

EMADLANGENI MUNICIPALITY



MID-YEAR ASSESSMENT REPORT FOR 2021/2022

Compiled in terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)

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INTRODUCTION

MID YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT: 31 DECEMBER 2021

The purpose of this report is to comply with Section 72 of the Municipal Finance Management Act (MFMA), and Sections 33 and 34 of the Municipal Budget and Reporting Regulations as promulgated in the Government Gazette No 32141 of 17 April 2009, which requires that specific financial particulars be reported on and in the formats prescribed.

The report also provides a high level overview of the municipality financial viability and sustainability.

BACKGROUND

Section 72(1) (a), (b), (2) and (3) of the Municipal Finance Management Act (MFMA) states:

“The accounting officer of a municipality must by **25 January** of each year assess the performance of the Municipality during the first half of the financial year and submit a report on such assessment to the Mayor, National Treasury and Provincial Treasury: ...”

Sections 33 and 34 of the Municipal Budget and Reporting Regulations states:

“A mid-year budget and performance assessment of a Municipality must be in the format specified in Schedule C, and within five working days of **25 January** each year, the Municipal Manager must make the mid-year budget and performance assessment public by placing it on the municipal website...”

The Mid-Year Report and Supporting Tables of eMadlangeni Municipality prepared in accordance with the Municipal Budget and Reporting Regulations are attached (**Annexure 1- C Schedule**)

SUMMARY OF OPERATIONAL INCOME AND EXPENDITURE ANALYSIS

The operating budget as reflected in Table C (annexure 1) of the Budget Statement Tables can be summarized as follows:

FINANCIAL PERFORMANCE

DETAILS	APPROVED BUDGET FOR 2020/2021	YEAR TO DATE BUDGET AS AT 31/12/2021	ACTUALS AS AT 31/12/2021	VARIANCE
Total Revenue	106 840 483.00	53 420 252.48	54 623 854.00	-01 203 601.52
Total Expenditure	101 496 659.00	50 689 134.00	45 405 450.00	05 283 684.00
Surplus/ Deficit	005 343 000.00	02 731 118.48	09 218 404.00	-06 487 285,52

The budgeted revenue for the half year ending 31 December 2021 is R53 420 252.48 against actual revenue billed to date of R54 623 854.00 which resulted to unfavourable balance of -R01 203 601.52.

Expenditure incurred during this period amounts to R45 405 450.00 against the budget of R50 689 134.00 which resulted to a variance of R05 283 684.00. The municipality has not yet taken into consideration Debt Impairment but Depreciation and Asset impairment was under budgeted. The estimated budget for debt impairment **R9 968 488.00**, it is therefore could be estimated that the actual expenditure would be **R4 984 244** compared to estimated budget.

REVENUE MANAGEMENT

OPERATING REVENUE BY SOURCE: YEAR TO DATE ACTUAL VS YEAR TO DATE BUDGET

Property Rates

The negative variance of 32% is due to change in some categories of properties as per supplementary valuation rolls and also to large number of vacant sites which are not in use, the current pandemic also influenced this source.

Conclusion: Downwards adjustment will be made by assessing the individual category of debtors against the actual revenue recognised and budgeted revenue in the first half of the year.

Service Charges-Electricity Revenue

The service charges on electricity performed poorly with a negative variance of 12%. This particular service is dependent on the existence of property, the large number of vacant sites indicate that development is very slow and service could not be charged.

The main factor is bridging of meters by community, disconnections need to be monitored and illegal connections.

Conclusion: Downwards adjustment will be made on the electricity service Charge for the year.

Service Charges-Refuse Revenue

The service charges on refuse removal had a positive variance of 2%, this was due to under-budgeting.

Conclusion: Upwards adjustment will be made on the refuse removal service charge for the year.

Rental of Facilities and Equipment

The negative variance of 16% was as a result of a decrease in rental of the municipal facilities than anticipated on initial compilation of the budget. This category of revenue is difficult to predict as it is dependent on the external factors.

Conclusion: Downwards adjustment will be made on rental of facilities and equipment for the year.

Interest Earned-External Investments

This revenue source is more dependent on grant received from National Department. The positive variance of 174% was due to lower estimated budget.

Conclusion: Upwards adjustment will be made on interest earned on external investments for the year.

Fines, Penalties and Forfeits

The negative variance of 100% was due failure in raising of fines which resulted in a decrease in revenue than anticipated on initial budget compilation.

Conclusion: Downwards adjustment will be made on fine, penalties and forfeits for the year.

Licences and Permits

The negative variance of 33% was due inconsistency in raising of fines which resulted in a decrease in revenue than anticipated on initial budget compilation.

Conclusion: Downwards adjustment will be made on licences and permits for the year.

Transfers and Subsidies

The positive variance of 59% is mainly attributable to the receipt of the second tranche of the Equitable Share grant from National Treasury and other grants.

Conclusion: The adjustment will be made in line with Adjustment Division of Revenue Act (DORA).

Other Revenue

This category of revenue relates to revenue sources that are not explicitly disclosed on the statement of financial performance as per National Treasury reporting templates such as clearance certificates and other sundry revenue. This category reflects under performance variance of 97% and will be accordingly be adjusted during the adjustment budget.

Conclusion: Each line item in this will be adjusted downwards because of poor performance.

EXPENDITURE MANAGEMENT**OPERATING EXPENDITURE: YEAR TO DATE ACTUAL VS YEAR TO DATE BUDGET*****Employee Related Costs***

The performance of this line item of expenditure is within the projected budget for the first half of the financial year and this resulted to a 0%. Management should closely monitor the staff overtime.

Conclusion: There would be no adjustment on this line item.

Remuneration of Councillors

The performance of this line item of expenditure is within the projected budget and this resulted in a negative variance of 8%. The councillors salaries in terms of Determination of upper limits of salaries, allowances and benefits of different members.

Conclusion: The adjustment will be made based on the recent Notice No.42134 as published Government Gazette No.42134 of 21 December 2018 on salaries increases for councillors.

Debt Impairment, and Depreciation and Amortisation

The performance of this line item of expenditure was above the projected budget for the first half of the financial year and this resulted in a positive variance of 83%.

Conclusion: Upwards adjustment will be made on depreciation and amortisation for the year.

Finance Charges

The performance of this line item of expenditure was above the projected budget for the first half of the financial year and this resulted in a positive variance of 2678%. This was due to cash-flow crises which resulted to inability to pay creditors timeously.

Conclusion: Upwards adjustment will be made on finance charges for the year.

Bulk Purchases

The expenditure performance on purchase of electricity has a negative variance of 7%. The community is utilising less electricity in summer, the management is anticipating an increase in winter.

Conclusion: There would be no adjustment on bulk purchases for this year.

Other materials

The expenditure performance on inventory consumed has an unfavourable variance of 64%. This was due to over-budgeting on the initial budget.

Conclusion: Downwards adjustment will be made on other materials for the year.

Contracted Services

This category of contracted services relates to expenditure types that are not explicitly disclosed on the statement of financial performance as per National Treasury reporting templates such as audit committee fees and other contracted expenditure. This category reflects unfavourable variance of 42% and will be adjusted during the adjustment budget.

Conclusion: Downwards adjustment will be made on contracted services for the year.

Other Expenditure

This category of other expenditure relates to expenditure types that are not explicitly disclosed on the statement of financial performance as per National Treasury reporting templates such telephone and other sundry expenditure. This category reflects a negative variance of -61% and will be accordingly be adjusted during the adjustment budget.

Conclusion: Each line item in this will be adjusted downwards because of poor performance.

CAPITAL EXPENDITURE**Total Capital Expenditure – Actual vs. Budget**

Table C5 indicates expenditure incurred during this period amounts to R4.8 million against the budget of R8.9 million, which resulted to an undesirable variance of R 4 million. The municipality did spend the MIG allocation yet.

Half yearly capital expenditure performance reflects the following per department:

- Governance and Administration over performed by 1%.
- Technical Services (Roads) over-performed by 18%
- Technical Services (INEP) over-performed by 81%

Conclusion: The adjustments of the capital budget will mainly depend on the departmental inputs received and the funding availability of the municipality.

ASSET MANAGEMENT

The asset module has assisted the municipality to comply with mScoa. The safeguarding of asset is still a going concern and management need to monitor that very closely. The work in progress of infrastructure projects (beyond 2016/2017) without the supporting documentation has negatively impacted on the asset management. The current ratio is slightly below the norm this is an indication that municipality should introduce new strategies of improving the current situation.

CASH MANAGEMENT

Table C7 indicates that the municipality is financially unstable and this poor performance could result to the municipality unable to discharge its financial commitments.

DEBTORS

Analysis by to total Debtors by source as at 31 December 2021

Debtors per category	Amounts	Percentage
Organs of State	06 577 134	12,7%
Commercial	03 195 501	6,2%
Households	07 463 178	14,5%
Other	34 409 183	66,6%
	51 650 583	100%

Age Analysis (annexure 2)

Ageing	Debtors 31.12.2021	at	Debtors 31.12.2020	at	Movement
0-30 days	02 432 059.17		04 042 663.37		-01 610 604.20
31-60 days	01 418 931.36		01 065 459.90		-00 353 471.46
61-90 days	01 312 946.30		01 607 284.89		-00 294 338.59
91- 120 days	01 266 610.37		01 428 386.41		-00 161 776.04
121- 365 days	45 220 035.14		41 143 015.77		04 077 019.37
	51 650 582.84		49 286 810.34		02 363 772.50

The total debtors outstanding of R51 650 582.84 million represent an increase of R2 363 772.50 million, which is about 5% compared to December 2020. The COVID 19 related issues have negatively impacted to community which resulted to an

increase of non-payment of debts and non-implementation of legal process contributed in the increase of the municipality debtors book.

Debt Collection Activities

There are number of issues which are impacting to debt collection. The illegal connection of electricity is the major one and is not only impacting on revenue but even on cash flows. Delay in approving of indigent applicants contribute in this high debtor's book. The process of reminding customers about the outstanding debts should be the priority in public participation events while the legal process should commence soon, this would improve the revenue base of the municipality. The current control system will be monitored continuously.

CREDITORS

Creditors are normally paid within 30 days as stipulated by the MFMA except where there are disputes between the municipality and the creditor.

Age Analysis (annexure 3)

Ageing	Debtors 31.12.2021	at	Debtors 31.12.2020	at	Movement
0-30 days	372 058.84		453 670.39		-081 611.55
31-60 days	158 357.14		000 000.00		158 357.14
61-90 days	000 000.00		000 000.03		-000 000.03
91- 120 days	000 000.00		- 000 036.00		000 036.00
121- 365 days	756 816.06		- 000 003.08		756 819.14
	1 287 232.04		453 631.34		833 600.70

The total creditors outstanding of R1 287 232.04 million represent an increase of R833 600.70 million, which is about 65% compared to December 2020. There was no balance between collection of revenue versus the spending. The departments need to monitor the spending on a monthly basis by means of the cash-flow projections.

SERVICE DELIVERY PERFORMANCE ANALYSIS

The Service Delivery and Budget Implementation Plan (SDBIP) performance is covered in a separate report by the Performance Management Section. However, departments have indicated that plans are in place to ensure that spend on capital projects is maximised. The actual performance against the key performance indicators and targets are monitored on a quarterly basis and corrective actions are put in place to address variances.

ADJUSTMENTS BUDGET

Regulation 23(1) of the Municipal Budget and Reporting Regulations provides, inter alia for the following:

“An adjustment budget may be tabled in the Municipal Council at any time after Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year”

An Adjustment budget is the revision of an approved annual budget, usually by the utilisation of savings in one vote towards spending under another vote. Furthermore, except under certain circumstances only one adjustment budget may be tabled in the Municipal Council during a financial year. Accordingly, a report on adjustments to the budget will be submitted for consideration by Council at its meeting to be held on the 28 February 2022.

ANNUAL REPORT

The annual report of 2020/2021 financial year is covered in a separate report to council.

RECOMMENDATION

This Report which is submitted in compliance with Sections 52(d) and 72 of the MFMA and in terms of the Government Notice 32141 dated 17 April 2009, relating to the “Local Government: Municipal Finance Management Act 2003, the Municipal Budget and Reporting Regulations”, as at 31 December 2017, be considered by Council.

Description	Original Budget	Mid-year budget	YearTD actual	YTD variance	YTD variance %	Recommendation
Revenue By Source						
Property rates	33 188 786,00	16 594 394,48	11 318 902,00	- 5 275 492,48	-32%	Adjust Downwards
Service charges - electricity revenue	19 722 111,00	9 861 054,98	8 683 642,00	- 1 177 412,98	-12%	Adjust Downwards
Service charges - refuse revenue	1 797 113,00	898 559,02	915 508,00	16 948,98	2%	Upwards adjustment
Rental of facilities and equipment	1 385 669,00	692838	585 048,00	- 107 790,00	-16%	Adjust Downwards
Interest earned - external investment	199 406,00	99702	273 298,00	173 596,00	174%	Upwards adjustment
Interest earned - outstanding debtors	-	0	1 786 656,00	1 786 656,00	100%	Upwards adjustment
Fines, penalties and forfeits	5 173 955,00	2586978	818,00	- 2 586 160,00	-100%	Adjust Downwards
Licences and permits	1 725 343,00	862674	577 768,00	- 284 906,00	-33%	Adjust Downwards
Transfers and subsidies	38 176 000,00	19088004	30 396 061,00	11 308 057,00	59%	DORA ALLOCATION
Other revenue	5 472 100,00	2736048	86 153,00	- 2 649 895,00	-97%	Adjust Downwards
Total Revenue	106 840 483,00	53 420 252,48	54 623 854,00	- 1 203 601,52		

Expenditure						
Employee related costs	39 340 518,00	19 611 084,00	19 595 353,00	- 15 731,00	0%	No adjustment
Remuneration of councillors	3 908 136,00	1 954 068,00	1 795 216,00	- 158 852,00	-8%	Government gazette
Depreciation & asset impairment	10 665 728,00	5 332 866,00	8 228 993,00	3 733 991,00	83%	Upwards adjustment
Finance charges	17 600,00	8 802,00	244 479,00	235 677,00	2678%	Upwards adjustment
Bulk purchases - electricity	17 616 541,00	8 808 270,00	8 232 017,00	- 576 253,00	-7%	No adjustment
Inventory consumed	4 246 773,00	2 123 364,00	761 993,00	- 1 361 371,00	-64%	Adjust Downwards
Contracted services	16 475 444,00	8 237 706,00	4 737 512,00	- 3 500 194,00	-42%	Adjust Downwards
Other expenditure	9 225 919,00	4 612 974,00	1 809 887,00	- 2 803 087,00	-61%	Adjust Downwards
Total Expenditure	101 496 659,00	50 689 134,00	45 405 450,00	5 283 684,00		
Capital	17 682 000,00	8 841 000,00	4 813 803,60	- 4 027 196,40	-46%	

Prepared by

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S. Mhlophe (Miss)

Chief Financial Officer

Reviewed by

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G.N. Mavundla (Mrs)

Acting Municipal Manager

ANNEXURE 1

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

DEPARTMENT	KEY PERFORMANCE AREA	PROJECT	BASELINE	KEY MEASURABLE PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGETS								TOTAL BUDGET	MEANS OF VERIFICATION	
						Quarter 1				Quarter 2						
						Target	Actual	Budget	Means of verification	Explanation of variance and improvement interventions	Target	Actual	Budget			Means of verification
Infrastructure and Planning Development	Basic service delivery and infrastructure development	Connection of 4 households connected through rural electrification projects for year ended June 2022:	1	1.1.1.1.(1) Number of households connected through rural electrification at Kwanta Phase 2, ward 4	7 connections at Kwanta Phase 2, ward 4	Site establishment	Not achieved	15 000 0.00	Quarterly Progress Report	Eskom Mpumala Province was reluctant to give a go ahead with phase 2 projects while phase 1 were incomplete)	Construction	Not achieved	15 000 0.00	Quarterly Progress Report	Farm owner refused to give access for the project to comment. SOLUTION: Allocate budget was	Annual report and completion certificate

Objective:

Infrast ucture and Planni ng Develo pment	Basic service delivery and infrastru cture develop ment	Kwant aba Phase 2 Ward 4	1	1.1.1.1.(2) Number of house holds connect ed through rural electrific ation at Waaitho ek Phase 2 , ward 3	73 conne ctions at Waaitho ek Phase 2, ward 3	Site establi shmen t	Ach ieve d	89 9 12 7.3 0	Quar terly Prog ress Rep ort	SOLUTION N (Engage ment meeting was held on 06/09/202 1, then a go ahead was received after)	Con stru ction	Ach ieve d	1 20 0 00 0	Quarte rly Progre ss Report	3 59 6 50 9 00	moved to cover short falls at Waaitho ek electrific ation project.	Annual report
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Infrastructure and Planning Development	Basic service delivery and infrastructure development	Connection of 45 households through rural electrification projects for year ended June 2022: KwaLembe Phase 3 Ward 1	2	1.1.1.1.3) Number of households connected through rural electrification at KwaLembe, Phase 3, ward 1	45 connections at KwaLembe, ward 1	Site establishment	Not achieved	873718.00	Quarterly Progress Report	Delays in securing the date for designs presentation and approval at Eskom stakeholder DRT platforms) SOLUTION (Target moved to next quarter)	Construction	Achieved	873718.00	Quarterly Progress Report	3487400	Annual report
Infrastructure and Planning Development	Basic service delivery and infrastructure development	Connection of 7 households through rural electrification projects for year ended June 2022: Kaarpoort	0	1.1.1.1.4) Number of households connected through rural electrification at Kaarpoort, ward 4	7 connections at Kaarpoort, ward 4	Site establishment	Not achieved	100000	Quarterly Progress Report	(Eskom Mpumala Province was reluctant to give a go ahead with phase 2 projects while phase 1 were incomplete)	Construction	Not achieved	200000	Quarterly Progress Report	41306900	Annual report

Infrastructure and Planning Development	Basic service delivery and infrastructure development	Ward 4	Rehabilitation of Kerk street 0.4 km phase 2 for year end 30 June 2022	Kerk Phase 1	1.1.3.2(1) Percent rehabilitation of 0.4 km Kerk street phase 2, ward 2	100% Rehabilitation of 0.4 km, Kerk street, ward 2	Appointment, Site Establishment and Ripping of all roads (25% of 0.4 KM)	Not achieved	2000	Quarterly Progress Report	Contractors not appointed due to delays in procurement processes (SCM)	Not achieved	Stabilising (50% of 0.4 KM)	SOLUTION (Engagement meeting was held on 06/09/2021, then a go ahead was received after)	Contractors not appointed due to delays in procurement processes (SCM)	Quarterly Progress Report	1000	Contractors not appointed due to delays in procurement processes (SCM)	Quarterly Progress Report	1000	Contractors not appointed due to delays in procurement processes (SCM)	Annual report
Infrastructure and Planning Development	Basic service delivery and infrastructure development	Ward 4	Percentage in kilometres (km) of roads rehabilitated for year end 30 June 2022	0	1.1.3.2(2) Percent rehabilitation of 0.15 km Loop street, ward 2	100% rehabilitation of 0.15 km, Loop street, ward 2	Appointment, Site Establishment and Ripping of all roads (25% of 0.15 KM)	Not achieved	1000	Quarterly Progress Report	Contractors not appointed due to delays in procurement processes (SCM)	Not achieved	Stabilising (50% of 0.15 KM)	Contractors not appointed due to delays in procurement processes (SCM)	Quarterly Progress Report	3000	Contractors not appointed due to delays in procurement processes (SCM)	Quarterly Progress Report	3000	Contractors not appointed due to delays in procurement processes (SCM)	Annual report	

Infrastructure and Planning Development	Basic service delivery and infrastructure development	60 Job opportunities created under Extended Public Works Programme in the 2021/22 Financial Year	120	1.2.1.1 Number of EPWP jobs created	x60	60	Achieved	Employment contracts					60000	Annual report
Infrastructure and Planning Development	Basic service delivery and infrastructure development	Issuance of 20 business licenses applications	0	1.2.3.2 Number of business license applications to be issued	x20	x5	Achieved	Register and cash receipts					Business licenses are done in Annually from Jan to Dec the short fall for Q1 and Q2 will be covered in Q3 and Q4	Annual report

Infrastructure and Planning Development	Basic service delivery and infrastructure development	40 informal trading permit applications conducted	0	1.2.3.3 Number of informal trading permit applications conducted	x40	x10	Not achieved	Register and cash receipts	Challenges regarding internet connection, permit applications are processed online. Manual applications were done to prevent turning back informal traders	x10	Not achieved	Registrar and cash receipts	Challenges regarding internet connection, permit applications are processed online. Manual applications were done to prevent turning back informal traders	x10	Not achieved	Registrar and cash receipts	Challenges regarding internet connection, permit applications are processed online. Manual applications were done to prevent turning back informal traders	Trading Permits are done annually from Jan to Dec, shortfall for Q1 and Q2 will be covered in Q3 and Q4	Annual report
Infrastructure and Planning Development	Basic service delivery and infrastructure development	Review of the existing SMME development framework.	0	1.2.4.1 Number of the SMME development framework reviewed.	x4	x1	Not achieved	Quarterly register, implementation plan and report	SMME development workshop scheduled for 17 August 2021, was cancelled due to positive covid19 case at SEDA Amajuba Regional Offices, SEDA was scheduled	x1	Achieved	Quarterly register, implementation plan and report	Quarterly register, implementation plan and report	x1	Achieved	Quarterly register, implementation plan and report	Quarterly register, implementation plan and report	Annual report	

Infrastructure and Planning Development	Basic service delivery and infrastructure development	2	Reviewed and updated contingency plan for 2021/22 financial year	0	1.2.6.3 Number of Reviewed and updated contingency plan for 2021/22 financial year	x2	x1 Summer season	Achieved	Plan and Council resolution							Annual report
Infrastructure and Planning Development	Basic service delivery and infrastructure development	8	Disaster Management training & awareness campaigns conducted in 2021/22	0	1.2.6.4 Number of Disaster Management training & awareness campaigns conducted	x8	x2	Achieved	Report & Attendance register	11575	Report & Attendance register	93000,00				Annual report

Infrastructure and Planning Development	Basic service delivery and infrastructure development	Provision of disaster relief material on reported incidents in the year ending June 2022	0	1.2.6.5 100% of provision of disaster relief material on reported incidents	Incidents responded to and relief material issued	100%	Not achieved	Report and invoice	100%	Not achieved	Incident report & Beneficiary list
Infrastructure and Planning Development	Basic service delivery and infrastructure development	30 Fire Hose reels for municipal buildings in 2021/22 Financial year	0	1.2.6.6 Number of fire Hose reels for municipal buildings	x30		Not due this quarter	Report and invoice	x30	Not achieved	Annual report
Infrastructure and Planning Development	Basic service delivery and infrastructure development	1 Review & Update Disaster Management Sector Plan	0	1.2.7.1 Review & Update Disaster Management Sector Plan	x1		Not due this quarter	Report and invoice		Due in the 3rd quarter	Annual report

KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

DEPARTMENT	KEY PERFORMANCE AREA	PROJECT	BASELINE	KEY MEASURABLE PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGETS								TOTAL BUDGET	MEANS OF VERIFICATION
						Quarter 1				Quarter 2					
						Target	Actual	Budget	Means of verification	Explanation of variance and improvement interventions	Target	Actual	Budget		
Objective:															
Corporate services	Municipal institutional development and transformation	Review and adoption of 5 policies	5	2.1.1.1 Number of adopted reviewed and new policies developed	5	Not due this quarter								Council Resolution and signed policies	
						Due in the 4 th quarter									
Corporate services	Municipal institutional development and transformation	Review and adoption of the organizational structure	1	2.1.2.1 Number of adopted reviewed Organogram	1	Not due this quarter									
						Due in the 4 th quarter									

Corporate services	Municipal development and transformation	Sitting of Local Labour Forum	4	2.1.2.2 Number of LLF meetings conducted	4	1	Achieved	Minutes & attendance Registers	1	Achieved	Minutes & attendance Registers	Councillors did not establish subcommittee.	Annual report
Corporate services	Municipal development and transformation	Review of a Workplace Skills Plan (WSP) for 2022/23 Financial Year	1	2.1.3.1 Number of approved Workplace Skills Plan submitted to LG SETA	1	1	Not due this quarter	Minutes & attendance Registers		Due in the 4 th quarter			
Corporate services	Municipal development and transformation	Provision of Training for Councilors and officials	16	2.1.3.2 Number of Officials & councilor's trained	30	16	Not due this quarter	Minutes & attendance Registers	11	Achieved	Attendance registers		Annual report
Corporate services	Municipal development and transformation	Compile and employment	1	2.1.3.3 Number of employment	1	1	Not due this			Due in the 3 rd			

Corporate services	development and transformation	Municipal institutional development and transformation	equity report in the year ended 2022	Provision of tools of trade for councils	0	ent equity report compiled	2.1.5.1 Number of tools of trade procured for Councils	11	quarter	Not due this quarter	quarter	Achieved	Delivery note	Annual report
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KEY PERFORMANCE AREA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (SOUND FINANCIAL MANAGEMENT)

DEPARTMENT	KEY PERFORMANCE AREA	PROJECT	BASELINE	KEY MEASURABLE PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGETS								TOTAL BUDGET	MEANS OF VERIFICATION		
						Quarter 1				Quarter 2							
						Target	Actual	Budget	Means of verification	Explanation of variance and improvement interventions	Target	Actual	Budget			Means of verification	Explanation of variance and improvement interventions
Budget & Treasury	Municipal financial viability and management (sound financial management)	1 Annual Financial Statements prepared and submitted to Auditor General in the year ended	1	3.1.1.1 Number of action plan developed and adopted on Good Governance	x1	x1	Not achieved									Annual report	
							AG	AG	AG	AG	AG	AG	AG	AG	AG	AG	AG

Objective:

Budget & Treasury	Municipal financial viability and management (sound financial management)	12	Grant reconciliation to be prepared in the year ended 2022	12	3.1.3.2 Number of monthly grant reconciliation	x12	x3	Achieved	Signed copies of grant reconciliations						Signed copies of grant reconciliations
Budget & Treasury	Municipal financial viability and management (sound financial management)	12	12 credits reconciliations prepared in the 2022 Year end	12	3.1.3.3 Number of monthly creditors reconciliation	x12	x3	Achieved	Signed copies of the credits reconciliations						Signed copies of the credits reconciliations
Budget & Treasury	Municipal financial viability and management (sound financial management)	12	12 Valuation reconciliations to be prepared in the year ended 2022	12	3.1.4.1 Number of monthly valuation roll reconciliation	x12	x3	Achieved	Signed copies of valuation reconciliations						Signed copies of valuation reconciliations

Budget & Treasury	Municipal financial viability and management (sound financial management)	1	1	3.1.5.2 Number of adopted and updated SCM framework	x1	x1	Achieved	Proof of submission (email) and signed procurement plan.	Done in the 1st quarter			
Budget & Treasury	Municipal financial viability and management (sound financial management)	4 times the Contract register review and updated in the 2022 Financial Year	4	3.1.5.3 Number of contract register reviewed and updated	x4	1x update	Not achieved	Signed copies of contract registers	The management will have a session to discuss and update the contract register by end of January 2022.			
Budget & Treasury	Municipal financial viability and management (12 schedule (S71) Reports prepared	12	3.1.6.1 Number of monthly Section 71	x12	Complete 3 reports for S71	Achieved	Proof of submission (email) and reports				Proof of submission (email) and reports

Budget & Treasury	Municipal financial viability and management (sound financial management)	4 section 52 reports prepared and submitted to council in the year ended June 2022	4	3.1.6.3 Number of annual financial reports	x4	x1	Achieved	Proof of submission (e-mail) and reports				Council resolution, Proof of submission (e-mail) and reports
Budget & Treasury	Municipal financial viability and management (sound financial management)	12 VAT returns submitted to SARS in the year ended June 2022	12	3.1.6.4 Number of VAT returns submitted to SARS	x12	x3	Achieved	VAT 201 statements	VAT 201 statements	The December returns is due on the 31 st of January, will be submitted on the 31 st .		
Budget & Treasury	Municipal financial viability and management (sound financial management)	12 Assets Reconciliation prepared in the year ended 2022	12	3.1.6.5 Number of monthly assets reconciliation	x12	x3	Achieved	Signed copies asset reconciliations	Signed copies asset reconciliations			

Budget & Treasury	Municipal financial viability and management (sound financial management)	12	12	Bank reconciliation prepared in the year ended 2022	12	3.1.6.6	Number of monthly bank reconciliation	x12	x3	Achieved	Signed copies bank reconciliations	Achieved	Signed copies bank reconciliations	x3	Signed copies bank reconciliations	Achieved	Signed copies bank reconciliations
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KEY PERFORMANCE AREA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (PUTTING PEOPLE FIRST)

DEPARTMENT	KEY PERFORMANCE AREA	PROJECT	BASIS FOR EVIDENCE	KEY MEASURABLE PERFORMANCE INDICATOR	QUARTERLY TARGETS								TO TALK ABOUT	MEASUREMENT		
					Quarter 1				Quarter 2							
					Target	Actual	Budget	Means of verification	Explanation of variance and improvement interventions	Target	Actual	Budget			Means of verification	Explanation of variance and improvement interventions
					Target	Actual	Budget	Means of verification	Explanation of variance and improvement interventions	Target	Actual	Budget			Means of verification	Explanation of variance and improvement interventions
Corporate & Community Services	Good governance and public participation (putting people first)	24 Public meetings conducted during 2021/2022	24	4.1.1.1. Number of public consultation (per ward) meetings conducted	x24	x6	Not achieved	Minutes & Attendance register	Ward Councillors did not conduct any public meetings for the quarter.	x6	Not achieved	Minutes & Attendance register	Awaiting for the elections of ward committee members. To be achieved in the 3 rd quarter	Annual report		

Objective:

Corporate & Community Services	Good governance and public participation (putting people first)	3.2. % Fresh Produce feasibility study completed	0	4.1.1.2 Number of Izimbo meetings conducted	x6	Not due this quarter		Ward Councillors did not convene ward committee meetings for the quarter.		Due in the 3 RD & 4 th quarter		Annual report
Corporate & Community Services	Good governance and public participation (putting people first)	72 ward committee meetings held during end of 2021/22	72	4.1.1.3 Number of quarterly meetings reports per ward committee)	x72	Not achieved		Awaiting for the elections of ward committee members. To be achieved in the 3 rd quarter	Minutes & Register		Annual report	
Corporate & Community Services	Good governance and public participation (putting people first)	4 Local Task Team (OSS) Meetings held during 2021/2021	0	4.1.1.4 Ensure the functionality of the youth council.	x4	Not achieved		OSS Meetings were conducted for the quarter.	Quarterly report		Annual report	

Office of the municipal manager	Good governance and public participation (putting people first)	2 IDP RF meetings conducted in the financial year 2021/22	2	4.1.1.5 Number of the IDP RF functionality.	x2	Not due this quarter			x1	Not achieved	Attendance register	The RF meeting did not seat. The items for this RF meeting will be included in the RF meeting in the 3 rd quarter.	6000
Office of the municipal manager	Good governance and public participation (putting people first)	4 radio interviews conducted by the Executive Municipality in the end of 2021/22 Financial Year	4	4.1.2.1 Number of radio slots conducted	x4	Achieved	Podcast & signed invoice	Podcast & signed invoice	x1	Achieved	Podcast & signed invoice		50000

Office of the municipal manager	Good governance and public participation (putting people first)	4 newsletters published in the 2021/22 financial year	0	4.1.2.2 Number of newsletters published	x4	x1	Not achieved		copy of the newsletter	Instability of council led to failure to gather content for municipal newsletters.	x1	Not achieved	Due to budget constraints, To be achieved in the 3 rd quarter.	54 000
Office of the municipal manager	Good governance and public participation (putting people first)	18 banners procured in the 2021/22 financial year	0	4.1.2.3(1) Number of marketing material procured (banners)	x18	x1	Not achieved	Procurement processes were placed on hold due to the municipality was placed under Section 139 D. Requisition is submitted to SCM to procure new banners and re-brand.		Procurement processes were placed on hold due to the municipality was placed under Section 139 D. Requisition is submitted to SCM to procure new banners and re-brand.	x1	Not achieved	Procurement processes were placed on hold due to the municipality was placed under Section 139 D. Requisition is submitted to SCM to procure new banners and re-brand.	30 000

	10 000 Calendars produced in the 2021/22 financial year	0	4.1.2.3(2) Number of marketing materials produced (calendars & diaries)	10 000	Not due this quarter		Due in the 3 rd quarter	200 000,00
Office of the municipal manager	121 Political bears wall pictures in the year ended 30 June 2022	0	4.1.2.4 Number of photography services conducted	x1 21	Not due this quarter		Due in the 3 rd quarter	60 000

Office of the municipal manager	Good governance and public participation (putting people first)	1 prepared, adopted and submitted IDP 2022/23 Financial Year	2021/22 IDP	4.1.3.1 Number of prepared, adopted and submitted IDP	Review and adopt 1 2022/23 draft IDP	Preparation and submission of the 2022/23 Process Plan, IDP	Not due this quarter		Council resolution		Due in the 3 rd quarter		Minutes and attendance register	
Office of the municipal manager	Good governance and public participation (putting people first)	1 Prepared, adopted and submitted IDP Budget Process Plan for 2022/23 Financial Year	1	4.1.3.2 Number of prepared, adopted and submitted IDP & Budget Process Plan	x1	Preparation and submission of the 2022/23 Process Plan, IDP	Achieved				Done in the 1 st quarter			

Office of the Municipal Manager	Good governance and public participation (putting people first)	1 reviewed and adopted performance management system	1	4.1.3.4 Number of reviewed and adopted performance management systems	x1		Not due this quarter					Due in the 4 th quarter			
Corporate & Community Services	Good governance and public participation (putting people first)	1 Oversight reports prepared and submitted to MPA C for the Year ended June 2022	1	4.1.3.5 Number of oversight reports prepared and submitted to MPA C	x1		Not due this quarter					Due in the 3 rd quarter			

Office of the municipal manager	Good governance and public participation (putting people first)	4	4	Audit committee meetings Held in the end of 2021/22 Financial Year	4	4.1.4.2 Number of audit committee quarterly meetings	x4	x1	Achieved		Notice of meetings Minutes and Attendance Register	200000	Annual report
Office of the municipal manager	Good governance and public participation (putting people first)	4	4	4 Risk Management Meetings held in the 2021/22 Financial Year	4	4.1.4.3 Number of risk management meetings conducted	x4	x1	Not achieved	The council instability has affected the administration of the municipality	Notice of meetings Minutes and Attendance Register	The non-convening of MANCO meetings also affected the seating of the Risk Committee. <u>Solution</u> A risk committee meeting is going to be held on 1 February 2022	

Office of the municipal manager	Good governance and public participation (putting people first)	12	Internal audit reports generated in the year ending June 2022	1	2	4.1.4.5	Number of internal audit reports generated.	x1	2	Achieved	Extract of reports	Annual report
Office of the municipal manager	Good governance and public participation (putting people first)	1	Conduct Annual Risk Assessment & Annual Fraud Risk Assessment for 2022/23	1	4	4.1.4.4	Number of Annual Risk Assessment & Annual Fraud Risk Assessment conducted	x3		Achieved	Extract of reports	Annual report
										Not due this quarter		
										Not due this quarter		

<p>Office of the municipal manager</p>	<p>Good governance and public participation (putting people first)</p>	<p>4 audit committee reports tabled to Council for the year ended 30 June 2022</p>	<p>4</p>	<p>4.1.4.8 Number of audit committee reports tabled to council</p>	<p>x4</p>	<p>x1</p>	<p>Council Resolution and minutes</p>	<p>The council instability has affected the administration of the municipality</p>	<p>x1</p>	<p>Council Resolution and minutes</p>	<p>The Audit Committee had challenges with participating in the previous Council meetings. There was hardly any invitation to them to come and present their reports.</p> <p>Solution. A request will be made to the Accounting Officer/Director Corporate Services so that the AC report can be tabled at Council at least once per Quarter.</p>	<p>Annual report</p>
<p>Not achieved</p>												
<p>Not achieved</p>												

Office of the municipal manager	Good governance and public participation (putting people first)	4 quarterly update of risk register generated for 2021/22 Financial Year	4	4.1.4.11	Number of quarterly updates for risk register conducted	x4	x1	Not achieved	Extract of the report & minutes	The council instability has affected the administration of the municipality	x1	Not achieved	Extract of the report & minutes	The Non-Convening of MANCO meetings also affected Risk Committee.	Annual report
														Solution A risk Committee meeting will be held on 01 February 2022	

KEY PERFORMANCE AREA 5: LOCAL ECONOMIC AND SOCIAL DEVELOPMENT (SERVICE DELIVERY)

DEPARTMENT	KEY PERFORMANCE AREA	PROJECT	BASELINE	KEY MEASURABLE PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGETS								TOTAL BUDGET	MEANS OF VERIFICATION	
						Quarter 1				Quarter 2						
						Target	Actual	Budget	Mean s of verifi catio n	Explanation of variance and improv ement interventions	Target	Actual	Budget			Mean s of verifi catio n
Objective:																
Corporate & Community Services	Local Economic Development (service delivery)	4 vulnerable groups forums meetings / workshops in the 2021/22 financial year	4	5.1.1.1 Number of functionalities of forums for vulnerable groups implemented	x4	x1	Achieved		Minutes & Register		x1	Achieved		Minutes & Register	20000	Annual report

Corporate & Community Services	Local Economic Development (service delivery)	8 Special Programmes conducted	x7	5.1.1.2 Number of special programmes coordinated to empower the vulnerable groups	x8	x2	Achieved	Report & Register	x2	Achieved	Report & Register	730 000	Annual report
Corporate & Community Services	Local Economic Development (service delivery)	4 book exchange Programmes in the 2021/22 Financial Year	4	5.2.1.1 Number of book exchange programmes	x4	x1	Achieved	Quarterly report	x1	Not achieved	Quarterly report		Annual report
Corporate & Community Services	Local Economic Development (service delivery)	4 library orientation and outreach programmes held during 2021/22	4	5.2.1.2 Number of library orientation and outreach programmes	x4	x1	Achieved	minutes & attendance Registers	x1	Achieved	minutes & attendance Registers		Annual report

The library did not receive invitation from the Regional library services in the 2nd quarter

Corporate & Community Services	Local Economic Development (service delivery)	8 road blocks conducted in the 2021/22 Financial Year	12	5.4.3.1 Number of road blocks conducted	x8	x2	Not achieved	Quarterly report	Due to shortage of staff	x2	Not achieved		Quarterly report	Postponed due to limited of personnel, To appoint Superintendent of protection service in the 3 rd quarter	Annual report