SUPPLEMENTARY AGENDA

SPECIAL COUNCIL MEETING
Wednesday, 26 February 2020

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REPORT FROM: ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To obtain Council approval of amendments to the 2019/2020 SDBIP.

BACKGROUND

In terms of the MFMA section 54.1(c), the SDBIP should be revised on consideration of section 71 and 72 reports and only following approval by Council of an adjustment budget. An adjustment budget was prepared for Council consideration by 25 February 2020 which once approved will necessitate the revision of the 2019/2020 SDBIP.

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—
(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 adjustments budget;

DISCUSSION

Various internal and external factors have had an impact on the current years’ SDBIP, which requires a review of the key performance indicators.

The total number of key performance indicators in the original approved 2019/2020 SDBIP equalled 100 for the entire organisation. The adjustments of key performance indicators resulted in a reduction of indicators from 100 to 47 indicators in total. The remainder of the 53 indicators will be removed informed by internal factors such as the current financial position of the organisation (17) and the transfer of indicators to the Departmental SDBIP due to its operational nature of which is a total of (36).

Internal factors

Internal Audit

The most significant internal factor is the current organisation financial position which necessitates an adjustment budget, as well as quarters One (1) and Two (2) key performance indicator reviews.

The alignment of the 2019/2020 SDBIP performance indicators with the proposed February 2020 adjustment budget.

During the first and second quarter internal audit, it was highlighted that the SDBIP and IDP are not properly aligned, prior hereto the usefulness, reliability, completeness and availability of performance information came into question.
Appendix A, beginning on page 6 specifies which performance indicators have been amended and provides motivation for the amendments in the column titled “Motivation for Amendments”.

External factors

The Department: Provincial Treasury expressed an opinion on the first quarter performance information and made a recommendation that the Municipality should address the alignment concerns between the approved SDBIP and its performance reports.

In addition, the Technical Integrated Municipal Engagement (TIME) Report for the Mid-Year performance assessment results yielded additional concerns, as raised by the Department: National Treasury. The recommendation from the Department include the reduction in the number of key performance indicators in the Top Layer SDBIP, moving indicators and targets of a technical nature to the Departmental SDBIP and that the Municipality reassess predetermined objectives and associated targets in line with the SMART principle.

BUDGET IMPLICATIONS

N/A.

RELEVANT LEGISLATION

- Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA)

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the revised 2019/2020 Service Delivery and Budget Implementation Plan (SDBIP) based on the 2019/2020 adjustments budget, as annexed to the item, be approved.

APPENDIX / ADDENDUM

A. Adjustment 2019/2020 Service Delivery and Budget Implementation Plan

File Number: 9/1/2/14
Execution: Acting Municipal Manager
Manager: Integrated Development Planning & Institutional Performance Management