



19 August 2019

## **1<sup>ST</sup> QUARTER PERFORMANCE REPORT ANALYSIS: MUNICIPAL INFRASTRUCTURE SUPPORT AGENT 2019/20**

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### **1. INTRODUCTION**

The Performance Report of the Municipal Infrastructure Support Agent (MISA) for the first Quarter of the 2019/20 financial year highlights the following –

- **Achievement of 75% (15/20) of the performance targets set for the first quarter.**  
The non-achieved targets related to –
  - *The number of municipalities supported with compilation and implementation of capacity development plans*
  - *The number of municipalities supported in implementing framework contracts*
  - *The number of municipal infrastructure report cards developed*
  - *The number of learners enrolled in MISA Experiential Learnership Programme*
  - *The number of learners enrolled in MISA Young Graduates Programme.*
- **Delays in finalising consultations with municipalities, budget reprioritisation and capacity constraints** contributed to the missed performance targets for the first quarter.
- **Removal of some of the non-achieved targets** from MISA's updated 2019/20 Annual Performance Plan (APP), in particular, the development of a Municipal Infrastructure Report Card.
- **Actual expenditure amounted to R95.4 million**, or 92 percent of the total budget allocation of R103.9 million in the first quarter, with under-expenditure amounting to R8.5 million.
- The entity operated at a **vacancy rate of 21 percent** during the period under review. MISA's core Programmes - the Technical Support Services and Infrastructure Delivery Management Support Programmes – accounted for the majority of these vacancies.



## 2. KEY ISSUES FOR CONSIDERATION BY PARLIAMENT

- **Interventions in Amahlathi Local Municipality.** MISA's performance report for the first quarter of 2019/20 lists a number of interventions relating to Amahlathi Local Municipality, and the Amathole District, under which the local municipality falls. The Select Committee on Cooperative Governance and Traditional Affairs recently visited the municipality and found the state of its governance and finances dismaying. In particular, the Committee was concerned that the municipality was unable to spend its Municipal Infrastructure Grant (MIG). Municipal underspending on the MIG was one of the key motivations for the introduction of MISA in 2014/15, which saw the deployment of 20 MIG specialists to provincial and district task teams. MISA may need to appraise Parliament on why its interventions do not seem to have made an impact on the Amahlathi Local Municipality.
- **Management of the MIG programme.** The performance report also notes that the Department of Cooperative Governance (DCOG) currently manages the MIG programme, although the programme resides under the MISA organisational structure in anticipation its planned transfer to the entity. This arrangement could be a contributing factor to the continued MIG underspending despite MISA's technical interventions. Both the DCOG and MISA may need to furnish Parliament with timelines or deadlines in respect of the anticipated programme transfer.
- **Vacancy rate.** It is also concerning that the majority of the vacancies at MISA's occur in the entities' core Programmes, namely the Technical Support Services, and the Infrastructure Delivery Management Support Programmes. MISA may need to appraise Parliament on why it has not yet advertised any of these vacancies.
- **Removal of non-achieved targets from the APP (also refer to slide 17 of MISA's presentation).** MISA first quarter performance report also highlights that some of the non-achieved targets have been removed from MISA's updated 2019/20 Annual Performance Plan (APP) - in particular the indicator relating to the development of a Municipal Infrastructure Report Card. It is not clear whether MISA has consulted with Parliament before the removal of agreed upon performance indicators.

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## REFERENCES

Municipal Infrastructure Support Agent. (2019). 'MISA 2019/20 First Quarter Performance Report.' MISA. Pretoria.