



# ÉDUMBE MUNICIPALITY

## **SECTION 72 MID-TERM BUDGET AND PERFORMANCE ASSESSMENT REPORT 2020/2021 FINANCIAL YEAR**

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2020/2021 FINANCIAL YEAR

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## CHAPTER 1

### 1.1. MESSAGE BY THE ACCOUNTING OFFICER

As the Accounting Officer of eDumbe Municipality, I am taking this opportunity again to express my sincere gratitude thanks to His Worship Hon. S.J.Kunene, Executive Committee Members and the whole Council for trusting me and my management team with the responsibility of being the agency of change in this municipality. Since we started with our responsibilities as Municipal management team, we have committed ourselves in working as one team with one vision and mission.

In terms of Section 72 of the Municipal Finance Management Act, 56 of 2003 Municipal Systems Act, 32 of 2000, municipalities are required to prepare the Mid-Term Performance Report that forms part of the Annual Report. This Performance Report is based on organisational objectives and the progress made by eDumbe Local Municipality.

It also gives an indication of expected targets in the Service Delivery and Budget Implementation Plan that was approved by Council for 2020/2021 financial year. This is in a form of a template that was prepared to monitor performance at an operational level.

CoGTA defines PMS as “a strategic approach to management which equips leaders, managers, employees and stakeholders at different levels, with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the organisation (municipality) in terms of indicators and targets for efficiency, effectiveness and impact”.

Performance Management System is also intended to assist Council to improve service delivery by channelling its resources to meet performance targets and in doing so, ensures that the municipality achieves its strategic objectives as contained in its IDP. Service delivery excellence has its firm basis on providing the optimum services to the community of eDumbe and its periphery



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Looking at the Performance of the Municipality for the first half of 2020/2021 financial year, a lot of strategies and improvement plans has to be put in place to fulfill the objectives of the IDP. This has to do with the fast tracking of the execution of Capital Projects, resolving the audit findings raised in the last financial year audit in order to obtain progressive audit opinion at the end of the financial year.

Let me take this opportunity to thank all staff members, strategic personnel and all my management for once again giving it their best performance for the success of the municipality

**JFK KHUMALO**

**MUNICIPAL MANAGER**

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## 1.2. LEGISLATIVE MANDATE

Section 72 of the Municipal Finance Management Act No 56 of 2003 states that, 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, taking into account (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan.

## 1.3. OVERVIEW

A Municipality's Performance Management System is the primary mechanism to monitor, review and to improve the implementation of the Municipal IDP, and to measure the progress made in achieving the objectives set out in the IDP. The performance system provide early warning on poor or non service delivery and facilitate decision-making.

The Municipality should set out indicators and targets to compile a Municipal scorecard. Indicators are then cascaded into Departmental SDBIP's and are to be set on a SMART principle as follows:

- Specific
- Measurable
- Achievable
- Relevant, and
- Time bound

The Key Performance Areas as appear and reported on eDumbe Municipal Scorecard and SDBIP are as follows:

Basic Service Delivery

Municipal Financial Viability and Management

Good Governance and Public Participation

Local Economic Development

Municipal Institutional Development and Transformation

Timeous and regular reporting of performance by Departments on the above KPA's is then crucial. It also allows for better preparation for audit. Section 56 Manager's performance are

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evaluated based on these KPA's and will be weighted in two components, KPA – 80% and Competencies – 20%.( a set of expectations on good management practice).

### **Purpose of the Report**

The main purpose of this report is to account to MEC for Local Government, Provincial legislature, NCOP, Minister of Cooperative Governance and Traditional Affairs, National Treasury, Auditor-General and to the citizens of South Africa on progress being made by municipalities towards achieving the mid-term goals of “a better life for all”. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens. It subscribes to the South African developmental nature of participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, White Paper on Local Government, MSA and the MFMA

### **The Assessment Process and the Methodology followed in Compiling the Report**

According to the provisions of the Municipal Systems Act, 32 of 2000, municipalities must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports, in terms of Chapter 6 of the MSA, on performance management systems. These quarterly and mid-year reports make up the municipalities' annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the financial statements, for auditing. After adoption of the audited performance report by the municipal council, it must then be submitted to the MEC for Local Government.

### **Compilation and Structure of the Report**

The report should present the status of current progress on mid-term performance which has been conducted. This is followed by the SDBIP assessment attached as Annexure 1 showing the status of each Key Performance Indicator, Portfolio of evidence, Variances and Corrective Measures on KPI's that were not achieved.



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## CHAPTER 2 - GOVERNANCE

### 2.1. ADMINISTRATIVE GOVERNANCE

The main focus in this key performance area is the institutional and organizational capacity of municipality to perform their functions and fulfill their developmental role as stipulated in the Constitution and the White Paper on Local Government. Institutional and organizational reform in local government is the key to sustainable municipalities. Having been allocated separate powers and functions entrenched in the Constitution; municipalities had to organize themselves in preparation to fulfill these functions and powers. Organizational transformation in local government is further explicitly prescribed in Section 51 of the Municipal Systems Act which provides as follows:

A municipality must, within its administrative and financial capacity, establish and organise its administration in a manner that would enable the municipality to:-

- a. be responsive to the needs of the local community;
- b. facilitate a culture of public service and accountability amongst its staff;
- c. ensure that its political structures, political office bearers and managers and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipality's integrated development plan;
- d. establish clear relationships, and facilitate co-operation, co-ordination and communication, between-
  - i. its political structures, political office bearers, its administration and the local community
  - ii. its political structures, political office bearers and administration and the local community;
- e. organise its political structures, political office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;
- f. perform its functions—
  - i. through operationally effective and appropriate administrative units and mechanisms, including departments and other functional or business units; and
  - ii. when necessary, on a decentralised basis;

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- iii. assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms;
- iv. hold the municipal manager accountable for the overall performance of the administration;
- v. maximise efficiency of communication and decision-making within the administration;
- vi. delegate responsibility to the most effective level within the administration;
- vii. involve staff in management decisions as far as is practicable; and
- viii. provide an equitable, fair, open and non-discriminatory working environment

This key performance area focuses on organizational capacity and includes indicators that show progress on how the municipality has organized itself in terms of building capacity to deliver, compliance with equity targets as well as implementing both the organizational and individual performance management systems. Municipal performance in this KPA is assessed in the following six (6) focus areas:

- Performance Management Systems.
- Filling of Section 57 Manager positions;
- Signed performance agreements by Section 57 Managers;
- Disciplinary processes against Section 57 Managers;
- Employment Equity; and
- Skills development.

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The administration is led by Mr JFK Khumalo the Accounting Officer who was appointed on the 09<sup>th</sup> of December 2020 on a fixed term contract as required by Section 54 of the Municipal Systems Act. The Accounting Officer signed his 2020/2021 performance agreement which contains performance objectives, targets, indicators and procedures for evaluating performance. Director Infrastructure and Planning resigned and his last day of service was 30 November 2019. The post is currently advertised, no progress has been made thus far since the Municipality is not fully functional due to Covid-19 cases detected.

The challenge with regards to the appointment of the CFO still exists, (since 2019/2020). The Municipality might impose risks and challenges on Financial Management if the appointment is not prioritised.

POSITION		
	STATUS	COMMENTS
Municipal Manager	Filled.	The Municipal Manager was appointed in December 2020
Chief Financial Officer	Vacant	The post is vacant since August 2019
Infrastructure & Planning	Vacant	The post is vacant since December 2020. Post is currently advertised, awaiting Council to finalise appointment process
Corporate & Community Services	Filled	None
<b>TOTAL</b>	<b>2 Filled and 2 Vacant</b>	



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## 2.2. POLITICAL GOVERNANCE

Council Committees are fully functional and effective in performing their delegated tasks.

## CHAPTER 3

### 3.1. MID-TERM ORGANISATIONAL PERFORMANCE

The MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development

### 3.2. SUMMARY OF MUNICIPAL MID-TERM PERFORMANCE 2020/2021 FINANCIAL YEAR

The information provided on the table below indicates the overall mid-term performance status on key performance indicators as listed on the 2020/2021 SDBIP. The analysis on targets were performed in line with the 6 national KPAs as regulated in the Municipal Systems

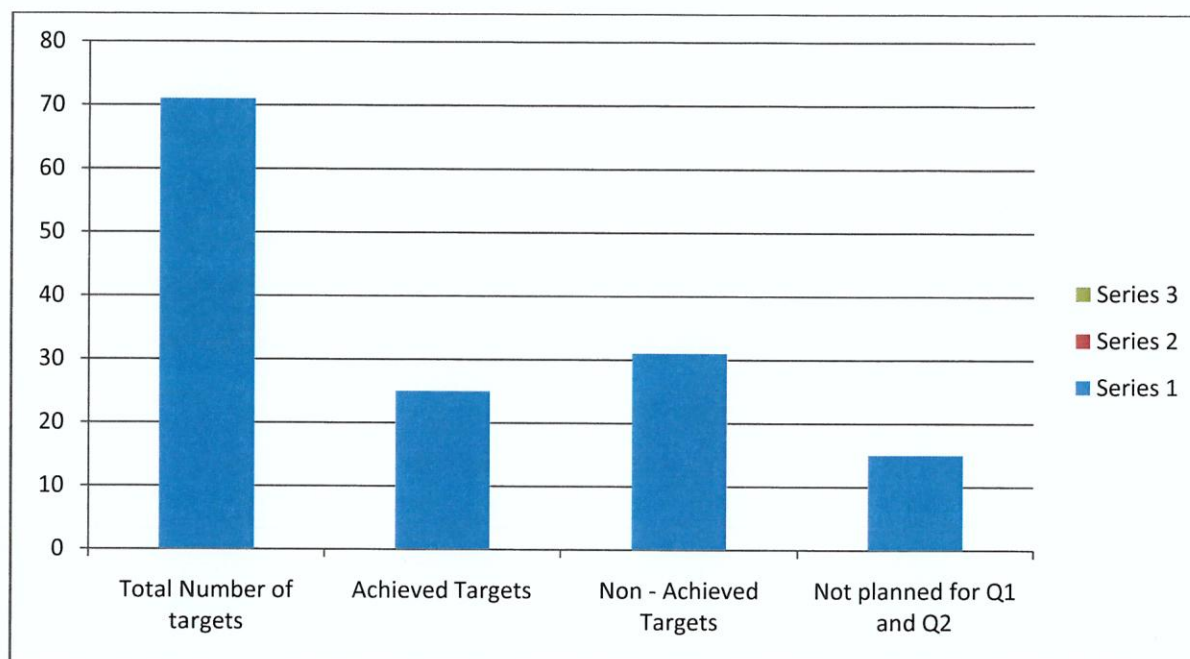
**Table 1**

Total number of targets	71
Q2 Achieved targets	25
Q2 Targets NOT Achieved	31
Targets not planned for Quarter 2	15
% of Achieved Targets	35%
% of Non- Achieved Targets	44%
% of Targets not planned for Quarter 1	21%

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The below table indicates the overall scoring



A detailed report on each target indicating the status of achievement is listed on Annexure A of the report, which gives analysis to the Organisational SDBIP

### 3.3. HIGHLIGHTS ON EACH KEY PERFORMANCE AREA

#### 3.3.1. MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The performance on these KPA indicated a very good improvement as all indicators planned for Quarter 2 were of course achieved i.e performing of IT back ups, restores and registers reviewing of access logs. The listed IT functions were performed on monthly basis as required.

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Below graph indicates the performance on Municipal Institutional Development and Transformation.

MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	2020/2021 (MID-TERM)
Total targets	15
Achieved targets	8
Targets not achieved	0
Targets not planned for Q2	7
Percentage of achieved targets	100%
Percentage of targets not achieved	0%

### 3.3.2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Consumers with a property value of R110 000 and less are now benefiting as indigent consumers and they receive a certain rebate on monthly basis on waste and property rates. The Municipality also pays Eskom beneficiaries for their first 50 KHW on monthly basis.

#### CHALLENGES

The Municipality still suffers a huge loss on electricity used by consumers in Ward 3. There's a high volume of electricity tempering. The Municipality should continue with the changing of all old meters to reduce electricity tempering.

#### Capital Projects – MIG Funded projects

Implementation of 2020/2021 Capital projects is behind the planned milestone. There's a slow progress on execution of MIG projects due to the late appointment of Service Providers. Expenditure as at 31 December 2020 was very low which might result in those funds being allocated to other Municipalities.

#### Electricity Projects



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Some electricity projects were delayed due to funding deficit. Council resolved that some electricity projects i.e. kwaSonkela Electrification, Switching sub Station, MV and LV Infrastructure upgrade and Zungwini electrification be delayed until the Municipality source funds for implementation.

### Housing projects

Housing projects are ongoing, however with Tholakele housing project there's a slow progress by the Contractor. The Municipality has then issued two notices of bridge of contract to the Contractor.

In addition, for Thubelisha housing project, The Municipality still requires more funding from Human Settlements for the destumping of the site.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	2020/2021 (MID-TERM)
Total targets	22
Achieved targets	6
Targets not achieved	16
Targets not planned for Q2	0
Percentage of achieved targets	27%
Percentage of targets not achieved	73%

### 3.3.3. LOCAL ECONOMIC DEVELOPMENT

An incentive EPWP grant of R1 522 000 has been received by the Municipality is continuously creating job opportunities with the aim of achieving the target of 152 as per the agreement with Department of Public Works. 67 Work Opportunities has been created thus far.

LOCAL ECONOMIC DEVELOPMENT	2020/2021 (MID-TERM)
Total targets	2

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Achieved targets	1
Targets not achieved	1
Targets not planned for Q2	0
Percentage of achieved targets	50%
Percentage of targets not achieved	50%

### 3.3.4. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Municipality could not participate in Indigenous, Golden games, Mayoral games and Umkhosi womhlanga reed dance due to Covid-19 Government regulations.

IDP Roadshows / Community consultation could not be held due to Covid-19 regulations / restrictions.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION	2020/2021 (MID-TERM)
Total targets	14
Achieved targets	7
Targets not achieved	5
Targets not planned for Q2	2
Percentage of achieved targets	50%
Percentage of targets not achieved	36%

### 3.3.5. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The above Key Performance Area focuses on improving Municipal financial viability by ensuring revenue collection, expenditure on Capital and operational budget and submission of in-year financial reports in line with legislations.

Internal Audit compliance documents i.e. Internal Audit Plan, Audit Committee and Internal Audit Charters, Audit Methodology were not approved by Council within the stipulated timeframe. The delay was due to eDumbe Council not discussing the items when submitted.

Few Creditors still cannot be paid within 30 days as per the regulations; however there is a huge improvement when comparing with the previous years.

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Section 71 report for October 2020 was not submitted within 10 working days due to systems delay

Debtors book balance keeps increasing due to high indigent rate at eDumbe. Consumers are not paying for the service charges, i.e. property rates, refuse removal.

Assets are not verified on quarterly basis as planned. This is because of lack of capacity. A service Provider was appointed who does verifications once a year.

Disconnections on long outstanding debts were not implemented. The department has reported that it could not be performed because of Covid-19 regulations.

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	2020/2021 (MID-TERM)
Total targets	16
Achieved targets	2
Targets not achieved	14
Targets not planned for Q2	4
Percentage of achieved targets	12%
Percentage of targets not achieved	88%

### 3.3.6. CROSS CUTTING INTERVENTIONS

IDP Process plan was approved on the 2<sup>nd</sup> of October 2020 which is outside the stipulated timeframe. The delays were also due to Council not discussing compliance reports.

### 3.4. FINANCIAL SERVICES

#### 3.4.1. Section 54 outlines Budgetary Control and early identification of financial problems, and states that

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:

- a) Consider the statement or report
- b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;



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- 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;
  - d) Issue any appropriate instructions to the accounting officer to ensure:
    - i. that the budget is implemented in accordance with the service delivery and budget implementation plan; and
    - ii. that spending of funds and revenue collection proceed in accordance with the budget;
  - e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
  - f) In the case of a section 72 report, submit the report to the council by 31 January of each year.
- 2) If the municipality faces any serious financial problems, the Mayor must:
- a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include:
    - i. steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
    - ii. the tabling of an adjustments budget; or
    - iii. steps in terms of Chapter 13; and
  - b) Alert the council and the MEC for local government in the province to those problems.
- 3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

### **Chapter 13 (135) of MFMA – which outlines Resolution of Financial Problems; states that:**

- a) The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality itself.
- b) A municipality must meet its financial commitments.
- c) ) If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately:
  - i. Seek solutions for the problem;

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- ii. Notify the MEC for local government and the MEC for finance in the province;  
and
- iii. Notify organised local government

Whilst eDumbe has over years has been experiencing financial challenged it need to start maintaining a strong financial position through having sufficient reserves. Our reserves depleted long time as were financing long term contracts, capital and operational projects internally. The municipality is experiencing a service delivery backlogs and financial intervention is from National Treasury. Due to the rural nature of the municipality, we rely heavily on government grants as we have a low.

Consolidated Overview of the final Budget 2019/20		
Description	Approved Budget	Actual Budget
Revenue	202,928,000	115,556,000
Total Revenue	202,928,000	115,556,000
Total Operation Expenditure	159,832,000	72,926,000
Total Capital Expenditure	27,952,000	15,100,000
Total Expenditure	187,784,000	88,026,000
Surplus (Deficit)	15,144,000	(27,530,000)

The Municipality had a deficit which was caused by multi-year capital projects and existing long term contracts.

### **Financial problems or risks facing the municipality**

It is a known fact that due to the non-payment of debtors and endemic poverty in the area, the collection rate for municipal services and Rates debt recovery is low. This has a detrimental effect on the municipality's financial resources.

Financial administration should be the second most important focus point of municipality with basic service delivery as the most important. Any additional resources should be directed at developing a financial administration turnover strategy. It must concentrate on in-service training



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and assistance on every aspect of financial administration with detail to the lowest level and administrative powers be delegated to the lowest level without impeding on proper internal control.

### **Remedial Action Taken on Audit Outcomes of Prior Year**

EDumbe Local Municipality has made progress and put extensive effort into implementing the recommendations in respect of prior year's AG findings.

### **Mid-Year Performance Assessment Municipal Adjustments Budgets**

A municipality may revise an approved annual budget through an adjustments budget.

An adjustments budget—

- Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for;
- May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- May authorize the utilization of projected savings in one vote towards spending under another vote;
- May authorize the spending of funds that were unspent at the end of the past financial year where the under spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- May correct any errors in the annual budget; and
- May provide for any other expenditure within a prescribed framework.

“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year.”

### **3.4.2. OPERATING REVENUE**

It should be noted that column full year forecast should be used as guidance for adjustments except for projects and programmes that are seasonal in nature. Line managers are expected to study their expenditure trends as they have an insight at this stage considering the duration and payment schedule for such projects.



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### **Monthly Budget Statement Summary**

As at December 2020, the municipality have realised a revenue of R79.9 million this is due to the grants received, an equitable trench as well as own revenue.

Operating expenditure year to date expenditure is R77,7 million against the budgeted expenditure of R138, 5 with a variance of R58, 3 million. The expenditure includes the amount of orders issued not processed for payment of R1, 7 million. The reconciliation has started in ensuring that service is rendered or not and follow up on the invoices

The total outstanding debtors' amount to R146,5 million Total amounts of creditors is R4,2million which included prior year accruals.

The year-to-date performance indicate that own operating revenue is below the projected revenue; and this need attention and strategies to increase our revenue base as the municipality

There is no alignment between the financial system and Schedule C and NT reports, actually the report has not been populated in full, making it hard to produce credible financial information and analysing report. The municipality needs to align all returns that are submitted to NT with Schedule C returns for compliance and credible information

The municipality is under spending when compared to their projections as per table General Expenditure. This is due to the fact that Accrual was not taken care of when the budget was approved. The Available Cash received get allocated to creditors owed first before if get distributed to the approved Budget activities.

# Financial Performance (revenue and expenditure)

Description	Ref	2019/20	Budget Year 2020/21						YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget				
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates		19 261	27 505	27 505	2 408	14 644	13 753	892	6%	27 505	
Service charges - electricity revenue		20 028	28 250	28 250	2 279	11 422	14 125	(2 703)	-19%	28 250	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue		456	4 000	4 000	113	1 121	2 000	(879)	-44%	4 000	
		-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		1 517	1 567	1 567	33	1 452	783	669	85%	1 567	
Interest earned - external investments		1 342	1 200	1 200	24	364	600	(236)	-39%	1 200	
Interest earned - outstanding debtors		18 506	6 000	6 000	43	171	3 000	(2 829)	-94%	6 000	
Dividends received		-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		1 746	3 000	3 000	12	351	1 500	(1 149)	-77%	3 000	
Licences and permits		652	1 258	1 258	112	597	629	(32)	-5%	1 258	
Agency services		-	-	-	-	-	-	-	-	-	
Transfers and subsidies		87 735	86 495	101 608	40 236	85 271	50 804	34 467	68%	101 608	
Other revenue		241	589	589	3	186	294	(108)	-37%	589	
Gains		(4)	-	-	-	(25)	-	(25)	#DIV/0!	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>151 479</b>	<b>159 863</b>	<b>174 976</b>	<b>45 264</b>	<b>115 556</b>	<b>87 488</b>	<b>28 068</b>	<b>32%</b>	<b>174 976</b>	
<b>Expenditure By Type</b>											
Employee related costs		55 206	66 365	66 365	5 047	29 695	33 183	(3 487)	-11%	66 365	
Remuneration of councillors		6 722	5 855	5 855	671	3 312	2 928	385	13%	5 855	
Debt impairment		7 854	11 000	11 000	-	-	5 500	(5 500)	-100%	11 000	
Depreciation & asset impairment		21 650	10 000	10 000	-	-	5 000	(5 000)	-100%	10 000	
Finance charges		1 238	169	169	-	1	84	(83)	-99%	169	
Bulk purchases		26 784	26 814	26 814	2 308	15 978	13 407	2 571	19%	26 814	
Other materials		5 698	8 013	14 513	1 117	5 119	7 257	(2 138)	-29%	14 513	
Contracted services		9 677	12 648	12 648	2 854	15 665	6 324	9 342	148%	12 648	
Transfers and subsidies		848	-	-	-	-	-	-	-	-	
Other expenditure		7 699	12 213	12 468	1 417	3 154	6 234	(3 080)	-49%	12 468	
Losses		-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>		<b>143 375</b>	<b>153 077</b>	<b>159 832</b>	<b>13 415</b>	<b>72 926</b>	<b>79 916</b>	<b>(6 990)</b>	<b>-9%</b>	<b>159 832</b>	

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<b>Surplus/(Deficit)</b>	<b>8 104</b>	<b>6 786</b>	<b>15 144</b>	<b>31 849</b>	<b>42 630</b>	<b>7 572</b>	<b>35 058</b>	<b>0</b>	<b>15 144</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	33 492	33 952	27 952	7 320	15 100	(13 976)	29 076	(0)	(27 952)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>41 596</b>	<b>40 738</b>	<b>43 096</b>	<b>39 169</b>	<b>57 730</b>	<b>(6 404)</b>			<b>(12 808)</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>41 596</b>	<b>40 738</b>	<b>43 096</b>	<b>39 169</b>	<b>57 730</b>	<b>(6 404)</b>			<b>(12 808)</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>41 596</b>	<b>40 738</b>	<b>43 096</b>	<b>39 169</b>	<b>57 730</b>	<b>(6 404)</b>			<b>(12 808)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>41 596</b>	<b>40 738</b>	<b>43 096</b>	<b>39 169</b>	<b>57 730</b>	<b>(6 404)</b>			<b>(12 808)</b>



Based on the above analysis, the collection levels are very low meaning that the municipality is depending on grant funding. Therefore the municipality needs to invest in Infrastructure Assets i.e. to priorities in Road and Electricity Infrastructure and look at other Sources of funding that may increase revenue base such as New Developments, Property Investments, Rental of Municipal Houses and revising existing lease agreements to identify if what we get is market related or not

- Our Billing system needs to improve to work reasonably well. The audit needs to take place to identify gaps, errors and areas which are not being billed. This in the process of being addressed when we start employing the Debt Management and Credit Control Policy implementation
- Electricity Meter readings- All queries need to be attended to and the fact that officials can't read some meters to access control
- Credit control and debt management policy. This policy had been approved by the eDumbe Council and only needed to be promulgated into a bylaw. This would be done in the very near future.
- Indigent policy - The municipality has a policy and busy updating the indigent register and those listed would be double-checked once we have established a cheaper way of verification.
- Cleaning up of data – This project is on the pipeline. With the Compilation of Final Valuation Roll was done to be release for consumers inspection and Debt Management in place, it will address done.

### **3.4.3. Monthly Financial Performance by Expenditure Type**

<b>TOTAL EXPENDITURE - DECEMBER 2020</b>						
<b>Description</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>YearTD budget</b>	<b>YTD variance</b>	<b>YTD Var.</b>	<b>Full Year Forecast</b>
Bad Debts Written Off	11,000,000	-	5,500,000	(5,500,000)	-100%	11,000,000
Bulk Purchases	21,850,000	12,300,191	10 925 000	4,150,000	16%	21,080,232
Contracted Services	20,157,500	7,524,020	10,078,000	2,554,729	25%	20,157,500
Depreciation and Amortisation	10,000,000	-	5,000,000	(3,627,150)	-100%	10,000,000
Interest, Dividends and Rent on Land	160,000	90,737	79,500	11,238	97%	160,000
Inventory Consumed	6,680,000	865,892	1,580,000	714,107	45%	6,680,000
Operating Leases	472,500	461,448	236,250	46,406	95%	472,500
Operational Cost	7,746,762	5,645,116	4,589,290	(1,771,734)	-45%	7,746,762

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Transfer and Subsidies	495,440	495,440	1,350,000	(495,440)	-100%	495,440
Remuneration of Councillors	5,629,193	3,023,727	2,731,970	(209,130)	21%	5,629,193
Employee Related Cost	58,686,432	26,730,061	29,343,216	(2,613,155)	-3%	58,686,432
<b>Total Revenue</b>	<b>138,363,094</b>	<b>56,365,087</b>	<b>69,181,147</b>			<b>138,363,094</b>

This monthly expenditure management ensures that funds of the Municipality are spent in terms of an approved budget and sets up controls to minimize misuse of funds through fraud and corruption and it ensures that the municipality is financially viable

Operating expenditure year to date expenditure is R77, 4 million against the budgeted expenditure of R136,7 with a variance of R58, 3 million. Total amount of creditors is R4, 8 million which includes prior year accruals. Payments are not yet all processed within 30 days of receipt of invoice due to financial constraints

During the Assessment review it was identified that municipality has incurred unforeseeable and unavoidable expenditure recommended by the mayor of the municipality. Some errors were identified during the year. Some vote have been under/over spent due it nature. The municipality needs to reprioritise.

### **3.4.4. Monthly Budget Statement -Capital Expenditure**

CAPITAL EXPENDITURE DECEMBER 2020						
DESCRIPTION	Budget	YTD Actual	YearTD budget	YTD variance	YTD Var.	Full Year Forecast
Motor Vehicles	2,200,000	-				2,200,000
Mdwadlaza Pedestrian bridge	3,500,000	299,039.69	1,750,000	145,961	17%	3,500,000
Ezimbomvu Community Hall	3,150,000	222,724.64	1,575,000	1,352,276	135%	3,150,000
eDumbe Community Phase two	1,800,000	940,304.34	900,000	40,304	52%	1,800,000
Hartland Community Hall	3,150,000	654,550.75	1,575,000	920,449	42%	3,150,000
Pivaan Pedestrian Bridge	3,142,000	602,196.34	1,571,000	968,803	96%	3,142,000
Emaphayiphini Community hall	3,150,000	718,177.38	1,575,000	856,822	85%	3,150,000
Obivane Electrification	656,166	676,166.14	328,083	345,720	23%	656,166
KwaSonkela Electrification	4,851,754	2,259,025	2,425,877	166,852	17	4,851,754
Infrastructure Upgrade	3,500,000	2,261,517	1,750,000	511,517	51%	3,500,000
Nhlungwane Electrification	2,384,22	2,365,142	496,040	695,364	75%	992,080
Paddafonteni hall	865,907	865,907				865,907
Fencing of Mangosuthu Hall	677,897.72	677,897.72				677,897.72
Khambule Community Hall	216,832.73	216,832.73				216,832.73



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Roads Paulpietesburg	14,740,424	6,094,941.07				
<b>TOTAL CAPITAL</b>	<b>33,700,000</b>	<b>21,749,257</b>	<b>16,850,000</b>	<b>1,659,602</b>		<b>33,700,000</b>

The table above indicates the year actual expenditure on capital expenditure for all votes of Capital expenditure amounts to R21,7 were realized against the budgeted amount of R16,8 million as at the end December 2020. This expenditure is in a form of infrastructure projects and motor vehicles. The municipality only budget for Laptops under furniture and equipment due to adverse cash flow. The project for last financial that were finished during that period was paid during the financial year this will cause a problem this financial to finished the current financial period, eDumbe will require the funding to finance this project. The eDumbe LM 3 bakkies vehicle will be delivered before the end of the January 2021 and expenditure already committed.

The municipality has 5 months to ensure that projects are implemented and budget will be completed.

### **3.4.5. Monthly Statement Cash Flow**

CFA : CASH FLOW STATEMENT ACTUALS - DECEMBER 2019						
Detail	Jul	Aug	Sep	Oct	Nov	Dec
<b>Cash Receipts by Source</b>						
Property rates	212,458	5,588,582	3,965,729	627,005	423,298	495,104
Property rates - penalties & collection charges	1,414,168	1,385,099	1,110,607	1,686,564	1,305,801	1,101,401
Service charges - electricity revenue	852,848	2,410,266	3,845,763	3,003,219	2,052,203	1,869,400
Service charges - refuse revenue	23,185	81,167	35,147	108,352	50,806	36,893
Rental of facilities and equipment	33,206	12,419	12,445	1,335,285	26,105	32,680
Interest	74,490	66,219	57,419	68,704	73,020	23,963



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earned - external investments						
Fines	257,400	16,640	23,260	23,350	18,920	11,600
Licences and permits	114,628	66,601	83,619	93,636	73,193	111,986
Agency services	-	-	-	-	-	-
Transfer receipts - operational	40,607,611	4,328,264	1,818,916	4,493,953	1,566,834	47,556,030
Other revenue	969,324	951,052	827,456	1,067,212	4,744,204	5,920,178
Cash Receipts by Source	45,555,710	8,368,100	6,803,142	10,924,527	6,445,411	52,598,774
Transfer receipts - capital	7,249,752	-	-	6,100,000	-	7,650,247
<b>Total Cash Receipts by Source</b>	<b>45,934,262</b>	<b>5,185,597</b>	<b>6,705,367</b>	<b>10,087,943</b>	<b>7,873,693</b>	<b>41,056,706</b>
<b>Cash Payments by Type</b>						
Employee related costs	4,830,723	4,892,792	4,976,498	4,861,756	5,086,530	5,047,052
Remuneration of councillors	529,223	529,223	529,223	529,223	523,991	671,357
Interest paid	-	218	768	145	-	-
Bulk purchases - Electricity	10,015,25	4,693,061	4,251,345	2,339,950	2,375,773	2,308,032
Contracted services	1,440,998	645,908	1,249,786	622,518	8,852,439	2,853,744
General expenses	2,329,517	1,799,088	13,361,543	3,335,870	1,948,415	26,662,624
Cash Payments by Type	10,351,10	17,157,427	18,550,312	12,646,772	8,134,961	33,987,662
Capital assets	-	2,183,012	-	5,331,567	3,464,726	5,595,534
<b>Total Cash Payments by Type</b>	<b>10,351,100</b>	<b>19,340,439</b>	<b>18,550,312</b>	<b>17,978,339</b>	<b>11,599,687</b>	<b>39,583,196</b>
Net Increase / (Decrease) in Cash Held	27,934,643	(8,532,102)	(33,055,716)	(56,094,499)	(4,513,889)	11,297,259
Cash/cash equivalents at the month/year begin:	1,595 389	29,530,032	38,062,137	5,006,421	61,100,92	15,962.03

## MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2020/2021 FINANCIAL YEAR

Cash/cash equivalents at the month	29,530,032	38,062,137	5,006,421	61,100,920	15,962,03	27,259,289
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The municipality's cash flow is still negative currently, which shows that the municipality still needs to recover its financial stability but the current status has improved as compared to the previous years; this is due to the approved cost cutting measures that the municipality is strongly applying. The second tranche of the equitable share and other conditional grants have also contributed on revenue increase. Also the monies that are not used immediately are being invested on call accounts to attract. There are no borrowing that exist within the institution except money owed by creditors.

### 3.4.6. Debtors' ageing report

SERVICE CHARGED	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
Property Rates	34 354 540.53	1 250 920.14	1 339 605.23	2 158 441.90	2 074 784.50	2 155 372.13	2 390 678.18	38 728 248.35
Other	5 016 660.60	0.00	-35 718.48	-1 603.00	-5 459.43	-214.15	43 238.70	5 016 904.24
Electricity Basic	2 251 718.32	43 177.10	14 319.88	23 580.38	0.00	70 689.94	146 451.70	2 502 776.56
Electricity Consumption	2 604 639.83	172 188.72	154 256.40	115 360.40	164 622.99	332 801.83	1 071 669.82	4 615 539.66
Interest on Arrears	19 519 498.97	113.35	678.96	18 204.80	41 775.86	42 467.87	-0.05	19 622 740.76
Refuse Removal	79 463 052.12	598 374.20	136 477.77	149 076.26	160 566.85	169 638.86	194 468.04	80 871 654.10
Electricity Demand	0.00	0.00	0.00	0.00	0.00	180 932.89	454 045.18	634 978.07
Grand Totals	143 210 110.37	2 064 773.51	-1 069 590.70	-1 900 984.15	2 436 291.77	2 951 689.37	4 300 551.57	151 992 841.74

The total debtor's book continues to grow and to-date it amounts to **R151 992 841.74**

A Revenue Enhancement Strategy should be developed which will include projects such as meter audit, customer care line, correctness of billing and will ensure that queries are attended to timorously, faulty meters are being fixed to ensure the correctness and also to avoid customer dissatisfaction. This will ensure Statements to the customers are issued on a monthly basis.



### 3.4.7. Creditors Age Analysis

Supplier	180 Days	150 Days	90 Days	60 Days	30 Days	Current	Balance
BMT SOLUTION						137 376.70	137 376.70
SALGA	1 596 471.00	-	-	-	-	-	1 596 471.00
CONLOG SOLUTIONS	-	-	-	-	-	33 527.20	33 527.20
FOREST PRO	-	-	-	-	4 422.90	-	4 422.90
OLIVE ROOR CONSULTING	-	-	-	100.00	-	-	100.00
SIBAYA ASPHALTING JV ZT	303 872.99	-	-	-	-	-	303,872.99
SWATELIHLE TRADING 1	-	-	-	-	1 878 539.90-	-	1 878 539.90
TP MTHEMBU ATTORNEYS	-	-	-	-	1 806 690.00	-	1 806 690.00
UBUNTU BUSINESS ADVISORY	-	-	-	-	-	491 470.00	491 470.00
ZULULAND DISTRICT	-	-	-	-	-	98 846.67	98 846
<b>TOTALS</b>	<b>1 900 343.99</b>	<b>0,00</b>	<b>0,00</b>	<b>100,00</b>	<b>3 689 652.80</b>	<b>761 220.57</b>	<b>6 351 317.36</b>

Table SC4 shows the amount of Creditors ageing as at 31 December 2020. An amount of R6 351 317.36 remains a liability at the end of mid-year. The table also shows how the municipality arrived to this amount. Even though the municipality is not paying its creditors within 30 days as required by the MFMA, the ageing of the creditors has been reduced as compared to the previous years.

It should be noted that withdrawals in terms of Section 11(1) (b) to (j) of the Local Government Municipal Finance Management Act, 2003 are prohibited and the municipality made no such withdrawals during the midterm from July 2020 to December 2020.

The following information should be noted:

Section 11(1) (b): Expenditure that was authorised in terms of Section 26(4)

- No withdrawals in terms of this section

Section 11(1) (c) Unforeseeable and unavoidable expenditures

- No withdrawals

Section 11(1) (d): Withdrawals in respect of Trust and so forth

- No withdrawals

Overpayments on monies received on behalf of a person or state body

- No withdrawals

Section 11: Withdrawals 11(1) (f): Monies erroneously deposited into bank account

- No withdrawals

Section 11 (1) (g): Guarantees, sureties and security deposits refunded

- No withdrawals

## **Investment Portfolio**

In line with the investment policy, funds are invested only on call accounts with FNB and Grin rod institutions. The municipality is still dealing with it financial state which does not allow us to start looking for better interest rates as cash is needed now and then and has no reserves.

### 3.4.8. Grants Income and Expenditure December 2020

EDUMBE MUNICIPALITY - GRANTS REGISTER DECEMBER 2020						
GRANT	GRANT' BUDGET(DORA)	AMOUNT RECEIVED	YEAR-TO-DATE PAYMENTS	UNSPENT CLOSING BLANCE	% Received Or spent	COMMENTS
Equitable Share	94,206,000	( 74,369,000)	74,369,000	(19,837,000)	79%	The amount of equitable was receive as per National Allocation Dora.
FMG	2,800.00	(2,800,000)	2,337.500.00	(462.500)	78%	The Grants for was received according to DORA allocation
Energy	10,000,000	(10,000,000)	8,377.335.48	1,622.664.52	84%	
MIG	17,795.000	(14,000,000)	6,723.019	(6,723.019.19)	37%	The of MIG its sitting at 48% instead of 60% because the project were appointed in November 2020 current period
EPWP	1,267,000	(888,000,00)	608,820.30	(457,179,70)	48%	The EPWP received according to DORA and used for purpose as per MOA
Art & Culture	3,080.000	(3,080,000.00)	1,851,939,95	(1,963,547.78)	60%	
Cogta Small town		(14,740,424)	6,094,941.07	(8,645,482.96)	41%	The prior year grant received from Cogta for Roads



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KZN DOHS OPHUZANE		(1,079,731)	1,079,731	-	-100%	To be included in the Adj. Budget housing Project.
AMOUNT RECEIVED	96,693,700	93,467,571				

FUNDS RECEIVED IN THE PREVIOUS YEAR						
GRANT	GRANT' BUDGET(DoRA) 2019/20	OPENING BALANCES	YEAR-TO-DATE PAYMENTS	UNSPENT CLOSING BLANCE	% Spent	COMMENTS
eDumbe Location roads and Paulpiersburg Road	-	14,740,424	6,094,941,07	8,645,482.96	0%	The amount is a prior year which was unspent last year reminder as liability to the Municipality
	-	(14,740,424)	6,094,941,07	(8,645,482,96)		

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Grant Expenditure

It should be noted that some of the operational grants have low percentage in terms of their spending; this due to the nature of the grant and some expenditures will be reflected in the following months once they are included the approved budget

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**3.4.9 Councillor and Staff benefits**

DESCRIPTION	July	August	September	October	November	December
Salary	3,091,153	3,096,927	3,138,802	3,140,092.25	3,137,722.76	3,427,041.80
Councillor Allowance	470,023	470,023	470,023	470,023.83	470,023.83	470,023.83
Cell phone Allowance	76,500	76,500	77,500	77,500	77,500	77,500
Acting Allowance	75,866	47,774	27,393	27,393.68	65,542.93	96,334.00
Standby Allowance	117,758	122,462	79,157	92,352.97	86,740.71	65,772.88
Overtime	86,393	60,551	79,157	82,127.21	70,090.76	70,970.98
Housing	35,472	35,472	35,472	35,472.00	35,472.00	25,510.12
Travel 80%	135,716	135,716	137,216	137,216.64	137,261.64	155,000.00
Annual Bonus	186,349	409,009	387,266	286,607.61	461,739.98	57,200.72
Unpaid					13,280.90	
Leave Sold				-	50,614.63	22,703.80
Back Pay	4,216	-	-	651.51	82,017.85	95,868.79
Long service	67,632	27,744	27,240		679.00	
Responsible Person	3,500	3,500	3,500	3,500.00	3,500.00	3,500.00
Pension Portion	9,546	9,546	9,546	9,546.80	9,546.80	-
Reimbursement					1,676.63	
Medical Aid Allowance	4,980	4,980	4,980	4,980.94	4,980.94	-
4% Remote Allowance	6,339	6,339	6,339	6,339.38	6,339.38	3,018.78
Motor vehicles	12,829	12,829	12,829	12,829.71	12,829.71	12,829.71



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Risk Allowances	25,502	25,502	25,502	25,502.62	23,184.20	23,834.30
Reimbursement KM		1,162	6,287	0	0	168,013.21
Protective Clothing	8,500	8,500	8,500	8,500.91	7,728.10	7,944.80
Data Bundles	4,800	4,800	4,800			
S&T		150				
UIF CC	22,598	22,551	22,600	22,587.55	22,325.05	25,767.15
SDL CC	42,622	44,027	44,125	42,896.35	45,866.52	44,553.71
Pension CC	152,943	153,866	154,044	154,044.08	154,168.38	156,761.94
Refund unallocated					49,193.86	
NJMPF Provident CC	343,103	343,563	349,864	351,559.09	352,816.71	397,297.72
Medical Aid CC	162,753	162,844	162,844	165,334.20	165,333.60	165,742.95
Bargaining Council CC	1,463	1,463	1,736	1,554.30	1,534.50	1,772.10
<b>TOTAL</b>	<b>5,148,567</b>	<b>5,287,814</b>	<b>5,313,126</b>	<b>5,176,465.33</b>	<b>5,442,118.75</b>	<b>5,595,223.19</b>

In terms of section 66 of the Municipal Finance Management Act number 56 of 2003, the Accounting Officer of a Municipality must report to the council on all expenditure incurred by the municipality on staff salaries, allowances and benefit.

#### **Employee related costs**

The expenditure to date for employee related costs amounts to R26, 5 million against the expected expenditure of R29, 6 million. This is still within. For the breakdown of the employee related costs please refer to table SC8

#### **Remuneration of Councillors**

The expenditure to date for remuneration of Councillors amounts to R3,02 Million against the expected budget of 2, 8 million. The variance is caused by the travel cost that has been paid out which exceeds the amount budgeted for

### **CHALLENGES: IN YEAR MONITORING (IYM)**

- The in year reporting (IYM) or Schedule C template is not adhered to nor completed; only returns are submitted to treasury. We are still using the manual format when submitting our report
- Lack of review by senior managers on submissions made to Provincial Treasury;
- Cash flow projections for the municipality are prepared on the straight line basis, therefore not realistic;
- The creditors reports which is AC of appendix B and Schedule C report submitted are often not aligned;
- Municipal commitments are also understated as the municipal orders are not all disclosed, therefore the contracts register and commitments register not updated monthly;
- The municipal under spending is also due to bid committees not sitting and appointment of bid committees;
- The municipality not submitting the narrative document and therefore not complying with Municipal Budgeting and Reporting Regulations (MBRR).

### **3.5. SUPPLY CHAIN MANAGEMENT**

Chapter 11 of the MFMA prescribes that municipalities must have and maintain a supply chain management system that is fair, equitable, transparent, competitive and cost-effective.

#### **Irregular expenditure**

The Municipality reported, through the SCM policy implementation report, an irregular expenditure are yet to be investigated and recovered by the municipality. The irregular expenditure is caused, inter alia, by non-compliance to the PPPFA and SCM regulations.

It is therefore recommended that:

- Compliance to the relevant legislations and regulations is always adhered to in order to minimize and stop the irregular expenditure.
- Recovery of irregular expenditure.

#### **SCM Reg. 36 Deviations from normal procurement processes**



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The municipality reported a very minimum number of procurement done through SCM Reg. 36. The municipality is applauded for keeping a very minimum number of procurement done through regulation 36.

NO	CHALLENGES PROGRAMMES IDENTIFIED	/ PROGRESS ON RESOLVING PROBLEMS
1.	The municipality does not collect revenue to its maximum level	<p>The municipality is facing serious backblocks especially with the roads infrastructure and maintenance thereafter.</p> <p>The municipality must develop and adopt Revenue Enhancement Strategy</p> <p>There has been a slight improvement for revenue collection. In order to effectively implement this strategy we need more funding for installation of meters</p> <p>We need to maintain credible Indigent register to identify qualifying indigent consumers for free basic services and ensure that we don't increase our debt book with consumers who are indigent</p>
2.	Non Payment of Service providers and Inadequate Spending Against Capital Budget.	<p>The municipality is looking at other source of financial modeling to speed up the implementation of projects and to strengthen the municipal cash flows. Several tenders have been advertised for Source of funding</p> <p>The municipality has multi projects that have not been completed affecting the service delivery and this should be addressed in the next two years once as our financial situation is improving</p>
3.	Grants Expenditure not in line with DORA requirements.	<p>The normally affects and reduces grant allocation for outer year.</p> <p>The municipality to fast-track and accelerate projects and to utilise entire funding as allocated to avoid holding of funds by NT</p>
4.	Inadequate funding for Repairs and Maintenance. The budget does not provide enough funding to meet the demand of repairing existing water infrastructure asset.	Funding should be made available for the Development of Asset Maintenance and Replacement plan. This will assist the municipality to budget accordingly to meet the challenges faced for un-maintained infrastructure assets
5.	Multi Year projects not completed on time and poor contract management	<p>The issue of work in progress remain a challenge even the audit has vast of issues raised for projects not completed on time, non-performing Service Providers (SP's) not charged penalties and extension of Contract now and then</p> <p>The projects which are under construction to be completed within time frames and be capitalised; and non performing SP be charged penalties</p> <p>The project files be updated monthly with financial and</p>



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		non-financial information and this will assist in compiling credible Contract Management Register.
6.	Supply Chain Management – Non sitting of bid committees causing delay in the implementation of projects	The bid committees to adhere to the calendar for bid schedule meeting. The report for sitting of bids and implementation of procurement plans be submitted to Municipal Manager on a monthly basis
7.	Supply Chain Management – non implementation of SCM policy resulting to deviation from SCM regulations	The deviation reports are being compiled on monthly bases but no investigations have taken place as per the Municipal Public Accounting Committee
8.	Lack of Office Space	ANDM need to source funding for the construction or of municipal office space, this will ensure that service delivery is appropriately implemented and improve performance
9.	No Standard Operating Procedures (SOP's)	The SOP's are currently being reviewed to assist with the segregation of duties within the Budget and Treasury Office (BTO). The document should be ready for implementation by end of January 2018 and are in the stage of finalisation.
10.	Non-Implementation of audit action plan	The non-resolve issues will be included in the audit action plan and implementation is imperative to improve audit opinion from <b>Unqualified to Clean Audit Opinion</b> . Some of the queries were addressed during the preparation of Annual Financial Statement (AFS)
11.	Delay in implementation of Data Cleansing project due to planning	The municipality need to launch the Data Cleansing exercise ASAP. Community outreach and other source of communication will be utilised to communicate this project to all communities. The revenue to perform reconciliation between billing system, data collected to date as well valuation roll information

**RECOMMENDATIONS ON PLANNING AND BUDGET PROCESS**

- The municipality must put added effort in ensuring that all the information that is indicated as not submitted/populated in the budget check list is fully submitted and or populated to achieve full compliance;
- The municipality's grant budget must be captured as per DoRA and gazette Provincial allocations;
- The executive summary must encompass all the critical components of the budget;
- Clear and sufficient information on measurable performance objectives and indicators must be included in the budget report;
- An explanation on movements that are above or below the norm must be provided in the municipality's budget report;

- An allocation towards repairs and maintenance budget must be increased;
- The MTREF budget and IDP has to be fully aligned and SA tables A4 to A6 must be fully populated;
- The municipality must state clear and measurable objectives and also populate Table SA7;
- There must be clear information on how the municipality's SDF, IDP priorities, SDBIP and budget are aligned;
- Previous years' figures must be submitted to the LG-database; and the municipality must ensure at all times when preparing its budget that it is fully funded budget and realistic in accordance with Circular 28.

### 3.6. INFORMATION TECHNOLOGY SERVICES

The Public Service Corporate Governance of Information and Communication Technology Policy Framework (2012) stipulate that COBIT (*Control Objectives for Information and Related Technologies*) should be adapted and implemented as the Governance of ICT Framework on the Governance of ICT layer.

COBIT will enable the municipality to achieve their strategic goals by deriving optimal value from ICT through the realisation of benefits and optimising resources and risk.

#### Background

As a set of Governance of ICT and management processes, COBIT will provide Managers, ICT users and Auditors with the following:

- ☐ Standard indicators;
- ☐ Processes for implementing the Governance of ICT;
- ☐ Good practice to maximise the corporate value in using ICT.
- ☐ Identification of the accountability and responsibilities of business and ICT process owners.

#### 3.6.1. Internet Usage

The Business Connection - service provider appointed with effect from June 2019 has successfully installed Enterprise Internet solution in April 2020. However, the challenge is that the solution installed has low bandwidth, as a result it slows down the internet. This defect seems to be long lasting and the service provider does not provide with solution and the ICT section proposed to the service provider to revert to the initial diginet solution for a fast Internet supply.



Meanwhile ICT has engaged with the service provider about this defect, decided to continue using ADSL line for uninterrupted internet supply in the main building.

### **3.6.2. Reviews conducted**

As per clause 6.10 of the User Account Management policy reviews should be conducted on a monthly or quarterly basis. Hence, ICT systems reviews for Pastel, Sage VIP, Syntell and Network controller server were conducted during the quarter for which the report is made. The PoEs for the reviews conducted are submitted to the director for signing off and compilation of a monthly report to PMS Manager for assessment and keeping them.

### **3.6.3. Disaster Recovery Plan**

The ICT unit is implementing the physical backing up of information on a weekly and monthly basis and restores on a quarterly basis as per clause 4 of Backup and Restore policy. Should the disaster occur, for the equipment required the municipality would consider contacting the service providers to supply with the resources to ensure the continuity of the business using an alternative site. The ICT section made budget available in 2020/2021 financial year for the required equipment to implement DRP/BCP test. Hence the SCM process was initiated in October 2020, however, no appointment of the service provider was made because the process was not finalized.

### **3.6.4. Backups performed**

In spite of the instability caused by COVID-19 pandemic, the ICT unit as classified as an essential service unit continued with implementation of backing up of information on a weekly and monthly basis and restores on a quarterly basis as per clause 4 of Backup and Restore policy during lockdown and then subsequent to that. It must be noted that the online backup of information is also performed on a daily basis should any disaster or disruption of the systems occur.

### **3.6.5. ICT Contracts**

<b>ICT contracts</b>	
1. Itec Company– copier machines	The service provider provides with copier machines services.
2. Business Connexion (Pty) Ltd– Internet	The service provider supplies with Internet service.
3. Conlog – Electricity (Finance)	The service provider provides with electricity sales services.
4. Hexing – Electricity	The service provider provides with electricity sales until February 2021.
5. PABX s – Telephone system	Business Connexion (Pty) Ltd supplied and delivered with PABX system on an outright purchase condition.
6. CCG Systems – Financial	Contract expired in August 2017. MEMORANDUM OF AGREEMENT was signed between the municipality and



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management	CCG Systems (Camelsa Consulting Group).
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**ICT Challenges and Proposals**

Challenge	Proposed Solution
1. The <b>Internet</b> is not as fast as needed	<ul style="list-style-type: none"> <li>The Enterprise Internet solution does not overcome the problem of low bandwidth as expected to improve the performance.</li> </ul>
2. Shortage of <b>working tools</b> and equipment.	<ul style="list-style-type: none"> <li>There is shortage of computers for other municipal staff, and the upgrading of software in the existing computers, which should be catered for in 2020-21 budget.</li> </ul>
3. The improvement of the server room is inadequate.	<p>The ICT unit still have to purchase the lacking equipment for the server room.</p> <ul style="list-style-type: none"> <li>Purchase the steel door</li> <li>Concrete ceiling</li> <li>Smoke detector</li> <li>Fire suppressor</li> </ul>
4. DRP/BCP is not tested, therefore in an event of a disaster (i.e. burnt building, floods etc.) the municipality may encounter difficulties responding to the incident as there is inadequate preparation for the event and this could result a delayed business recovery from the event.	<p>The ICT unit has made the budget available for the purchase of equipment for the implementation of DRP/BCP test in 2020/2021. The SCM process was initiated to purchase the equipment required.</p>
5. The municipality is using old software version e.g. King III version instead of king IV, in addition the products are unlicensed (Microsoft office and windows, network firewall).	<p>The ICT unit should employ new innovations technologies and purchasing the lacking software licenses e.g. Ms Office, the budget for this should be made available in 2020-21 financial year. The ICT Manager in November 2020 attended a workshop about the implementation of King IV version as means to employ a skill to develop a policy relevant to the implementation of King IV version.</p>
<p><b>6. Shortage of computers.</b></p> <p>About 14 computers (laptops) were purchased for the staff that was short of computers and to replace those that were aging. However, the Operating Software and Microsoft Software installed were not the one in specification, hence the computers could not be added on the municipal domain, this was not fixed due to shortage of funds.</p>	<p>The ICT section and Finance should work on getting the OS and MS Office that required to add the computers on the municipal domain.</p> <p>The adding of lacking computers has unfortunately not been considered in the budget for 2020/2021 financial year as envisaged in 2019/2020 report.</p>

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<p>There is still shortage of computers for certain staff in various departments.</p> <p>Another 16 computers(laptops) were purchased for the Councillors. However, they still need to have Internet connectivity.</p>	<p>The ICT section and Finance have initiated the process of appointing Vodacom as the network service provider to supply with the Internet connectivity equipment and data.</p>
<p><b>7. Non-approval of ICT policies</b> About 15 ICT policies reviewed but not approved by Council. Only 11 policies were approved.</p>	<p>The CCS director had to ensure that the remaining ICT policies get approved by the Council before the end of 2020/2021 financial year for the validity of their implementation.</p>
<p><b>8. Information Security and Cyber-attacks.</b></p> <p>The network infrastructure currently in place is inadequate and vulnerable from external and internal attacks (Cyber-attacks and Fraud).</p>	<ul style="list-style-type: none"> <li>• A licensed firewall software has to be purchased before the end of 2020/2021 financial year.</li> </ul>
<p>9. ICT unit still uses old version King III for implementation of its policies, and this was identified during the audit process of 2017/2018 financial year.</p>	<ul style="list-style-type: none"> <li>• ICT Manager has attended a workshop in order to be capacitated to become conversant with the new technologies and be able develop a policy required for implementation of King IV version.</li> </ul>

### **3.6.6. MUNICIPAL WEBSITE**

The ICT section ensures that all necessary documents that need to be uploaded on the website are getting uploaded on time after delivered by the relevant department that requires for such service.

### **COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS**

ICT section has a support function within the municipality, it works with other directorates and departments to ensure that services reach the community through such facilities as community libraries and multi-purpose community halls. Furthermore, access has been increased by ensuring upwards and backwards compatibility of our systems, to ensure that anyone with a device that can process data and that has access to the Internet can open and access our website content. The municipality should monitor and report on the use of its website by the public, for example, by measuring the number of hits on the website.

ICT as a section that plays an integral part in ensuring that all departments of the municipality are seamlessly receiving support with technology as the 4<sup>th</sup> generation compels that we move to the



digitisation model, the municipality equally has a task to ensure that the budget is adequately available for ICT section to fulfil its institutional mandate.



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## 3.7. RISK MANAGEMENT

Section 62(1)(i) of the Municipal Finance Management Act, 2003 requires that:

*“The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –*

*that the municipality has and maintains effective, efficient and transparent systems –*

*(i) of financial and risk management and internal control”*

Institutions operate in environments where factors such as technology, regulation, restructuring, changing service requirements and political influence create uncertainty. Uncertainty emanates from an inability to precisely determine the likelihood that potential events will occur and the associated outcomes.

Organisational Risk Management forms a critical part of any institution's strategic management. It is the process whereby an institution both methodically and intuitively addresses the risk attached to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of activities. Organisational Risk Management is therefore recognised as an integral part of sound organisational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

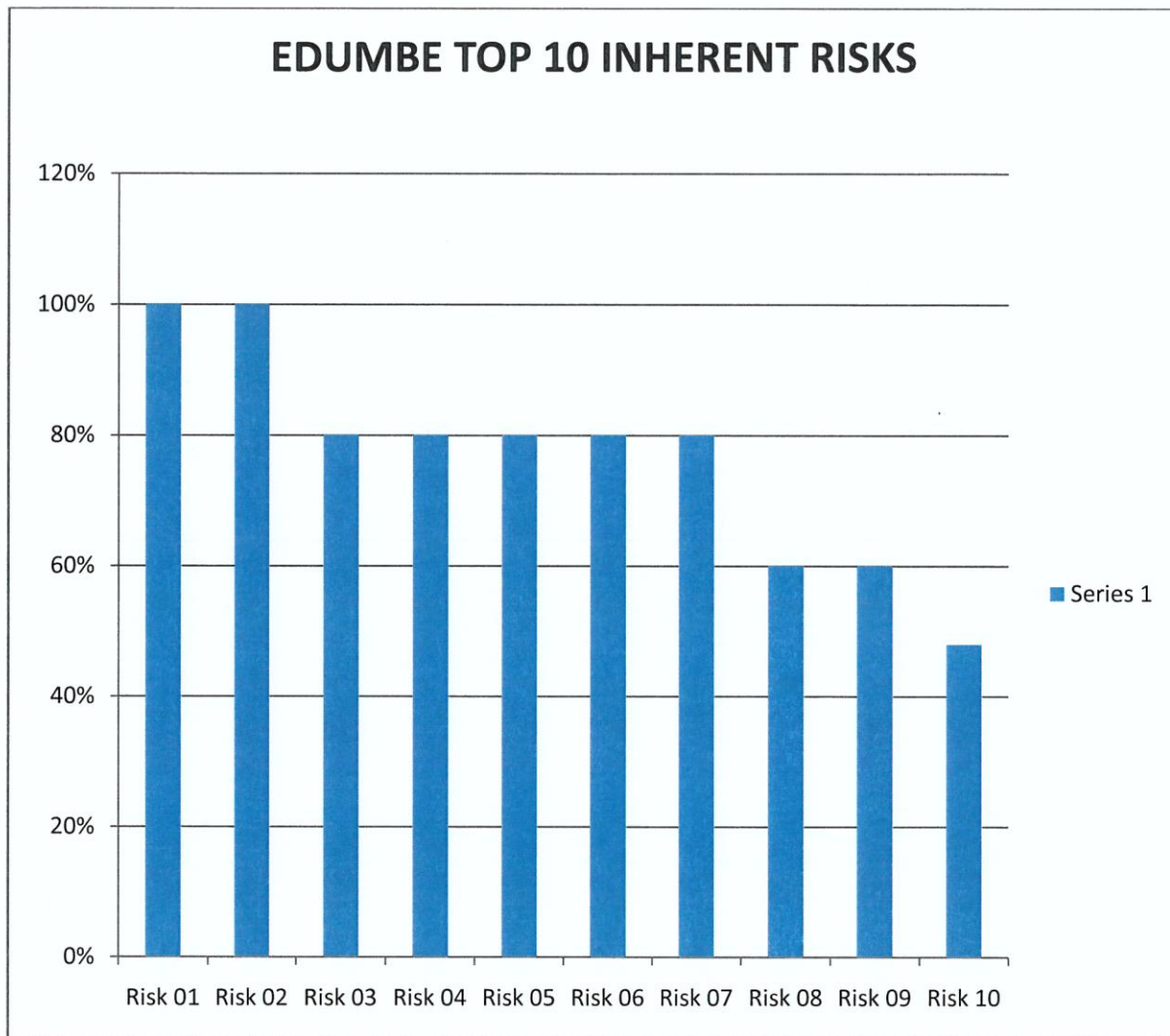
Public sector institutions are bound by constitutional mandates to provide services in the interest of the public. No institution functions in a risk-free environment, public sector institutions also encounter risks inherent in delivering services.

The management of risk is no more or less important than the management of organisational resources and opportunities and it simply forms an integral part of the process of managing those resources and opportunities.

- Provide guidance for the accounting officer, managers and staff when overseeing or implementing the development of processes, systems and techniques for managing risk, which are appropriate to the context of the municipality.
- Advance the development and implementation of modern management practices and to support innovation throughout the Public Sector.

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- Contribute to building a risk-smart workforce and environment that allows for innovation and responsible risk-taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.



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## **Risk 01 – Financial Management : Revenue**

Poor revenue collection

## **Risk 02 – Technical Services: Electricity provision**

Failure to maintain electricity network

## **Risk 03 – Financial Management: Assets**

Inability to safeguard and account for Assets

## **Risk 04 – Community Services: Cemeteries**

Limited suitable land for burial

## **Risk 05 – Financial Management: Budget and Reporting**

Failure to meet legislated budget and reporting deadlines

## **Risk 06 – Covid-19 Preventative Risk**

Failure to comply with Covid-19 OHS measures in workplace

## **Risk 07 – Covid-19 Preventative Risk**

Inability to respond to disruptions caused by Covid-19 outbreaks

## **Risk 08 – Covid-19 Preventative Risk**

Non completion of Capital projects due to Covid-19 outbreaks

## **Risk 09 – Planning and Development : LED**

Inability to support SMME's

## **Risk 10– Financial Management : Expenditure Management**

Inability to pay Creditors timeously



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## **3.8. ADMINISTRATION SECTION**

The Administration Section consists of committee (council support), registry and cleaners. In the Committee Section there is Committee Officer and Committee Clerk. Registry has got Registry Officer and Registry Clerk. Cleaners have no supervisor, Cleaners are cleaning administration buildings like main offices, community hall and some satellite offices have one cleaner and some have no cleaners due to non replacement when they have retired.

## **ACTIVITIES DURING PAST SIX MONTHS IN ADMINISTRATION (JULY – DECEMBER 2020)**

<b>Meetings</b>	<b>Ordinary</b>	<b>Special</b>	<b>Actual Meetings for the month</b>
<b>1. EXCO Meeting</b>	<ul style="list-style-type: none"> <li>On the month of <b>October 2020</b> agendas were prepared but no meeting took place due to other commitments</li> <li><b>14 December 2020 &amp; 21 December 2020</b></li> </ul> <p>The agendas were not discussed due to unforeseen circumstances.</p>	<p><b>July 2020</b></p> <ul style="list-style-type: none"> <li>Meeting was held on the 17 July 2020.</li> </ul> <p><b>August 2020</b></p> <ul style="list-style-type: none"> <li>Meeting was held on the 06 August 2020.</li> </ul> <p><b>September 2020</b></p> <p>03 September 2020</p> <ul style="list-style-type: none"> <li>Meeting did not seat due no quorum.</li> </ul> <p>30 September 2020</p> <ul style="list-style-type: none"> <li>Meeting did not seat due no quorum.</li> </ul>	02
<b>2. Council Meeting</b>	<ul style="list-style-type: none"> <li><b>02 December 2020 &amp; 07 December 2020</b></li> </ul> <p>The meetings were the continuation of the agenda dated 12 November 2020</p> <ul style="list-style-type: none"> <li><b>2nd of October 2020</b> a Special Council meeting took place</li> <li><b>12, 20, 25 and 30 November</b></li> </ul>	<p><b>July 2020</b></p> <ul style="list-style-type: none"> <li>Continuation of special council meeting was held on the 02 July 2020</li> <li>Special Council meeting was held on the 31 July 2020</li> </ul> <p><b>August 2020</b></p> <ul style="list-style-type: none"> <li>Agendas were prepared but the meeting did not seat due to no quorum.</li> </ul>	02

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	<p><b>2020</b> the meeting was continued and not all agenda items were discussed.</p>	<ul style="list-style-type: none"> <li>Meeting was held on the 20 August 2020.</li> <li>Continuation Meeting was held on the 21 August 2020.</li> <li>Meeting was held on the 26 August 2020.</li> </ul> <p><b>September 2020</b> 04 September 2020.</p> <ul style="list-style-type: none"> <li>Meeting did not seat due no quorum.</li> <li>Continuation Meeting was held on the 15 September 2020.</li> <li>Continuation Meeting was held on the 30 September 2020.</li> </ul>	
<b>3. Portfolio Committee Meetings</b>			
<b>3.1 Infrastructure &amp; Planning Portfolio Committee</b>	<p><b>July 2020</b></p> <ul style="list-style-type: none"> <li>No Portfolio meeting held in the month July 2020 as they seat quarterly as per SDBIP.</li> </ul> <p><b>August 2020</b></p> <ul style="list-style-type: none"> <li>Meeting was held on the 11 August 2020.</li> </ul> <p><b>September 2020</b></p> <ul style="list-style-type: none"> <li>No meeting took place on the month of September 2020 as they seat quarterly as per SDBIP.</li> </ul> <p><b>October 2020</b></p> <p>Meeting was held on the 20 October 2020.</p> <p><b>01 December 2020</b></p> <ul style="list-style-type: none"> <li>There was no quorum</li> </ul>		02

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<b>3.2 Finance Portfolio Committee.</b>	<p><b>July 2020</b></p> <ul style="list-style-type: none"> <li>No meeting held in the month July 2020 as they seat quarterly as per SDBIP.</li> </ul> <p><b>August 2020</b></p> <ul style="list-style-type: none"> <li>No meeting took place on the month of August 2020 as they seat quarterly as per SDBIP.</li> <li>Agendas for September 2020 were prepared but the meeting did not seat due to no quorum.</li> </ul>	<p><b>September 2020</b></p> <ul style="list-style-type: none"> <li>Meeting was held on the 21 September 2020.</li> </ul>	<p>02</p>
<b>3.3 Corporate and Community Services Portfolio Committee</b>	<p><b>July 2020</b></p> <ul style="list-style-type: none"> <li>No meeting held in the month July 2020 as they seat quarterly as per SDBIP.</li> </ul> <p><b>August 2020</b></p> <ul style="list-style-type: none"> <li>No meeting held in the month July 2020 as they seat quarterly as per SDBIP.</li> </ul>	<p><b>September 2020</b></p> <ul style="list-style-type: none"> <li>Agenda were prepared but the meeting did not seat due to the absentia of the Committee members.</li> </ul>	<p>2</p>
<b>3.4 MPAC meeting</b>	<p><b>July and August 2020</b> No meeting held in the month July 2020 as they seat quarterly as per SDBIP.</p> <p><b>September 2020</b></p> <ul style="list-style-type: none"> <li>No Meeting took place on the month of September 2020</li> </ul> <p><b>November 2020</b></p> <ul style="list-style-type: none"> <li>Meeting took place on the 19 November 2020</li> </ul>	<p><b>October 2020</b></p> <p>Meeting was held on the 13th and 30th October 2020.</p>	<p>2</p>

## **Amakhosi Travelling Allowance Claims**

- Claims for the month of October and November 2020 were submitted to Finance Department for processing.



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## **Council Resolution Certificates**

- Council resolutions are filed and issued to the relevant department as and when necessary.

## **CORRESPONDANCE REGISTER**

- On daily basis we receive emails, collect municipal mail, insert appropriate reference numbers and register the work related letters in the above mentioned register.
- Make copies and distribute to the relevant officials after the comments of the Municipal Manager.

## **INVOICE REGISTER**

- ✚ All invoices received by post or hand delivered are recorded in the invoice register.
- ✚ Invoices are distributed to creditor's office.

## **REGISTER OF FILES OPENED**

- ✚ This register is used when there is a record that is created or received and is not accommodated to the existing files.
- ✚ Allocate a reference number for that record and register it in the register of files opened.

## **TENDER OPENING REGISTER**

- ✚ Registry staff are part of tender box opening; they register bid documents and quotations received for that particular tender.

## **PHOTOCOPYING, PRINTING AND SCANNING**

- ✚ These duties are performed on daily basis as per personnel request.

## **FILING OF CORRESPONDANCE AND CONTRACTS**

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- ✚ Filing of correspondence is updated on daily basis.
- ✚ Filing of contracts is done when receiving new contracts.

## **CLEANING**

- There has been no PPE for the Cleanser for several years
- ✚ Toilets need to be repaired as there is only two toilets at ladies which are functioning though it is difficult to flush them
- ✚ Cleaners are using cold water to clean the floors even during harsh winter season as the geyser is non-functional for years.

## **CHALLENGES**

Council Chamber	Computers	Stationery	éDumbe Municipality Rules of Orders	Records
<ul style="list-style-type: none"> <li>• Recording system has been purchased but microphones are not equal the number of Councillors and the Administration.</li> <li>• Chairs in the Council Chamber needs to be replaced or purchased as soon as possible.</li> <li>• Curtains needs to be replaced with blinders.</li> </ul>	<ul style="list-style-type: none"> <li>• The Committee Office has received one laptop waiting to receive 1 desktop in order to store more information.</li> <li>• Computers used have exhausted their life cycle therefore it makes it difficult to type accurately. They are not enough for duties performed at Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• The Committee Section performs its duties under a lot of pressure as there is no enough resources e.g. <b>heavy duty stapler and punch</b> as this tool plays an important role on binding of the agendas.</li> <li>• Staplers</li> </ul>	<ul style="list-style-type: none"> <li>• A workshop is required for Councillors in order to familiarise themselves with legislations.</li> </ul>	<ul style="list-style-type: none"> <li>• The Registry Office needs a counter and that was a finding from Provincial Archives office.</li> <li>• There is a shortage of steel filing drawers. That was also a finding from Provincial Archives office.</li> <li>• A new postbag with padlock is needed.</li> <li>• A new desktop and laptop is needed.</li> <li>• Records Management Inspection was conducted on Thursday, 16 May 2019 by the officials from uLundi Archives and the report is attached with recommendations for your consideration.</li> </ul>

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		bought are not for office use.		
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### 3.9. INFRASTRUCTURE SERVICES

#### 3.9.1. Roads Infrastructure

Roads conditions in Paulpietersburg town, éDumbe Location and Bilanyoni and the entire wards in the municipality area of jurisdiction are bad. The Municipality does not have enough funds to address the concerns around the in éDumbe roads. Roads need to be rehabilitated as they are ageing and cannot be patched anymore. MIG funds are not sufficient to cover this cost. In other ward roads are also eroded by water storms. In 2020/2021 Financial year, the Municipality has prioritised to implement two pedestrian bridges in Ward 1 and 7, one new access road in Ward 6, Community Halls in Ward 2.5.8 and 3

#### 3.9.2. Municipal Buildings

The department is responsible for the planning and provision of new municipal buildings, maintenance of various structures. To create new facilities while upgrading existing ones to be easily accessible and suitable for community needs. These include pay points, libraries, community halls, municipal offices, dumping site offices, public ablutions and taxi rank, municipal houses, and other leased municipal buildings. The strategies of this department are as follows:

- Implementing programmes to upgrade existing municipal buildings and facilities
- Constructing new facilities for enhanced service delivery
- Constructing facilities closer to the communities
- Installing and implementing security measures that minimize vandalism and theft at municipal buildings
- Raising awareness of energy saving for users of municipal buildings
- Ensuring continuous usage of green materials for energy-saving retrofits on new and existing buildings



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- The service delivery priorities are to interact smoothly with the community and other departments without disturbance to ensure accurate implementation of planning and maintenance of municipal buildings while adhering to the National Building Regulations Act

### 3.9.3. MUNICIPAL INFRASTRURE GRANT PROJECTS

The below table illustrate projects being under implementation through the MIG funding and the construction status as at December 2020. Capital projects shows a very slow progress due to late appointment of Service Provider

PROJECT NAME	WARD	BUDGET	STATUS
Ezibomvu Community Hall	2	R2 800 000.00	5% Construction
Hartland Community Hall	5	R2 800 000.00	10% Construction
eMapayipini Community Hall	8	R2 800 000.00	10% Construction
eDumbe Community Hall Phase II	3	R1 652 000.00	60% Construction
Pivaan Pedestrian Bridge	7	R2 700 000.00	5% Construction
KwaMdwadlaza Pedestrian Bridge	1	R2 200 000.00	0% Construction
Emfeni Access Road Phase II	6	R2 000 000.00	0% Construction

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### 3.9.4. ELECTRICAL SERVICES

éDumbe Municipality is registered electrical service provider with the Energy Regulator of South Africa (NERSA) to supply electricity to Ward 3 while the other wards (1,2,4,5,6,7 and 8) are supplied and maintained by Eskom Holdings SOC Limited. Under the license we are obliged amongst many other things, to provide electricity in a manner which is fair, safe and within the parameters of the law. We are also obliged to also ensure that our employees work in an environment which does not affect their health and safety in a negative way.

The challenges faced by the municipality have compounded over the years to such an extent that each financial year a certain portion of the INEP allocation is used to fund previous financial year's projects. This practice unfortunately hinders service delivery to needing communities who have longed for access to electricity, but due to previous management practices these needs were to a certain extent neglected. This has resulted in community unrest in almost all wards where electrification projects are being implemented and have stalled due to lack of funding to complete the projects.

éDumbe Local Municipality has applied for funding in the 2020/21 financial year for the implementation of electrification projects. The projects applied for were in line with the municipality IDP. A consultative programme with the community was done and it was agreed through council resolution that the following projects should be prioritized:

The Electrical and Mechanical Unit for the Second Quarter of the 2020/21 Financial Year performed as follows:

#### OBIVANE ELECTRIFICATION PHASE 1 – WARD 1

<b>SCOPE OF WORK</b>	: Conduct Eskom outages and connection of 129 customers.
<b>SERVICE PROVIDER</b>	: SIBGEM ENGINEERS
<b>TOTAL BUDGET</b>	: R 656 166.11
<b>2<sup>nd</sup> QUARTER TARGET</b>	: Project completion
<b>TARGETS ACHIEVED</b>	: YES
<b>Q2 EXPENDITURE</b>	: R 656 166.11
<b>YTD EXPENDITURE</b>	: R 656 166.11

#### NHLUNGWANA PHASE 2 ELECTRIFICATION – WARD 8

## MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2020/2021 FINANCIAL YEAR

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<b>SCOPE OF WORK</b>	: Conduct Eskom outages and connection of 50 customers.
<b>SERVICE PROVIDER</b>	: BTMN ENGINEERS
<b>TOTAL BUDGET</b>	: R 3 350 875.68
<b>2<sup>nd</sup> QUARTER TARGET</b>	: Project completion
<b>TARGETS ACHIEVED</b>	: No – site camp was set alight and material was damaged resulting in delays. Outages took place in December 2020 however not all sections were energized as some outages were cancelled by Eskom due to emergency work they had.
<b>Q2 EXPENDITURE</b>	: R 1 317 692.67
<b>YTD EXPENDITURE</b>	: R 2 365 143.26

### ZUNGWINI ELECTRIFICATION PHASE 1 – WARD 7

<b>SCOPE OF WORK</b>	: The scope of work entails the connections of 168 households in the Zungwini Area to the Eskom network and ensuring they have access to electricity by 30 June 2021.
<b>SERVICE PROVIDER</b>	: DLAMI-NDLOVU CONSULTING ENGINEERS
<b>TOTAL BUDGET</b>	: R 4 000 000.00
<b>2<sup>nd</sup> QUARTER TARGET</b>	: 40% of the work completed
<b>TARGETS ACHIEVED</b>	: NO – only designs are complete, funding deficit delaying the implementation of the project. Council resolution EDCO08/20/8.04 refers.
<b>Q2 EXPENDITURE</b>	: R 737 345.91
<b>YTD EXPENDITURE</b>	: R 1 242 726.88

### KWASONKELA ELECTRIFICATION PHASE 1 – WARD 1

<b>SCOPE OF WORK</b>	: The scope of work entails the connections of 250 households in the Sonkela Area to the Eskom network and ensuring they have access to electricity by 30 June 2021.
<b>SERVICE PROVIDER</b>	: THOKOMELA ENGINEERS
<b>TOTAL BUDGET</b>	: R 4 851 735.70
<b>1<sup>ST</sup> QUARTER TARGET</b>	: 40% of the work completed



## MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2020/2021 FINANCIAL YEAR

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**TARGETS ACHIEVED** :NO – only designs are complete, funding deficit delaying the implementation of the project.Council resolution EDCO08/20/8.04 refers

**Q1 EXPENDITURE** : R 1 323 630.80

**YTD EXPENDITURE** :R 1 831 781.30

### **SWITCHING SUBSTATION UPGRADE PHASE 1 – WARD 3**

**SCOPE OF WORK** : The scope of work entails the completion of the first phase of the switching substation upgrade by 30 June 2021.

**SERVICE PROVIDER** :AFRILECTRICAL ENGINEERS

**TOTAL BUDGET** : R 5 000 000.00

**2<sup>nd</sup> QUARTER TARGET** :40% of the work completed

**TARGETS ACHIEVED** :NO – only designs are complete, funding deficit delaying the implementation of the project.Council resolution EDCO08/20/8.04 refers

**Q2 EXPENDITURE** : R 1 758 958.36

**YTD EXPENDITURE** :R 2 261 517.89

### **ELECTRICITY DISCONNECTIONS – WARD 3**

**SCOPE OF WORK** : Conduct monthly electricity disconnections on defaulting customers.

**2<sup>nd</sup> QUARTER TARGET** : Three monthly electricity disconnections effected

**TARGETS ACHIEVED** : NO – disconnection list provided for the period

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2020/2021 FINANCIAL YEAR

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## CHAPTER 4

### RECOMMENDATIONS FOR THE MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT THAT:

- The Mid-year Budget and Performance Assessment Report of eDumbe Municipality for the period ended 31 December 2020 as referred to in Section 72 of the MFMA be and hereby NOTED.
- An adjustments budget for 2020/2021 be prepared and this must be approved by Council within the stipulated timeframe as per Section 72 (3) (a)
- The Mayor must consider revision to the SDBIP, 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 the approval of an adjustment budget
- The Mid-Year Budget and Performance Assessment 2020/2021 be submitted to the COGTA, Provincial and National Treasury in both electronic and hard copies

## **CHAPTER 5**

### **SDBIP PERFORMANCE – MID YEAR TARGETS VS ACTUAL**

#### **ANNEXURE 1**



# 2020/2021 MID-TERM (Q2) PERFORMANCE REPORT - EDUMBE LOCAL MUNICIPALITY

SDBIP Ref	NATIONAL KEY PERFORMANCE AREAS	STRATEGIC OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	BUDGET 2020/2021		MID-TERM 2020/2021		STATUS (ACHIEVED/ NOT ACHIEVED)	REASONS FOR VARIANCES	MEASURES TAKEN TO IMPROVE PERFORMANCE	RESPONSIBLE DEPARTMENT	WARD INFORMATION	PORTFOLIO OF EVIDENCE		
						TARGET BUDGET	ACTUAL BUDGET	Q2 TARGET	Q2 ACTUAL								
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION																	
	To improve Institutional capacity through Policy development and enforcement	To improve Institutional capacity through Policy development and enforcement	Submit Workplace Skills Plan to LGSETA and Council	To submit the 2020/21 Workplace Skills Plan to LGSETA and Council by 31 May 2021	Date	R 0,00	R 0,00	X	Not planned for Quarter 2	N/A	N/A	N/A	Corporate Services	Institutional	None		
KPI 1			Submit Employment Equity reports to DoL	To submit Employment Equity report to Department of Labour by 31 January 2021	Date	R 0,00	R 0,00	X	Not planned for Quarter 2	N/A	N/A	N/A	Corporate Services	Institutional	None		
KPI 2			Perform and submit information backups and registers	To perform and submit monthly IT Backups and Registers by 30 June 2021	Number	R 0,00	R 0,00	3 monthly Backups and Registers performed	3 monthly backups and registers were performed	Target Achieved	N/A	N/A	N/A	Corporate Services	Institutional	Backup screenshots and registers	
KPI 3			Perform information restores and registers	To perform quarterly information Restores and Registers by 30 June 2021	Number	R 0,00	R 0,00	1 Restore and Register performed	Restores and registers were performed	Target Achieved	N/A	N/A	N/A	Corporate Services	Institutional	Screen shots for restores and registers	
KPI 4			Review monthly Access Logs	To review monthly Access logs by 30 June 2021	Number	R 0,00	R 0,00	3 monthly Access Logs reviewed	3 monthly access logs were reviewed	Target Achieved	N/A	N/A	N/A	Corporate Services	Institutional	Access logs reports	
KPI 5			Implement Disaster Recovery Plan and Business Continuity Plan tests	To implement Disaster Recovery Plan and Business Continuity tests by 30 June 2021	Date	R 0,00	R 0,00	X	Not planned for Quarter 2 (progress report on DRP process is attached)	N/A	N/A	N/A	N/A	Corporate Services	Corporate Services	Institutional	Progress report
KPI 6			Monitor Antivirus software	To monitor quarterly antivirus software by 30 June 2021	Number	R 0,00	R 0,00	Monitored antivirus software	Antivirus software was monitored	Target Achieved	N/A	N/A	N/A	Corporate Services	Corporate Services	Institutional	Antivirus protection status screen shots
KPI 7			Develop 2020/2021 SDBIP	To develop and approve the 2020/2021 SDBIP by 30 June 2020	Date	R 0,00	R 0,00	Compiled Quarter 2 SDBIP reports	SDBIP Q2 report was compiled	Target Achieved	N/A	N/A	N/A	Executive	Executive	Institutional	Q2 report
KPI 8			Develop and sign 2020/2021 Performance agreement	To develop and ensure signing of 2020/2021 performance agreements for all filled Section 54/56 positions by 31 August 2020	Date	R 0,00	R 0,00	X	Not planned for Quarter 2	N/A	N/A	N/A	N/A	Executive	Executive	Institutional	Signed Performance Agreements
KPI 9																	

AL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

KPI 10	Compile and submit to AG the 2019/2020 Annual Report	To compile and submit the 2019/2020 Annual Report to AG by 31 January 2021	Date	R 0.00	R 0.00	X	Not planned for Quarter 2	N/A	N/A	Executive	Institutional	None
KPI 11	Compile, approve and submit 2010/2021 Mid-term Performance report	To approve the 2020/2021 Mid-term Performance report by 26 January 2021	Date	R 0.00	R 0.00	X	Not planned for Quarter 2	N/A	N/A	Executive	Institutional	None
KPI 12	Compile and submit quarterly B2B reports	To submit Quarterly B2B reports to Provincial Cogta by 30 June 2021	Number	R 0.00	R 0.00	1 B2B Report and Support Plan submitted	Quarter 2 B2B report was submitted to COGTA	Target Achieved	N/A	Executive	Institutional	Quarter 2 B2B report
KPI 13	Compile, approve and submit the 2019/2020 Oversight Report	To develop and approve the Oversight report 60 days after the tabling of the annual report	Date	R 0.00	R 0.00	X	Not planned for Quarter 2	N/A	N/A	Executive	Institutional	None
KPI 14	Update the Municipal website	To update quarterly the Municipal website by 30 June 2021	Number	R 0.00	R 0.00	Screen shots - For updated Municipal website	Municipal website was updated in Q2	Target Achieved	N/A	Executive	Institutional	Screen shots - For updated Municipal website
KPI 15	Functionalise B2B	To conduct quarterly Back to Basics campaigns by 30 June 2021	Number			Quarter 2 B2B Campaign conducted	B2B campaign was conducted on the 04th of December 2020	Target Achieved	N/A	Community Services	Institutional	B2B reports (including photos)
<b>BASIC SERVICE DELIVER AND INFRASTRUCTURE DEVELOPMENT</b>												
KPI 16	To ensure provision of basic services in a fair, equitable and sustainable manner	To provide free basic electricity as per Eskom indigent consumer list by 30 June 2021	Date	As per Eskom invoices	As per Eskom invoices	Provide free basic electricity to Eskom indigent Consumers	Free basic electricity was provided to all qualifying Eskom indigent consumers	Target Achieved	N/A	Finance	All Wards	Lists of beneficiaries and Eskom invoices
KPI 17		To provide free basic electricity to 174 Municipal indigent consumers by 30 June 2021	Number	As per invoices	R 0.00	Provide free basic electricity to Municipal indigent Consumers	Free basic was not provided to indigent consumers (indigent register is available but not implemented)	Target not Achieved	There is high volume of consumers tempered with electricity in Ward 3	Finance	Ward 3	Beneficiary list
KPI 18		To provide free basic waste to consumers with a property value of R110 000 and less by 30 June 2021	Date	As per invoices	As per invoices	Provide free basic waste to Consumers with a property value of R110 000 and less	Free basic waste was provided to those qualifying consumers	Target Achieved	N/A	Finance	Ward 3 & 4	Beneficiary list
KPI 19	Mdwadlaza Pedestrian Bridge	To construct Mdwadlaza Pedestrian Bridge by 30 June 2021	Date	R 500 000.00	R 195 631.69	50% of Completed Work	Project did not reach 50% completion by Q2	Target not Achieved	There were delays in appointment of Service Provider	Infrastructure	Ward 1	Progress report attendance register for Evaluation Committee



KPI 20	
KPI 21	
KPI 22	
KPI 23	
KPI 24	
KPI 25	
KPI 26	
KPI 27	
KPI 28	
KPI 29	
KPI 30	

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Enteni Access road	To construct Enteni Phase 2 road by 30 June 2021	Date	R 600 000,00	R 0,00	50% of Completed Work	Project did not reach 50% completion by Q2	Target not Achieved	There were delays in appointment of Service Provider	Fast tracking of construction on site	Infrastructure	Ward 6	Progress report attendance register for Evaluation Committee
eDumbe Tarred Roads	To complete the construction of tarred roads at eDumbe Location by 30 June 2021	Date	R 2 000 000,00	R 3 606 151,71	60% of Completed Work	60% construction was completed	Target Achieved	N/A	N/A	Infrastructure	Ward 3	Project photos and progress report
Paulpietersburg Tarred Roads	To complete the construction of tarred roads in Paulpietersburg by 30 June 2021	Date	R 2 000 000,00	R 4 373 955,37	60% of Completed Work	70% construction was completed	Target Achieved	N/A	N/A	Infrastructure	Ward 3	Project photos and progress report
Pivaan Pedestrian Bridge	To construct Pivaan Pedestrian Bridge by 30 June 2021	Date	R 1 000 000,00	R 216 568,42	50% of Completed Work	Project did not reach 50% completion by Q2	Target not Achieved	There were delays in appointment of Service Provider	Fast tracking of construction on site	Infrastructure	Ward 7	Progress report attendance register for Evaluation Committee
Ezibonwu Community Hall	To construct Ezibonwu Community Hall by 30 June 2021	Date	R 1 000 000,00	R 150 000,00	50% of Completed Work	Project did not reach 50% completion by Q2	Target not Achieved	There were delays in appointment of Service Provider	Fast tracking of construction on site	Infrastructure	Ward 2	Progress report attendance register for Evaluation Committee
eDumbe Community Hall Phase 2	To construct eDumbe Community Hall Phase 2 by 30 June 2021	Date	R 500 000,00	R 324 590,49	85% of completed work	Only 65% of work was completed by end of Q1	Target not Achieved	Project is behind schedule due to slow progress by the Contractor	Certificate of non compliance will be issued to the Contractor	Infrastructure	Ward 3	Project photos and progress report
Hartland Community Hall	To construct Hartland Community Hall by 30 June 2021	Date	R 1 000 000,00	R 166 600,00	50% of Completed Work	Project did not reach 50% completion by Q2	Target not Achieved	There were delays in appointment of Service Provider	Fast tracking of construction on site	Infrastructure	Ward 5	Progress report attendance register for Evaluation Committee
eMapayipini Community Hall	To construct eMapayipini Community Hall by 30 June 2021	Date	R 1 000 000,00	R 166 600,00	50% of Completed Work	Project did not reach 50% completion by Q2	Target not Achieved	There were delays in appointment of Service Provider	Fast tracking of construction on site	Infrastructure	Ward 8	Progress report attendance register for Evaluation Committee
Olivane Phase 1 Electrification	To complete Olivane Phase 1 Electrification project by 30 June 2021	Date	R 0,00	R 656 165,11	X	Not planned for Quarter 2 ( project completed in Q1)	Target Achieved	N/A	N/A	Infrastructure	Ward 1	Practical Completion Certificate and project photos
Nlungwana Phase 2 Electrification	To complete Nlungwana Phase 2 Electrification project by 30 June 2021	Date	R 0,00	R 1 047 450,59	X	Not planned for Quarter 2 (project was to be completed in Q1)	Target not Achieved	Construction is complete, but the Municipality is delayed by Eskom to energize the project	Project will be completed in Quarter 3, depending on Eskom's availability	Infrastructure	Ward 8	Project photos
Zungwini Electrification Phase 1 (electricity infrastructure)	To construct Zungwini Electrification Phase 1 project by 30 June 2021	Date	R 1 000 000,00	R 737 345,91	65% of Completed Work	Project did not reach 65% completion by Q2	Target not Achieved	Only designs are complete. Delays on implementation were due to funding deficit	Council resolved that project be delayed until such time the Municipality has sourced funding for the implementation of the project	Infrastructure	Ward 7	Design report and Council Resolution



KPI 31	kwaSonkela Electrification Phase 1 Project (electricity infrastructure)	To construct kwaSonkela Electrification Phase 1 project by 30 June 2021	Date	R 1 200 000.00	R 1 323 630.80	65% of Completed Work	Project could not reach 65% completion by Q2	Target not Achieved	Only designs are complete. Delays on implementation were due to funding deficit	Council resolved that project be delayed until such time the Municipality has sourced funding for the implementation of the project	Infrastructure	Ward 1	Design report and Council Resolution
KPI 32	Substation Infrastructure upgrade Phase 1	To construct Substation Infrastructure upgrade Phase 1 by 30 June 2021	Date	R 1 500 000.00	R 1 758 958.36	75% of Completed Work	Project could not reach 75% completion by Q1	Target not Achieved	Only designs are complete. Delays on implementation were due to funding deficit	Council resolved that project be delayed until such time the Municipality has sourced funding for the implementation of the project	Infrastructure	Ward 3	Design report and Council Resolution
KPI 33	Facilitate Housing Forums	To facilitate 4 quarterly Housing Forum meetings by 30 June 2021	Number	R 0.00	R 0.00	1 Housing Forums	Housing Forum was not held in Q1	Target not Achieved	No reason for non sitting reported by the responsible department	N/A	Planning	Institutional	None
KPI 34	Tholakele Housing Project	To implement recommendations of Geotech variation report for Tholakele Housing projects, i.e. cutting of platforms, creation of foundation slabs by 30 June 2021	Date	R 10 000 000.00	R 0.00	50% of Completed Work / project photos	50% of work was not completed by quarter 2	Target not Achieved	The report submitted indicate that there's a slow progression site	Notice of brige of contract was served to the Contractor by the Municipality	Planning	Ward 5	Progress report
KPI 35	Ophuzane Housing Project	To construct houses for Ophuzane rural Housing project and installation of rainwater harvesting tanks as per Phases deputed in the Development programme by 30 June 2021	Date	R 10 000 000.00	R 5 765 739.40	50% of Completed Work / project photos	50% of work was completed by quarter 5	Target not Achieved	The report submitted indicates that the progress on site is not as per projections set by the Implementing Agent	None	Planning	Ward 8	Progress report
KPI 36	Mphundu Rural Housing Project	To finalise detailed feasibility studies for establishment of Mphundu Housing Project as well SPLUMA application by 30 June 2021	Date	R 10 000 000.00	R 1 274 290.00	50% of Completed Work / project photos	50% of work was completed by quarter 1	Target Achieved	N/A	N/A	Planning	Ward 6	Progress report
KPI 37	Thubelisha Housing Project	To finalise detailed studies for establishment of Thubelisha township i.e. Geotech studies by 30 June 2021	Date	X	R 2 107 895.00	Submission of draft SPLUMA application	Studies were submitted to Human Settlements	Target not Achieved	The Municipality still requires more funding for the implementation of the project	The Municipality seeks funding from Human Settlement for destumping of the site	Planning	Ward 1 & 3	None
LOCAL ECONOMIC DEVELOPMENT													
KPI 38	Implement EPWP Programme	To create 152 Work Opportunities through EPWP and Capital Projects by 30 June 2021	Number	As per the number created	R 307 485.00	Quarterly Report on Work Opportunities created	Report not submitted	Target not Achieved	No report submitted by the Department	None	Infrastructure	Institutional	None
ENVIRONMENT													
	To create conducive environment for business												

KPI 39	LOCAL EC DEVELOPMENT	Sustainable economic growth and development	Formalise the Informal Traders	To conduct at least 2 meetings with Informal Traders Committee by 30 June 2021	Number	R 0,00	R 0,00	1 Meeting	1 Meeting was conducted with the Informal Traders	Target Achieved	N/A	N/A	Planning	Institutional	Minutes of the meeting and attendance register
GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
KPI 40	LOCAL EC DEVELOPMENT	To promote effective community participation	Facilitate IDP Consultative Meeting	To facilitate 16 IDP Roadshows by 30 June 2021	Date	R 0,00	R 0,00	8 IDP Road-Shows	Road shows were not facilitated	Target not Achieved	IDP Road shows could not be held due to covid-19 restrictions	None	Planning	Institutional	None
KPI 41			Facilitate IDP Representative Forums	To facilitate 2 IDP Representative Forums by 30 June 2021	Number	R 0,00	R 0,00	1 IDP Rep Forum	IDP Rep forums were not facilitated	Target not Achieved	IDP Rep Forums could not be held due to covid-19 restrictions	None	Planning	Institutional	None
KPI 42			Ensure functionality of war rooms	To conduct 4 (quarterly) war rooms meetings by 30 June 2021	Number	R 0,00	R 0,00	1 war room meeting	War room meeting was not conducted	Target not Achieved	Due to Covid 19 restrictions	None	Corporate and Community Services	Institutional	None
KPI 43			Participate in indigenous games	To participate in indigenous games by 30 Sep 2020	Date	R 6 666,70	R 0,00	X	Not planned for Quarter 2	Target not Achieved	N/A	N/A	Corporate and Community Services	Institutional	None
KPI 44			Participate in Mayoral Games	To participate in Mayoral Games by 31 December 2021	Date	R 350 000,00	R 0,00	Report for participation in Mayoral games	Mayoral games were not held	Target not Achieved	Mayoral games were not held due to Covid-19 restrictions	N/A	Community Services	Institutional	None
KPI 45			Participate in Golden games	To participate in Golden games by 30 Sep 2020	Date	R 0,00	R 0,00	X	Not planned for Quarter 2	Target not Achieved	N/A	N/A	Corporate and Community Services	Institutional	None
KPI 46			Facilitate sitting of Council meetings	To convene four Council meetings by 30 June 2021	Number	R 0,00	R 0,00	1 Council Meeting	Council meetings were convened (including special Council meetings)	Target Achieved	N/A	N/A	Corporate and Community Services	Institutional	Notices, agenda and attendance registers
KPI 47			Facilitate sitting of Executive Committee meetings	To convene four Executive Committee meetings by 30 June 2021	Number	R 0,00	R 0,00	1 Executive Committee Meeting	Executive Committee meetings were convened (including special EXCO meetings)	Target Achieved	N/A	N/A	Corporate and Community Services	Institutional	Notices, agenda and attendance registers
KPI 48			Facilitate sitting of Finance Portfolio committee meetings	To convene four Finance Portfolio committee meetings by 30 June 2021	Number	R 0,00	R 0,00	1 Finance Portfolio Meeting	Finance Portfolio meetings were convened	Target Achieved	N/A	N/A	Corporate and Community Services	Institutional	Notices, agenda and attendance registers
KPI 49			Facilitate sitting of Infrastructure and Planning Portfolio Committee meetings	To convene four Infrastructure and Planning Portfolio Committee meetings by 30 June 2021	Number	R 0,00	R 0,00	1 Infrastructure and Planning Portfolio Meeting	Infrastructure and Planning Portfolio Committee meeting was convened	Target Achieved	N/A	N/A	Corporate and Community Services	Institutional	Notices, agenda and attendance registers



KPI 50	Facilitate sittings of Community and Corporate Services Portfolio Committee meeting	To convene four Community and Corporate Services Portfolio Committee meetings by 30 June 2021	Number	R 0.00	R 0.00	1 Community & Corporate Services Portfolio Meetings	Community & Corporate Portfolio meeting was convened	Target Achieved	N/A	N/A	Corporate and Institutional Community Services	Notices, agenda and attendance registers
KPI 51	Facilitate sittings of Municipal Public Accounts Committee (MPAC) meeting	To convene four Municipal Public Accounts Committee (MPAC) meetings by 30 June 2021	Number	R 0.00	R 0.00	1 MPAC Meeting	MPAC meeting was convened	Target Achieved	N/A	N/A	Corporate and Institutional Community Services	Notices, agenda and attendance registers
KPI 52	Facilitate sittings of Audit Committee	To convene four Audit Committee Meetings by 30 June 2021	Number	R 52 500.00	R 0.00	1 Audit Committee Meetings	Audit Committee meetings was convened	Target Achieved	N/A	N/A	Corporate and Institutional Community Services	Notices, agenda and attendance registers
KPI 53	Participate in Umkhosi Womhlanga	To participate in Umkhosi Womhlanga event by 30 Sep 2020	Date	R 0.00	R 0.00	X	Not planned for Quarter 2	Target not Achieved	The Municipality could not participate due to Covid-19 restrictions	Municipality will participate during the next financial year	Corporate and Institutional Community Services	None
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT												
KPI 54	To improve municipal financial viability and sound financial	Approve Risk-based Internal audit plan	Date	R 0.00	R 0.00	X	Not planned for Quarter 2	Target Achieved	Due to delays in sittings of Council meetings	Internal Audit Plan will be tabled on the next sitting Council meeting	Executive	None
KPI 55		Implement a Risk-based Internal Audit Plan	Number	R 0.00	R 0.00	Quarterly Internal Audit report	Quarter 2 Internal Audit report was compiled	Target Achieved	N/A	N/A	Executive	Q2 Internal Audit report
KPI 56		Review AC and IA Charters	Date	R 0.00	R 0.00	X	Not planned for Quarter 2	Target Achieved	Charters were approved by Audit Committee but awaiting Council approval.	Charters will be tabled on the next sitting Council meeting	Executive	Approved AC and IA Charters
KPI 57		Review Internal Audit Methodology	Date	R 0.00	R 0.00	X	Not planned for Quarter 2	Target Achieved	Audit Methodology was compiled but awaiting Council approval	Audit Methodology will be tabled on the next sitting Council meeting	Executive	Approved Methodology
KPI 58		Develop and approve AG audit action Plan	Date	R 0.00	R 0.00	X	Not planned for Quarter 2	Target Achieved	N/A	N/A	Executive	None
KPI 59		Functionality of Audit Committee	Number	R 0.00	R 0.00	1 Audit Committee Report	Quarter 2 Audit Committee report was not submitted to Council by Q2	Target not Achieved	Report was not submitted by Audit Committee	Committee to ensure the submission of quarterly reports	Executive	None
KPI 60		Conduct the Organisational Risk Assessment	Number	R 0.00	R 0.00	X	Not planned for Quarter 2	Target Achieved	N/A	N/A	Executive	Risk register report and attendance register
KPI 61		Functionalise Risk Management Committee	Number	R 0.00	R 0.00	1 Risk Steering Committee Meeting	Quarter 2 Risk Steering Committee convened in Q2	Target not Achieved	Meeting was convened but did not quorate	Office of the MM to re-elect new members to execute functions of the Risk Committee	Executive	None



MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT														
KPI 62	To improve municipal financial viability and sound financial management	Ensure payment of creditors within 30 days	To pay 100% monthly creditors within 30 days on monthly basis till 30 June 2021	Percentage	As per invoices	As per invoices	100% paid Creditors / Creditors Age Analysis (October - December 2020)	Municipality is still unable to pay all its creditors within 30 days	Target not Achieved	Financial Constraints	Implement costs cutting measures	Finance	Institutional	Creditors Age Analysis (Oct - Dec 2020)
KPI 63		Submit in-year Financial Reports in line with legislation	To compile and submit monthly Section 71 reports to Treasury within 10 working days by 30 June 2021	Number	R 0,00	R 0,00	Confirmation of submission by Treasury (Oct - Dec 2020)	Section 71 reports were compiled and submitted to Treasury. However October report was not submitted within 10 working days	Target not Achieved	No reason provided by the Department concerned	N/A	Finance	Institutional	Proof of submission
KPI 64		Enhance revenue collection	To decrease debt book by 10% quarterly till 30 June 2021	Percentage	R 0,00	R 0,00	Debtors Age Analysis (for Oct - Dec 2020)	Debtors book balance increased from Oct to December 2020	Target not Achieved	Non payment of service charges by consumers	None were implemented	Finance	Institutional	Debtors Age analysis (October - Dec 2020)
KPI 65		Ensure disconnection on outstanding electricity accounts	To implement monthly disconnections on outstanding electricity accounts by 30 June 2021	Number	R 0,00	R 0,00	Oct - Dec 2020 Disconnection list implemented	Disconnections were not implemented in Q2	Target not Achieved	Disconnections could not be implemented due to Covid-19 restrictions	Implement monthly disconnections	Finance	Institutional	None
KPI 66			To reduce occurrence / percentage of deviations to 10% by 30 June 2021	Percentage	As per invoices	As per invoices	UIFW register for Oct - Dec 2020	UIFW report submitted by SCM does not indicate clear figures	Target not Achieved	N/A	Department to submit a clear report	Finance	Institutional	UIFW register
KPI 67		Formulate a plan for Capital Budget expenditure	To spend 100% Capital Budget by 30 June 2021	Percentage	R 0,00	R 28 369 881,90	Grant register report for all implemented Capital projects (Oct - Dec 2020)	R28 369 881,90 on grants has been spent as at end of Q2, however there was an unspent of R19 581 260,21 on grants	Target not Achieved	Expenditure patterns indicates slow progress on progress. This is due to late appointment of contractors to execute projects	None implemented	Finance	Institutional	Grant register report
KPI 68		Develop and approve the Procurement Plan	To develop and approve procurement plan by 30 Sep 2020	Date	R 0,00	R 0,00	Implement the Plan	Procurement plan was developed and approved	Target Achieved	N/A	N/A	Finance	Institutional	Approved Procurement Plan
KPI 69		Verification on movable Assets	To perform quarterly verifications on movable assets by 30 June 2021	Number	X	R 0,00	report on Asset verification on movable assets	Assets were not verified in Quarter 2	Target not Achieved	Due to resources, assets are verified once a year by the External Service Provider	None	Finance	Institutional	None
CROSS CUTTING INTERVENTIONS														
KPI 70	To ensure efficient and sound strategic and spatial municipal planning	Formulate IDP process plan	To formulate and approve IDP process plan by 30 Sep 2020	Date	R 0,00	R 0,00	X	Not planned for Quarter 2	N/A	N/A	N/A	Planning	Institutional	None
KPI 71		Formulate a credible IDP	To formulate and approved a credible IDP by 30 June 2021	Date	R 0,00	R 0,00	X	Not planned for Quarter 2	N/A	N/A	N/A	Planning	Institutional	None