it monitors the adequate implementation of the following documents that are aimed at turning around this Municipality

- Recovery Plan –
- Strategic
- Audit Action Plan

The Municipality has established a Risk Committee that is responsible to ensure that Risk is managed appropriately. The issue of Risk management has been taken seriously at Mpofana such that each department has appointed a Risk Champion who is responsible to monitor progress on the mitigation of each and every risk falling within a certain department. As part of managing the risk the committee monitors the risk register, ensure all mitigating steps are taken to ensure that risks are minimized.

The following is the synopsis on the progress made in the year under review on the operational risk. The following are the top 10 Risk as identified.

No	Risk Description	Department	Likelihood	Impact	Controls	Movement	Comments
1	Ineffective Council Governance	MM	Major	Certain	Satisfactory	Improved	All Council Meetings sitting in accordance with the Calendar
2	Non credible Integrated Development Plan	MM	Critical	Likely	Satisfactory	Improved	MEC on IDP ratings remains constant
3	Ineffective Financial management	Finance	Major	Certain	Satisfactory	Regressed	Increase in losses, unfunded budgets and liabilities
4	Ineffective implementation of Supply Chain Management	Finance	Moderate	Likely	Satisfactory	Stagnant	UIFW continue to be incurred
5	Inadequate safeguarding and tracking of municipal records	Corporate & Community Services	Major	Likely	Weak	Stagnant	No effective centralised filing system
6	Inadequate provision of security management services	Corporate & Community Services	Critical	Likely	Satisfactory	Improved	Improved in safeguarding of Assets
7	Failure to pay within 30 days	Finance	Catastrophic	Likely	Weak	Stagnant	The Municipality continue to fail to pay within 30 days and the creditors payment period has increased
8	Ineffective waste management processes	Technical	Major	Likely	Satisfactory	Improved	A service provider has been appointed to deal with NEMA issues
9	Increase in litigations against the Municipality	Corporate and Community	Major	Likely	Weak	Stagnant	The Municipality continues to face legal litigations and is spending high amount on legal fees
10	Inability or failure to provide direction on information technology governance processes	ICT	Major	Likely	Good	Improved	Improved effectiveness on ICT Steering Committee

2024/2025 PMS QUARTERLY SCORECARDS

The summary of Performance Management System Quarterly Reports for 2024/2025 financial year is summarized as follows:

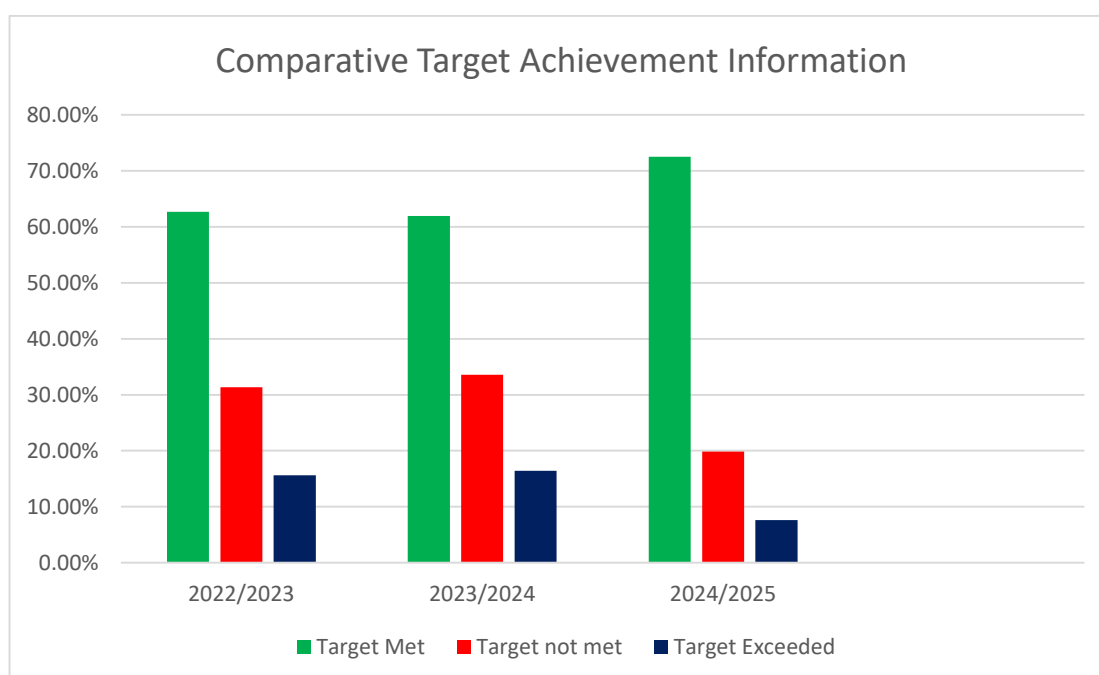
Below is a table showing PMS Scorecards for Financial Year 2024/2025 Quarter 1, Quarter 2, Quarter 3 and Quarter 4.

Description	Financial Year (2024/2025) PMS Quarter 1	Financial Year (2024/2025) PMS Quarter 2	Financial Year (2024/2025) PMS Quarter 3	Financial Year (2024/2025) PMS Quarter 4
Approved Targets	84	80	96	104
Targets Met	57	56	70	74
Targets not met	23	21	25	27
Target- Partially Achieved	3	3	1	3
Not Applicable –	1 - There was no activities			

During 2024/2025 financial year, the municipality achieved 67.85% in first quarter whilst in the second quarter increased to 70%. In the third quarter, the municipality achieved increased to 72.91% whilst in the fourth quarter decreased to 71.15%.

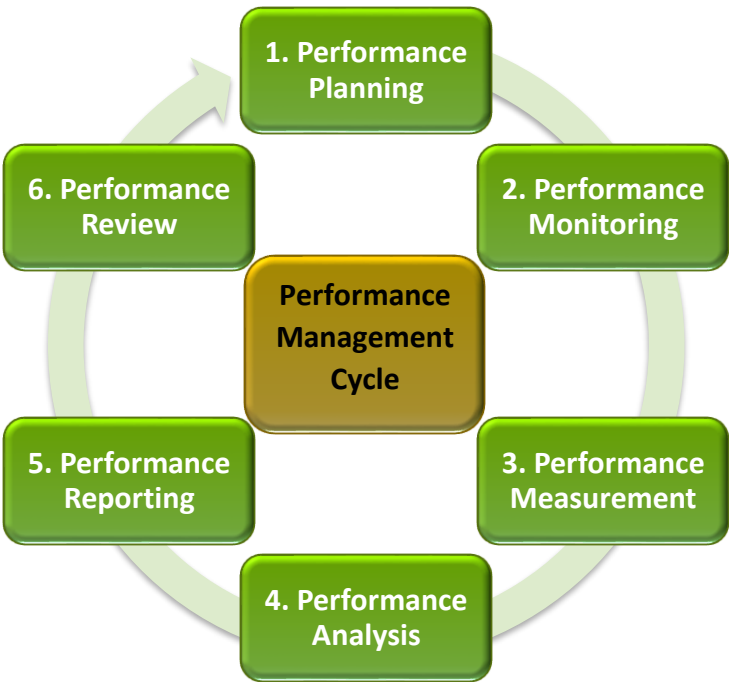
Summary performance results for all priorities measures included in the municipal scorecard as follows:

Traffic Light Status	2022/2023 Performance	2023/2024 Performance	2024/2025 Performance
Blue – Exceeded target	15.67%	16.41%	7.63%
Green – Met target	62.68%	61.94%	72.51%
Amber – Missed target by up to 5%	5.97%	4.4%	3.81%
Red – Missed Target by more than 5 %	31.34%	33.58%	24.42%



4. PERFORMANCE MANAGEMENT PROCESSES

The process of managing performance at organisational level in the Municipality involves the stages as set out in the diagram below:



The diagram provides for the cycle of performance management in the Municipality to commence with performance planning followed by performance monitoring, performance measurement, performance analysis, performance reporting and lastly performance review. The outcome of the performance review feeds back into the performance planning process. It is important to note that each of the stages in the cycle is underpinned by Council and community oversight over the performance of the Municipal Executive and Administration.

The following table, based on the legislative framework for performance management and this OPMS framework, provides a summary of the various performance reporting deadlines which apply to the Municipality:

Report	Frequency	Submitted for consideration and/or review to	Source
1. Departmental SDBIP's	Quarterly	Executive Committee	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Mayor (in consultation with Exco)	See sections 71 and 54 of the MFMA
3. Organizational Scorecard/Top Layer SDBIP	Quarterly	Executive Committee and then in terms of an Exco report to full Council	This OPMS framework (see section 7.5.1 above)
4. Implementation of the budget and financial state of affairs of the Municipality	Quarterly	Council	See section 52 of the MFMA
5. SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	See sections 72 and 54 of the MFMA
6. Annual Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report (see 7 below)
7. Annual report	Annually	Council	See chapter 12 of the MFMA

5. PERFORMANCE AND SUPPORTING INFORMATION

Key for Performance Rating

Rating	Colour
Target Achieved	
Target Not Achieved	
Target Partially Achieved	

This report includes highlights from the key performance achievement measures included in the 2024/2025 IDP. These priority measures constitute the Municipal Scorecard for 2023/2023. Below is a table showing Annual Performance for Financial Year 2022/2023, 2023/2024, and 2024/2025.

<i>Financial Year (2022/2023)</i>	<i>Performance Summary</i>
Approved Targets	134
Targets Met	84 (62.68%)
Target not met	42 (31.34%)
Partially Achieved	8 (5.97%)

<i>Financial Year (2023/2024)</i>	<i>Performance Summary</i>
Approved Targets	134
Targets Met	84 (62.68%)
Target not met	45 (33.58%)
Partially Achieved	5 (3.73%)

<i>Financial Year (2024/2025) Annual Performance Report</i>	<i>Performance Summary</i>
Approved Targets	131
Targets Met	95
Targets not met	26
Target- Partially Achieved	10
Not Applicable –	-

<i>KEY PERFORMANCE AREAS</i>	<i>Target</i>	<i>Actual / Achieved</i>	<i>Partially Achieved</i>	<i>Not Achieved</i>	<i>Percentage Achieved</i>
Municipal Transformation and Organizational Development	23	17	2	4	73.91%
Basic Service Delivery	17	12	1	4	70.58%
Local Economic Development	9	8	1	0	88.88%
Good Governance and Public Participation	27	20	4	3	74.07%
Municipal Financial Viability and Management	32	20	2	10	62.5%
Cross Cutting Interventions	23	17	0	6	73.91%

<i>Financial Year (2024/2025)</i>	<i>Performance Summary</i>
Approved Targets	131
Targets Met	94 (71.75%)
Target not met	27 (20.61%)
Partially Achieved	10 (7.63%)

Summary

This report includes highlights from the key performance measures included in the IDP 2024/2025. Those priority measures constitute the Municipal Scorecard 2024/2025.

During 2023/2024 financial year, the municipality achieved 62.68% whilst in 2024/2025 financial year also achieved 71.75%.

Municipal Transformation and Organizational Development

a) Performance Highlights for 2024/2025

The overall score for the KPA is 73.91% achieved for the 2024/2025 financial year. Out of 23 planned indicators and targets only 17 were achieved, 2 partially achieved and 4 were not achieved.

b) Challenges

- Information not submitted on time
- Cascading the PMS to the lower level
- Portfolio of Evidence not submitted on time
- Reasons for non-achievement and corrective measures not provided

c) Improvement noted during 2024/2025 financial year

- The submission of Portfolio of Evidence has improved in 4th quarter.
- Reasons for non-achievement and corrective measures has gradual improved.
- Internal Audit reviewed quarterly assessment and audited portfolios of evidence.

Basic Service Delivery

a) Performance Highlights for 2024/2025

The overall performance score for this National Key Performance Area is 70.58% for the 2024/2025 financial year. Out of 17 planned indicators and targets only 12 were achieved, 1 partially achieved and 4 were not achieved.

b) Challenges

- Late appointment of Consultant Engineers and Constructors.
- Reasons for non-achievement and corrective measures not provided
- Poor monitoring and implementation of projects.

c) Improvement noted during 2024/2025 financial year

- The Consultant Engineers and Constructors has been appointed.
- The reasons for non-achievement and corrective measures were submitted as expected in the 4th quarter.
- The targets that were not SMART were reviewed during the mid-year report and the necessary changes were made.
- Internal Audit reviewed quarterly assessment and audited portfolios of evidence.

Local Economic Development

a) Performance Highlights for 2024/2025

The overall score for the KPA is 88.88% for 2024/2025 financial year. Out of the 9 planned indicators and targets only 08 were achieved and 1 was partially achieved.

b) Challenges

- Late submission of reports and POEs.
- Reasons for non-achievement and corrective measures not provided

c) Improvement noted during 2024/2025 financial year

- The submission of POEs has gradually improved in the 4th quarter.
- The targets which are not achievable has been reviewed and the changes has been made during the mid-year assessment.
- Internal Audit reviewed quarterly assessment and audited portfolios of evidence.

Good Governance and Public Participation

a) Performance Highlights for 2024/2025

The overall performance score for this National Key Performance Area is 74.07% for 2024/2025 financial year. Out of 27 planned projects with targets, only 20 were achieved, 4 partially achieved and 3 were not achieved.

b) Challenges

- Late submission of Reports and Portfolio of Evidence
- Reasons for non-achievement and corrective measures not provided

c) Improvement noted during 2024/2025 financial year

- The submission of credible POEs gradually improved
- The inconsistency between target and indicator was ratified accordingly during the mid-year assessment.
- The reviewed was done and the amendments measures taken by the municipality in addressing the targets.
- Internal Audit reviewed quarterly assessment and audited portfolios of evidence.

Financial Viability and Management

a) Performance a Highlights for 2024/2025

The overall performance score for this Key Performance Area was 62.5%. Out of 32 planned projects with targets, 20 were achieved, 2 were partially achieved and 10 were not achieved.

b) Challenges

- Reasons for non-achievement and corrective measure not provided.
- Late submission of Reports and Portfolio of Evidence.

c) Improvement noted during 2024/2025 financial year

- The reasons for non-achievement and corrective measure has slightly improved in quarter 4.
- The submission of POEs has slightly improved in quarter 4.
- The targets were reviewed and the amendments were made in the revised SDBIP.
- Internal Audit reviewed quarterly assessment and audited portfolios of evidence.

Cross Cutting Interventions

a) Performance Highlights for 2024/2025

The overall performance score for this Key Performance Area is 73.91%. Just over two third of the planned projects with targets were executed during the 2024/2025 financial year. Out of 23 planned projects with targets, 17 were achieved and 06 were not achieved.

b) Challenges

- Reasons for non-achievement and corrective measures not provided.
- Late submission of Portfolio of Evidence.

c) Improvement noted during 2024/2025 financial year

- The submission of reasons for non-achievement and corrective measures gradual improve from quarter 4.
- The submission of POEs improved in quarter 4.
- The reviewed was made and the amendments was were accordingly.
- Internal Audit reviewed quarterly assessments and audited portfolios of evidence.

ORGANISATIONAL PERFORMANCE REPORT PROJECTIONS

ATTACHED SEPARATELY IN THIS DOCUMENT

2024/2025 ANNAUL PERFORMANCE REPORT: PROJECTIONS

6. MEASURES TO BE TAKEN TO IMPROVE PERFORMANCE

- Phasing of the implementation of IPMS Policy to second level from 2025/2026.
- Implementation of PMS Annual Calendar.
- Monthly reporting of the SDBIP is done by Heads of Departments to their respective Portfolio Committees.
- Hold monthly meetings to monitor the SDBIP implementation.
- Ensure that the PMS Unit has support from departments within the municipality.

7. ASSESSMENT OF THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

As is the norm at Mpofana Local Municipality, The monitoring of the service provider performance is ensured through the signing of the Service Level agreement. Currently the Service Level Agreements (SLAs) are prepared by user departments. The end user departments provide feedbacks on the performance of service providers. This is done so as to ensure that in the unfortunate event where a Service provider fails to perform, The SCM unit is made aware as quickly as possible and that the necessary steps/ actions are taken which could well include the termination of the contract or cancellation of an order. The Chief Financial Officer continues to play the supervisory role into Supply Chain issues with the assistance of the Supply Chain Manager.

7.1 OUR GLOBAL SUPPLIER RATING SYSTEM

Mpofana Local Municipality's Global Supplier Rating System (GSRS) gives the Municipality insight into its suppliers' performance throughout the Municipality's businesses. It allows the Municipality to identify "best fit" suppliers who add the most value, using objective, measurable criteria.

Supplier rating also provides a way for our suppliers to check their own performance, anywhere and at any time. Data and .benchmarks are visible to both parties.

The system supports supplier relationship management, as well as supplier development and quality management. The Municipality and suppliers can work together effectively on problem solving and improvements based on objective performance measurement and feedback.

7.2 RATING

Assessment of the performance of External Service Provider

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

Assessment Key	
Good (G)	<i>The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract</i>
Satisfactory (S)	<i>The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract</i>
Poor (P)	<i>The service has been provided below acceptable standards</i>

7.3 RATING CRITERIA

The Rating Criteria based on main three things:

Assessment Key	
Good (G)	<i>The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract</i>
Satisfactory (S)	<i>The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract</i>
Poor (P)	<i>The service has been provided below acceptable standards</i>

7.4 SUPPLIER RATING

The below table shows the list of external service providers which the Municipality engaged with during the 2024/2025 financial year. This rating could be employed in future bids received by the Municipality.

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance			Corrective Measures / Corrective Measures taken
					Target	Actual	Target	Actual	G	S	P	
MPO/08 /2023	Inkazimulo Business Advisory Services	2020/09/02	Provision of Internal Audit Service						X			
MPO/09 /2023	CCG Services		Provision of ERP Systems support services							X		
MPO/07 /2025	Customized Auction		Auctioning services for movable and immovable assets						X			
MPO/01 /2025	Fidelity Security Group	2021/10/01	Cash Management Services	R338 076.00					X			
	Conlog	Monthly Renewal	Hosted, Vending of Prepaid Electricity	5% of the total monthly sales value					X			
MPO/12 /2025	Mela Okuhle		Rehabilitation of Alexandra Terrace						X			

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance			Corrective Measures / Corrective Measures taken
					Target	Actual	Target	Actual	G	S	P	
MPO/14 /2025	Surg Suits (Pty) Ltd		Rehabilitation of Gower Road								X	The contractor was called in a meeting and the adjusted project and acceleration programme was asked to contractor to rectify before end of August
MPO/09 /2020	Bidvest Steiner Hygiene	2022/07/01	Supply, Installation & Management of Hygiene Equipment								X	To review the contract.
MPO/05 /2022	Siyajabula Security Solution	2023/02/01	Provisions of Security Services to Mpofana Local Municipality for the period of 36 months						X			
MPO/11 /2023	Ntshebebovu Trading & Projects	2023/11/22	Rehabilitation of Bruntville Sport Field for Mpofana Local Municipality	R6 174 057.56							X	The Municipality has issued intention to terminate for the contractor to be back on site within 14 days. The projects will be resuscitated , and completed by new service provider.
	Nashua Pietermaritzburg		Lease of Photocopying Machines						X			

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance			Corrective Measures / Corrective Measures taken
					Target	Actual	Target	Actual	G	S	P	
MPO/20 /2025	Profound Project Managers		Rehabilitation of Fife Road							X		
	Indwe Risk Services (Pty) Ltd		Short Term Insurance						X			
	Estcourt Security Services		Supply, installation, servicing and monitoring of alarm system						X			
MPO/08 /2021	BS MABASO CC		Panel of Attorneys							X		
MPO/19 /2025	Muna Trading		Rehabilitation of Sterling Terrace							X		
	Afrilectrical Consulting Engineers	2022/08/26	Middelrus Electrification 200 Connections							X		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance			Corrective Measures / Corrective Measures taken
					Target	Actual	Target	Actual	G	S	P	
MPO/12 /2023	Yabanathi Projects (Pty) Ltd	2023/11/22	Construction of Mzilanyoni Gravel Road for Mpofana Local Municipality	R 13 511 971.00					X			
MPO/16 /2025	Nqo and Wanda Trading		Rehabilitation of Weston Road							X		
MPO/04 /2023	Ngelizwe Trading cc	2023/06/23	Upgrade Phumlaas/Townview Internal Roads for Mpofana Local Municipality	R12 585 164.40						X		
	AP Ngubo Attorneys		Panel of Attorneys							X		
	Lalpersad Inc.		Panel of Attorneys						X			
	Mazibuko Z & Associates		Panel of Attorneys						X			

8. OVERVIEW OF 2024/2025 EXPENDITURE BUDGET TRENDS

Overview of the 2024/2025 expenditure budget trends against strategic outcome orientated goals 2024/2025 Capital Projects

<i>Project Title</i>	<i>Total Project Cost</i>	<i>Total Planned Expenditure on MIG for 2023/2024</i>	<i>Total Planned Expenditure on MIG Funds for 2024/2025</i>	<i>Total Planned Expenditure on MIG Funds for 2025/2026</i>	<i>Expenditure before 30 June 2025</i>
Construction of Mzilanyoni Gravel Road	R31 205 624.79	R4 674 127.95	R9 274 543.00	R13 625 850.00	R5 515 259.98
Upgrade Phumlaas/Townview Internal Roads	R12 285 164.40	R5 800 967.83	R3 969 807.00	-	R8 600 741.44
Upgrade of Bruntville Sports Field	R8 000 000.00	R8 000 000.00	-	-	R4 631 606,72
TOTAL		R18 475 095.78	R13 244 350.00	R13 625 850.00	R18 747 608,14

<i>Project Title</i>		<i>INEP Expenditure 2024/2025</i>	<i>INEP Expenditure 2025/2026</i>	<i>INEP Expenditure 2026/2027</i>	<i>Expenditure before 30 June 2025</i>
INEP Grant (Electrification of Households) (Construction of 22 km MV Bulk Fielder Line)		R900 000.00	-	-	-
TOTAL		R900 000.00	-	-	-

Over and above the Capital Projects that under Basic Service Delivery the Municipality boast having maintained 34.4 kilometers worth of roads under its Jurisdiction in 2024/2025 financial year.

9. CONCLUSION

In the 2025/2026 Financial Year management will focus on the below as of quarter 1:

- Where targets will not be met, Management must document adequate reasons for non-achievement that are the root cause as to why targets were not achieved. This will enable credible corrective measures to be documented to ensure that targets will be achieved going forward.
- Where targets will not be met, Management must implement action plans that are specific and detailed to achieve the set targets.
- Corrective measures should be documented indicating "who needs to do what by when"
- Management should ensure that targets set are realistic and attainable.
- Adequate planning is required when setting targets.
- Management must ensure that targets are monitored at least on a quarterly basis, preferably on a monthly basis.