



Mogale City

Local Municipality
The City of Human Origin

The Office of the Municipal Manager

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TO THE EXECUTIVE MAYOR
MOGALE CITY LOCAL MUNICIPALITY
CLLR DANNY THUPANE

**SUBMISSION OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP)
FOR APPROVAL**

In line with Section 53 (1) (c) ii of the Municipal Finance Management Act No. 56 of 2003 please find the attached copy of the SDBIP for approval.

Your faithfully

MAKHOSANA MSEZANA
MUNICIPAL MANAGER

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DATE: 17/07/2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

2023/2024

1. PURPOSE

Mogale City Local Municipality conforms to the provisions of the Municipal Finance Management Act No. 56 of 2003 Circular 13 on the development of the Service Delivery and Budget Implementation Plan (SDBIP).

The SDBIP gives effect to the Council approved Integrated Development Plan (IDP) and the Budget of the municipality and is successfully implemented when IDP Budget are fully aligned with each other.

The SDBIP therefore serves as a "contract" between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes to be implemented by the administration over twelve months. This provides the basis for measuring performance in service delivery against the set targets and implementing the budget.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance.

At this stage of setting measures and targets it is imperative to determine the data and information to be gathered on these measures so as to assess the progress made by the Municipality.

2. LEGISLATIVE BACKGROUND

Section 1 of the Municipal Finance Management Act (MFMA) defines the SDBIP as: "*a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:*

- (a) projections for each month of-*
 - (i) revenue to be collected, by source; and*
 - (ii) operational and capital expenditure, by vote;*
- (b) service delivery targets and performance indicators for each quarter".*

SDBIP planning/compilation

Municipal Systems Act (MSA) Section 41 states that

- (1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed—
 - (a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;
 - (b) set measurable performance targets with regard to each of those development priorities and objectives;
 - (c) with regard to each of those development priorities and objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b)—
 - (i) monitor performance; and
 - (ii) measure and review performance at least once per year;
 - (d) take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and

- (e) establish a process of regular reporting to—
- (i) the council, other political structures, political office bearers and staff of the municipality; and
 - (ii) the public and appropriate organs of state.
- (2) The system applied by a municipality in compliance with subsection (1) (c) must be devised in such a way that it may serve as an early warning indicator of under-performance.

In terms of Section 43 (2) Key performance indicators set by a municipality must include any general key performance indicators prescribed in terms of subsection (1).

3. DISCUSSION

The SDBIP is essentially the key management implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used.

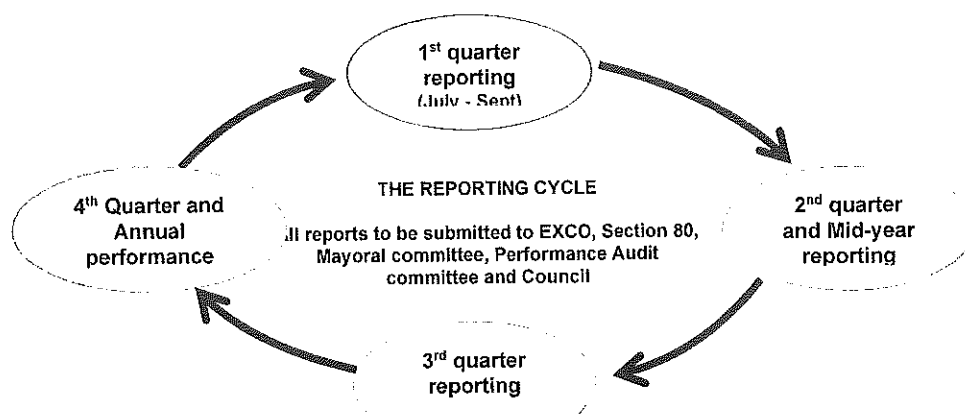
3.1 SDBIP PROCESS

Approval

According to Section 53 (1) of the MFMA the Mayor must take all reasonable steps to approve the SDBIP within 28 days of budget approval by Council. Section (3) further indicate that the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter are as set out in the SDBIP are made public no later than 14 days after the approval of the SDBIP.

Reporting

- Section 52 (d) of the MFMA states that the Mayor must within 30 days of the end of each quarter submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.
- Section 72(1) provides that the Accounting Officer must by 25th January of each year assess the performance of the municipality during the first half of the financial year taking into account:
 - (i) the monthly statement referred to in section 71 for first half of the financial year
 - (ii) the municipality's service delivery during the first half of the financial year and the service delivery targets and performance indicators set in the SDBIP
- Section 54 (1) states that on receipt of a statement or report submitted by the accounting officer in terms of Section 72 the Mayor must consider and if necessary make any revisions to the SDBIP provided that revisions to service delivery targets and performance indicators in the plan may only be made with approval of the council following approval of an adjustments budget.



Auditing of performance information

During the performance management audit by both Internal audit and External audit, the portfolio of evidence (PoE) for each indicator/target shall be accordingly availed as evidence to the achievement of the deliverable. Similarly explanations of variance will be and mitigations measures evidence will be availed for assessment.

4. STRATEGIC ALIGNMENT

The City has developed indicators that are aligned to the National, Provincial and Regional Outcome as outlined in the IDP. Also prescribe to the following National Key performance indicators:

- Institutional Transformation and Organizational Development
- Basic Service Delivery
- Good Governance and Public Participation
- Local Economic Development
- Financial Viability and Management

In order to align to the National Key performance indicators above, the City adopted these strategic objectives:

- Basic service delivery improvement
- Local economic development
- Accountable governance
- Community participation


The strategic objectives above are guided by these National Key Performance Areas (KPA's):

The Departments will be presenting their key performance indicators and targets in line with the above strategic goals and National Key performance areas. See attached Annexure A detailing the Top layer and Annexure B detailing Operational layer.

5. RECOMMENDATIONS

That the 2022/23 SDBIP be approved by the Executive Mayor in line with Section 53 (1) (c) of The MFMA.


MAKHOSANA MSEZANA
MUNICIPAL MANAGER
DATE: 17/07/2023


COUNCILLOR DANNY THUPANE
EXECUTIVE MAYOR
DATE: 18.07.23

MOGALE CITY LOCAL MUNICIPALITY