

ÉDUMBE MUNICIPALITY

**SECTION 72 MID-YEAR BUDGET
AND PERFORMANCE
ASSESSMENT REPORT**

2022/2023 FINANCIAL YEAR

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 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. Mayor M.S. Mkhabela, 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, 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.

The report indicates Municipal performance on targets in the 2022/2023 Service Delivery Budget and Implementation Plan (SDBIP) that was approved by Council on the 21st of June 2022. 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 2022/2023 Mid-Year, a lot of strategies and improvement plans has to be put in place to fulfill the objectives of the IDP. One has to acknowledge the fact that eDumbe Municipality managed to Unqualified Audit opinion for 2021/2022 financial year which is a very good improvement when comparing with the last two financial years, however the Municipality still has to look t the findings raised in order to obtain a Clean Audit for 2022/2023 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 provides 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

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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 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 the 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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Administration is currently led by Mr JFK Khumalo the Municipal Manager who was appointed by Council in November 2022 after being on acting position since December 2020. The Council also appointed the Chief Financial Officer Mr ZR Thusi in October 2022 and Director Infrastructure Mr MN Nkala in October 2022. In January 2023, Mr Nkala resigned and the Council appointed Mr M Buthelezi as a Acting Director while the post is vacant. Having filled positions for Section 54/56 Managers will assist the eDumbe Council to mitigate any risks identified and further improve the audit outcome.

eDumbe Municipality	MID-TERM (2022/2023)		
	No of posts approved	No of posts filled	No of vacant positions
Municipal Manager	1	1 Filled by Mr JFK Khumalo)	0
Chief Financial Officer	1	1 (Filled by Mr ZR Thusi)	0
Director Infrastructure Development & Planning	1	0 (Mr M Buthelezi currently acts)	1
Director Corporate & Community Services	1	1(Filled by Mr VB Mbatha)	0
TOTAL	4	3	1

Posts for Director Infrastructure will be advertised and all processes of appointment will be followed.

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2.2. POLITICAL GOVERNANCE

The current Council consists of 19 representatives from six different political Parties which are as follows:

6 X NFP Councillors

5 X ANC Councillors

5 X IFP Councillors

1 x DACouncillor

1 X EFFCouncillor

1 X ABCCouncillor

Among the elected Councillors and during the inauguration, seats were allocated as follows:

Cllr MS Mkhabela – Honourable Mayor (NFP)

Cllr DJ Nhlengethwa – Honourable Speaker of the Council (NFP)

Cllr SJ Kunene – Honourable Deputy Mayor (ANC)

Cllr VA Mthethwa – Whip of Council (ANC)

Cllr ND Ndlangamandla – EXCO Member (IFP)

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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 2022/2023 FINANCIAL YEAR

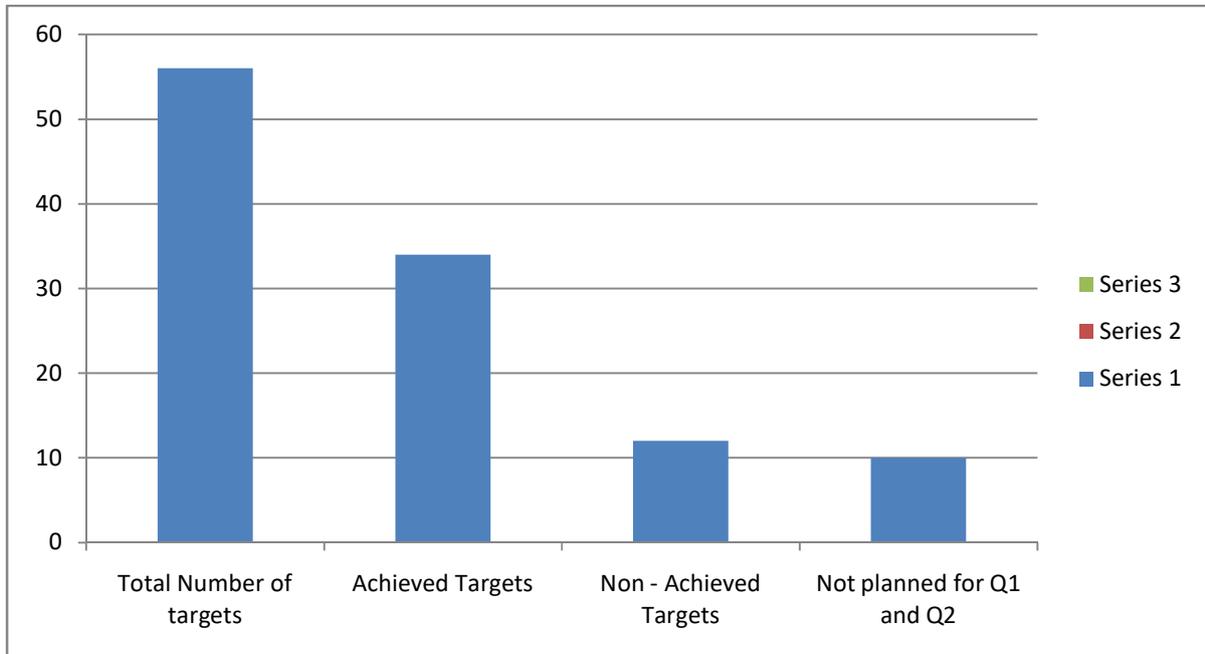
The information provided on the table below indicates the overall mid-term performance status on key performance indicators as listed on the 2022/2023 SDBIP. The analysis on targets were performed in line with the 6 national KPAs as regulated in the Municipal Systems

Table 1

Total number of targets	56
Q2 Achieved targets	34
Q2 Targets NOT Achieved	12
Targets not planned for Quarter 1 & 2	10
% of Achieved Targets	61%
% of Non- Achieved Targets	21%
% of Targets not planned for Quarter 1 %2	18%

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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

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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 most indicators planned for Quarter 1 and 2 were 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.

The Municipality still has to make provision for the purchasing of IT Hardware components during the adjusting of the Municipal Budget. This has been an audit query since the last three years

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

MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	2022/2023 (MID-TERM)
Total targets	13
Achieved targets	13
Targets not achieved	0
Percentage of achieved targets	100%
Percentage of targets not achieved	0%

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3.3.2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Free basic Services

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. Replacement and installation of new meters is ongoing to reduce electricity tempering.

Roads Infrastructure Challenges

- 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 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. Municipality needs to secure funding during adjustment budget to procure asphalt and proper equipment to do patching of potholes
- Due to insufficient Budget, the Municipality is unable to fix Graders as and when required, sometimes Maintenance Section hire Grader and Roller to execute / maintain roads
- No stormwater and blockage material in stock to unblock the pipes
- Bad gradient / slopes on the drains makes the drains not to fall in a right manner, however the Technical team make means to open drains using TLB and some drains were fixed by hand in Town, Location and Bilanyoni

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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
- 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

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MUNICIPAL INFRASTRURE GRANT (MIG) PROJECTS

Performance on some Capital project is good as they are above the projected target, i.e. Kwanyosi Road, Rehabilitation of Road in CBD, Installation of street lights and Robots and Mbedleni Bridge.

The below table illustrate projects under implementation through the MIG and Small Town funding and the construction status as at December 2022.

MIG AND SMALL TOWN FUNDED PROJECTS EXECUTION STATUS

PROJECT NAME	WARD	BUDGET	STATUS AS AT 31 DEC 2022
Regravelling of KwaNyosi Road	6	R3 000 000.00	100% Construction
Mbedleni Bridge	7	R3 500 000.00	70% Construction
Rehabilitation of Road in CBD	9	R5 600 000.00	100% Construction
Installation of Street Lights and Robots	9	R5 000 000.00	100% Construction
KwaNkomo Bridge	10	R3 000 000.00	5% Construction
Ezixeni Bridge	1	R2 552 250.00	40% Construction
Bilanyoni SMME Centre	4	R4 000 000.00	30% Construction
Phase 5 Community Hall	2	R3 000 000.00	5% Construction

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CHALLENGES ON IMPLEMENTATION OF MIG PROJECTS

Other projects with construction percentage of less than 60% which was the target as at December 2022 had the following challenges:

- Late appointment of Service Providers
- Delays due to Heavy Rains
- Issues around Land Ownership
- Delays in conducting of Environmental Impact Assessment by EDTEA

ELECTRIFICATION PROJECTS

BACKGROUND

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 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 2022/2023 financial year for the implementation of electrification projects. The projects applied for were in line with the

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municipality IDP. A consultative programme with the community was done and it was agreed through council resolution that the following projects should be prioritized:

All Electrical projects for the financial year under review did reach the projected percentage, However there were delays in obtaining the way leave approvals from the land Owners.

The Electrical and Mechanical Unit for the Second Quarter of the 2022/2023 Financial Year performed as follows:

PROJECT NAME	WARD	BUDGET	STATUS
kwaSonkela Electrification Phase 3	1	R3 600 000.00	60% Construction
KwaLembe Electrification	1	R5 250 000.00	60% Construction
KwaKhambule Electrification	7	R4 500 000.00	60% Construction

Below graph indicates the SDBIP performance on Basic Service Delivery and Infrastructure Development

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	2022/2023 (MID-TERM)
Total targets	15
Achieved targets	9
Targets not achieved	6
Percentage of achieved targets	60%
Percentage of targets not achieved	40%

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3.3.3. LOCAL ECONOMIC DEVELOPMENT

An incentive EPWP grant of R1 500 000 has been received by the Municipality. As per the incentive agreement between eDumbe Municipality and the Department of Public Works, eDumbe has a target of 155 and 56 FTE's Work Opportunities to be created in 2022/2023 Financial year. The Work Opportunities are created through EPWP grant, and through implementation of all other Capital projects funded by MIG, INEP etc.

Through implementation of Capital projects and EPWP grant eDumbe has created 185 Work Opportunities as at December 2022, which is 119% and 52 FTE's achieved. This indicates a very huge improvement as compared to previous years and it may result in a grant increase in the next financial year.

Below graph indicates the SDBIP performance on Local Economic Development

LOCAL ECONOMIC DEVELOPMENT	2022/2023 (MID-TERM)
Total targets	3
Achieved targets	3
Targets not achieved	0
Percentage of achieved targets	100%
Percentage of targets not achieved	0%

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3.3.4. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Some Public Participation systems were achieved as planned by December 2021.

IDP and Budget road show with Community members were held in all Wards (1-10) where the Honourable Mayor was taking Community's wish list for inclusion in the Municipal IDP.

- Special Programmes i.e Horse riding event was held with success in December 2022.
- Again the Art and culture programme, Cothoza was successfully held in December 2022.
- Council Structures i.e. Council and EXCO meetings were held as per the schedule.

CHALLENGES

Finance Portfolio, Corporate and Community Services Portfolio meetings were not convened as required in Quarter 2 due to the non submission of items by Department concerned.

Below graph indicates the SDBIP performance on Good Governance and Public Participation

GOOD GOVERNANCE AND PUBLIC PARTICIPATION	2022/2023 (MID-TERM)
Total targets	14
Achieved targets	12
Targets not achieved	2
Percentage of achieved targets	86%
Percentage of targets not achieved	14%

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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.

CHALLENGES

Few Creditors were not paid within 30 days as per regulation, those two Creditors (SALGA and Zululand District Municipality) were accumulated from previous years. The Municipality has shown a big improvement on payment of Creditors when comparing with the previous years.

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.

There is still lack of capacity on Assets verification.

Below graph indicates the SDBIP performance on Municipal Financial Viability and Management

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	2022/2023 (MID-TERM)
Total targets	8
Achieved targets	5
Targets not achieved	3
Percentage of achieved targets	63%
Percentage of targets not achieved	37%

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3.3.6. CROSS CUTTING INTERVENTIONS

IDP Process plan was developed and adopted by Council within the stipulated timeframe. After Public consultations, the 5 year IDP plan will be developed and implemented.

Below graph indicates the SDBIP performance on Cross Cutting Interventions

CROSS CUTTING INTERVENTIONS	2022/2023 (MID-TERM)
Total targets	3
Achieved targets	2
Targets not achieved	1
Percentage of achieved targets	67%
Percentage of targets not achieved	33%

CHALLENGES

Road awareness campaign was not conducted in December as planned due to non availability of all Stakeholders required. The Department concerned will then conduct the campaign in April 2023.

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CHAPTER 4 : FINANCIAL SERVICES

Section 72 (1) (a) of the MFMA outlines the requirements for mid-year reporting.

The Accounting Officer is required by the 25th January of each year to assess the performance of the municipality during the first half of the year taking into account:

- *The monthly statements referred to in section 71 of the first half of the year.*
- *The municipalities 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*
- *The past year's annual report, and progress on resolving problems identified in the annual report; and*
- *The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.*

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;*
- 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.*

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

This report has been prepared in terms of the Local Government: Municipal Finance Management Act Number 56 of 2003: Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 April 2009.

1. MAYORS REPORT

For the mid-year budget and performance assessment, the mayor's report must also provide _

- (a) A summary of the past year's annual report, and progress on resolving problems identified in the annual report and the audit report.
- (b) A summary of any potential impact of the national adjustments budget and the relevant provincial
- (c) A recommendation as to whether an adjustments budget for the municipality is necessary.

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1.1 Summary of the previous year's annual report

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 for a long time as were financing long term contracts, capital, and operational projects internally. The municipality is experiencing a service delivery backlog 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.

The below table is the Consolidated table of actual expenditure to date. It comprises of Adopted Budget for 2022/23 and Actual expenditure for 2022/23

Consolidated Overview of the final Budget 2022/23

	Original Budget	Year To Date budget	Actual as at 31/12/2022	YTD Variance	YTD variance %
Total Revenue	R 265 410 069.00	R 132 705 034.50	R 130 815 263.90	R 134 594 805.10	49%
Total Expenditure	R 256 814 332.00	R 128 407 166.00	R 82 370 621.86	R174 443 710.14	32%
Total	R 8 595 737.00	R 4 297 868.50	R48 444 642.04	-R39 848 905.04	

1.2 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 and assistance on every aspect of financial administration with

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

detail to the lowest level and administrative powers be delegated to the lowest level without impeding on proper internal control.

1.3 Remedial Action Taken on Audit Outcomes of Prior Year

EDumbe Local Municipality had received the Unqualified Audit from Auditor General, with emphasis of Matter.

The Municipality put extensive effort into implementing the recommendations in respect of prior year's findings that were made during the previous audit. All the audit recommendations are within the Audit Action Plan where progress is regularly monitored. The Audit Action Plan form part of the 2022/23 Annual Report.

The annual report for the 2021/22 financial year is covered in a separate report to Council. Any problems and/or corrective actions identified in the oversight by Council will be monitored and action for correction in the current financial year.

1.4 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.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

“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.”

1.5 Conclusion

The mid-year budget and performance assessment indicates that:

- (a) An adjustments budget for 2022/23 will be prepared and this must be approved by Council by no later than 28 February 2023; and
- (b) The revised SDBIP which forms the basis for the mid-year performance assessments must include adjustments necessitated by a review of the predetermined objectives and adjustments because of the adjustments budget, must be approved by Council,

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

2. THE EXECUTIVE SUMMARY

The executive summary of the mid-year budget and performance assessment must, in addition to the information in executive summary of the monthly budget statement as well as on the quarterly report on the implementation of the budget and the financial affairs for the municipality provide a summary of the impact of the national adjustments budget and the relevant provincial adjustments budget.

INTRODUCTION

The Mid-Year Review has been prepared in terms of the Local Government: Municipal Budget and Reporting Regulations (as per the prescribed formats) Government Gazette 32141, 17 April 2009.

It must be noted that in all instances where the tables contained within this report include the audited outcomes for 2021/22 that these results are based on the audited annual financial statements that were audited by the Auditor General in accordance with Section 126 (3) of the Municipal Finance Management Act.

3. BUDGET OVERVIEW–2022/23 MID-TERM BUDGET PERFORMANCE

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. Under normal circumstances, Pro-rata expenditure should be around 100% and 110% as at December 2022 and departments need to analyse all votes that are against the norm to be considered during the adjustment budget.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Monthly Budget Statement Summary

For the month of December 2022, the municipality have realised a revenue of R115 million this is due to the grants received, an equitable trench as well as own revenue. Operating expenditure year to date expenditure is R81.5 million against the budgeted expenditure of R186.6 million with a variance of R93.3 million.

The total outstanding debtors' amount to R181,5 million Total amounts of creditors is R 3.9 million which included prior year accruals.

The municipality is under spending when compared to their projections as per table General Expenditure. This is since 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.

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The Monthly Financial Performance by Revenue Source municipality have managed to collect as per below.

MID-TERM REVENUE ANALYSES - DECEMBER 2022						
SOURCE OF REVENUE	ORIGINAL BUDGET	MIDTERM PRORATA BUGET	Mid-Year	Variance	% Variance	COMMENTS
Rates	30 903 000.00	15 451 500.00	15 119 000.00	(332 500.00)	-2%	The municipality needs to implement debt management and credit control policy to improve the collection rates
Electricity	44 160 000.00	22 080 000.00	15 144 000.00	(6 936 000.00)	-31%	The municipality did not collect as we expected the adjustment will be made. Furthermore, the revenue stream on items is affected by the Eskom load shedding
Refuse	2 927 169.28	1 463 584.64	823 000.00	(640 584.64)	-44%	The municipality need to consider the adjustment because we did not collect as expected.
Fines	3 228 000.00	1 614 000.00	714 000.00	(900 000.00)	-56%	The budget needs to be revised. New strategies need to be introduced to improve collection. This was affected because the Municipality did not issued the ticket on other Month on a first quarter it was due to delayed deliveries books.
Licenses and permits	1 842 000.00	921 000.00	580 000.00	(341 000.00)	-37%	The productivity its affected by load shedding and Municipality

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

						has agreed to order the Generated.
Rental From Fixed Assets	1 928 580.00	964 290.00	801 000.00	(163 290.00)	-17%	The different on this item was by the rental of office that IEC and Zululand District still not paid the whole amount.
Interest earned – External investments	1 249 000.00	624 500.00	443 000.00	(181 500.00)	-29%	This item was based on previous year collection of which we were anticipated to collect this amount in a first six month, but we did not, we also reconsider this on adjustment.
Interest earned – outstanding debtors	6 952 000.00	3 476 000.00	4 257 000.00	781 000.00	22%	The collection on item is more than what was accepted this will adjusted on adjustment budget.
Transfers and subsidies	97 923 000.00	48 961 500.00	77 189 000.00	28 227 500.00	58%	The Municipality has received most of they amount from National and Provincial allocation Dora Gazzeted that is why we have more than what is anticipated that is good for Municipality.
Other	1 182 000.00	591 000.00	143 000.00	(448 000.00)	-76%	The BTO is busy with the reconciliation to ensure that funds are received in the correct votes to ensure that we are not overstating our budget.
TOTAL INCOME	192 295 000.00	96 147 500.00	115 215 000.00	52 846 749.28	20%	

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

SOURCE OF EXPENDITURE	ORIGINAL BUDGET	MIDTERM PRORATA BUDGET	Mid-Year	Variance	% Variance	COMMENTS
Employee related costs	72 836 000.00	36 418 000.00	37 903 000.00	1 485 000.00	4%	The employee related cost was supposed to be 36 million during the mid-year but its above because most employee paid during mid long service and overtime which was under budget then have the variance of R 1.5 million this should be considered on adjustment budget.
Remuneration of councilors	7 473 000.00	3 736 000.00	4 021 000.00	285 000.00	8%	The variance on Council Allowance was cause by Late approval from Cogta of which was back pay that was to be paid to previous Councilors,
Debt impairment	7 384 000.00	3 692 000	0 0		-100%	The debt impairment is calculated at year end but municipality need to calculated this on monthly base going forward
Depreciation & Asset impairment	12 006 000.00	6 003 000.00	0 0		-100%	The Depreciation and Asset is calculated at year end but municipality need to calculated this on monthly base going forward
Bulk purchases – electricity	40 023 000.00	20 011 000.00	19 689 000.00	(322 000.00)	-2%	The Eskom the Municipality was able to make saving on this item.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

						that made saving of R 322 000 thousand .
Contracted services	29 065 000.00	14 532 000.00	12 427 000.00	(2 105 000.00)	-14%	The contracted service Municipality made some saving in a Midyear on Contracted
Transfers & subsidies	1 003 000.00	501 000.00	0	0	-100%	This line was not having the expenditure on first six month and be correct on a adjustment budget.
Other expenditure	16 858 000.00	8 429 000.00	7 443 000.00	(986 000.00)	-12%	The other expenditure was budget the R 16.8 budget for the and mid-term budget was supposed to be R8.4 million but spend R7.4 million and have a saving of R 986 000 and saving of 12%.
Total Expenditure	186 648 000.00	93 324 000.00	81 483 000.00	(11 841 000.00)	-13%	

KZN261 eDumbe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		28 624	30 903	29 127	2 508	15 119	15 452	(333)	-2%	29 127
Service charges - electricity revenue		29 211	44 160	31 742	4 312	15 144	22 080	(6 936)	-31%	31 742
Service charges - water revenue		-	-	-	-	-	-	-		-

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	1 573	2 927	4 162	133	823	1 463	(640)	-44%	4 162	
Rental of facilities and equipment	1 449	1 928	1 760	359	801	964	(163)	-17%	1 760	
Interest earned - external investments	539	1 249	1 348	83	443	625	(182)	-29%	1 348	
Interest earned - outstanding debtors	7 902	6 952	6 780	719	4 257	3 476	781	22%	6 780	
Dividends received	–	–	–	–	–	–	–	–	–	
Fines, penalties and forfeits	3 529	3 228	3 371	361	714	1 614	(900)	-56%	3 371	
Licences and permits	1 179	1 842	1 413	80	580	921	(340)	-37%	1 413	
Agency services	–	–	–	–	–	–	–	–	–	
Transfers and subsidies	129 289	97 923	95 542	32 115	77 189	48 962	28 228	58%	95 542	
Other revenue	(14 471)	1 182	661	89	143	591	(447)	-76%	661	
Gains	(42)	–	–	–	–	–	–	–	–	
Total Revenue (excluding capital transfers and contributions)	188 784	192 295	175 906	40 759	115 215	96 147	19 067	20%	175 906	
Expenditure By Type										
Employee related costs	71 575	72 836	76 412	6 417	37 903	36 418	1 485	4%	76 412	
Remuneration of councillors	7 377	7 473	6 696	801	4 021	3 736	285	8%	6 696	
Debt impairment	22 490	7 384	12 360	–	–	3 692	(3 692)	-100%	12 360	
Depreciation & asset impairment	49 944	12 006	11 236	–	–	6 003	(6 003)	-100%	11 236	
Finance charges	1 262	–	190	–	–	–	–	–	190	
Bulk purchases – electricity	36 000	40 023	30 128	2 276	19 689	20 011	(323)	-2%	30 128	
Inventory consumed	128	–	1 024	–	–	–	–	–	1 024	
Contracted services	27 425	29 065	26 904	3 697	12 427	14 532	(2 105)	-14%	26 904	
Transfers and subsidies	683	1 003	–	–	–	501	(501)	-100%	–	
Other expenditure	14 735	16 858	11 114	2 059	7 443	8 429	(986)	-12%	11 114	
Losses	–	–	–	–	–	–	–	–	–	
Total Expenditure	231 618	186 648	176 064	15 249	81 483	93 324	(11 841)	-13%	176 064	
Surplus/(Deficit)	(42 834)	5 647	(158)	25 510	33 732	2 824	30 908	0	(158)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 892	33 405	36 055	2 201	15 458	16 703	(1 244)	(0)	36 055	

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

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)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(942)	39 052	35 897	27 711	49 190	19 526	-	35 897
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(942)	39 052	35 897	27 711	49 190	19 526	-	35 897
Attributable to minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(942)	39 052	35 897	27 711	49 190	19 526	-	35 897
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(942)	39 052	35 897	27 711	49 190	19 526	-	35 897

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including capital transfers/contributions etc

230 676	225 700	211 961	42 960	130 673	112 850	211 961
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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

ACTUAL VS BILLING (Collections)						
DESCRIPTION	BILLING	INCOME RECEIVED	%	ESKOM PAYMENT	ELECTRICITY SALES	%
ELECTRICITY BILLING VS C	9 092 113.75	8 718 386.70	95.000	19 689 000	15 144 000	76.09
PREPAID SALES BUDGET	6 092 113.75	6 092 113.75	100.00			
RATES	15 119 000	12 630 048.79	94.00			
REFUSE REMOVAL	1 624 918.76	510 405.05	31.00			
TOTAL	31 928 146.26	16 583 954.29	282.00	20 449 808.62	15 958 632.22	76.09

- 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.

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Monthly Financial Performance by Revenue Type

KZN261 eDumbe - Table C4 Monthly Budget Statement - Financial Performance (revenue)

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		28 624	30 903	29 127	2 508	15 119	15 452	(333)	-2%	29 127
Service charges - electricity revenue		29 211	44 160	31 742	4 312	15 144	22 080	(6 936)	-31%	31 742
Service charges - water revenue		–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		1 573	2 927	4 162	133	823	1 463	(640)	-44%	4 162
		–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		1 449	1 928	1 760	359	801	964	(163)	-17%	1 760
Interest earned - external investments		539	1 249	1 348	83	443	625	(182)	-29%	1 348
Interest earned - outstanding debtors		7 902	6 952	6 780	719	4 257	3 476	781	22%	6 780
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3 529	3 228	3 371	361	714	1 614	(900)	-56%	3 371
Licences and permits		1 179	1 842	1 413	80	580	921	(340)	-37%	1 413
Agency services		–	–	–	–	–	–	–	–	–
Transfers and subsidies		129 289	97 923	95 542	32 115	77 189	48 962	28 228	58%	95 542
Other revenue		(14 471)	1 182	661	89	143	591	(447)	-76%	661
Gains		(42)	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		188 784	192 295	175 906	40 759	115 215	96 147	19 067	20%	175 906

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Monthly Financial Performance by Expenditure Type

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (expenditure)

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs	-	71 575	72 836	76 412	6 417	37 903	36 418	1 485	4%	76 412
Remuneration of councilors		7 377	7 473	6 696	801	4 021	3 736	285	8%	6 696
Debt impairment		22 490	7 384	12 360	-	-	3 692	(3 692)	-100%	12 360
Depreciation & asset impairment		49 944	12 006	11 236	-	-	6 003	(6 003)	-100%	11 236
Finance charges		1 262	-	190	-	-	-	-		190
Bulk purchases – electricity		36 000	40 023	30 128	2 276	19 689	20 011	(323)	-2%	30 128
Inventory consumed		128	-	1 024	-	-	-	-		1 024
Contracted services		27 425	29 065	26 904	3 697	12 427	14 532	(2 105)	-14%	26 904
Transfers and subsidies		683	1 003	-	-	-	501	(501)	-100%	-
Other expenditure		14 735	16 858	11 114	2 059	7 443	8 429	(986)	-12%	11 114
Losses		-	-	-	-	-	-	-		-
Total Expenditure		231 618	186 648	176 064	15 249	81 483	93 324	(11 841)	-13%	176 064

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

KZN261 eDumbe - Table C1 Monthly Budget Statement Summary - M06 December

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	28 624	30 903	29 127	2 508	15 119	15 452	(333)	-2%	29 127
Service charges	30 784	47 087	35 903	4 446	15 968	23 544	(7 576)	-32%	35 903
Investment revenue	539	1 249	1 348	83	443	625	(182)	-29%	1 348
Transfers and subsidies	129 289	97 923	95 542	32 115	77 189	48 962	28 228	58%	95 542
Other own revenue	(453)	15 132	13 985	1 608	6 496	7 566	(1 070)	-14%	13 985
Total Revenue (excluding capital transfers and contributions)	188 784	192 295	175 906	40 759	115 215	96 147	19 067	20%	175 906
Employee costs	71 575	72 836	76 412	6 417	37 903	36 418	1 485	4%	76 412
Remuneration of Councillors	7 377	7 473	6 696	801	4 021	3 736	285	8%	6 696
Depreciation & asset impairment	49 944	12 006	11 236	–	–	6 003	(6 003)	-100%	11 236
Finance charges	1 262	–	190	–	–	–	–	–	190
Inventory consumed and bulk purchases	36 128	40 023	31 152	2 276	19 689	20 011	(323)	-2%	31 152
Transfers and subsidies	683	1 003	–	–	–	501	(501)	-100%	–
Other expenditure	64 649	53 307	50 378	5 755	19 870	26 654	(6 783)	-25%	50 378
Total Expenditure	231 618	186 648	176 064	15 249	81 483	93 324	(11 841)	-13%	176 064
Surplus/(Deficit)	834	5 647	(158)	25 510	33 732	2 824	30 908	1095%	(158)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 892	33 405	36 055	2 201	15 458	16 703	(1 244)	-7%	36 055
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Surplus/(Deficit) after capital transfers & contributions	(942)	39 052	35 897	27 711	49 190	19 526	29 664	152%	35 897
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(942)	39 052	35 897	27 711	49 190	19 526	29 664	152%	35 897
<u>Capital expenditure & funds sources</u>									
Capital expenditure	74 470	60 421	42 115	3 935	30 155	30 211	(55)	-0%	42 115
Capital transfers recognised	(41) 959)	59 321	40 055	3 935	27 937	29 661	(1 723)	-6%	40 055
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	116 429	1 100	2 060	-	2 218	550	1 668	303%	2 060
Total sources of capital funds	74 470	60 421	42 115	3 935	30 155	30 211	(55)	-0%	42 115
<u>Financial position</u>									
Total current assets	149 798	162 623	43 109		26 042				43 109
Total non current assets	364 001	77 963 (17)	413 400 (23)		30 155				413 400
Total current liabilities	164 293	808)	450)		7 310				23 450
Total non current liabilities	391	-	8 725		-				8 725
Community wealth/Equity	179 814	219 342	388 437		(304)				388 437
<u>Cash flows</u>									
Net cash from (used) operating	-	88 698 (60)	191 146 (42)	15 412	101 976	44 349	(57 627)	-130%	191 146
Net cash from (used) investing	377 933	421)	115)	(3 935)	(30 155)	(30 211)	(55)	0%	(42 115)
Net cash from (used) financing	-	(239)	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	373 934	33 005	156 290	-	67 821	21 397	(46 424)	-217%	145 031
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>									
Total By Income Source	4 557	(1 240)	2 712	2 420	2 374	2 314	13 982	155 379	182 498
<u>Creditors Age Analysis</u>									
Total Creditors	2 607	36	-	-	522	-	792	(0)	3 957

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

KZN261 eDumbe - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue – Functional										
Governance and administration		86 949	151 188	117 692	16 551	61 103	75 594	(14 491)	-19%	117 692
Executive and council		12 357	14 392	13 722	4 612	10 077	7 196	2 881	40%	13 722
Finance and administration		74 592	136 796	103 971	11 939	51 026	68 398	(17 372)	-25%	103 971
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		64 314	14 158	16 873	6 437	14 751	7 079	7 672	108%	16 873
Community and social services		64 300	14 150	16 771	6 437	14 746	7 075	7 671	108%	16 771
Sport and recreation		13	8	102	-	4	4	0	8%	102
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		56 867	57 231	69 842	19 611	51 213	28 615	22 597	79%	69 842
Planning and development		56 152	55 736	68 916	19 545	50 754	27 868	22 886	82%	68 916
Road transport		715	1 495	925	66	459	747	(288)	-39%	925
Environmental protection		-	-	-	-	-	-	-		-
Trading services		19 045	-	4 183	-	2 895	-	2 895	#DIV/0!	4 183
Energy sources		19 045	-	21	-	2 895	-	2 895	#DIV/0!	21
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	4 162	-	-	-	-		4 162
Other	4	3 501	3 123	3 371	361	711	1 562	(850)	-54%	3 371
Total Revenue – Functional	2	230 676	225 700	211 961	42 960	130 673	112 850	17 823	16%	211 961
Expenditure – Functional	-									
Governance and administration		140 823	100 152	95 934	7 476	37 265	50 076	(12 811)	-26%	95 934

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Executive and council		19 909	21 474	18 189	2 207	9 674	10 737	(1 064)	-10%	18 189
Finance and administration		120 914	78 678	77 745	5 269	27 591	39 339	(11 748)	-30%	77 745
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		24 884	16 846	16 892	2 749	11 852	8 423	3 429	41%	16 892
Community and social services		24 595	16 042	16 202	2 749	11 815	8 021	3 794	47%	16 202
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		289	804	690	-	37	402	(365)	-91%	690
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		26 516	26 982	28 594	2 437	11 114	13 491	(2 377)	-18%	28 594
Planning and development		22 827	24 293	24 182	2 437	11 020	12 147	(1 126)	-9%	24 182
Road transport		3 690	2 689	4 412	-	93	1 344	(1 251)	-93%	4 412
Environmental protection		-	-	-	-	-	-	-		-
Trading services		39 395	42 667	34 644	2 587	21 252	21 333	(81)	0%	34 644
Energy sources		39 395	42 667	34 644	2 587	21 252	21 333	(81)	0%	34 644
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Expenditure - Functional	3	231 618	186 648	176 064	15 249	81 483	93 324	(11 841)	-13%	176 064
Surplus/ (Deficit) for the year		(942)	39 052	35 897	27 711	49 190	19 526	29 664	152%	35 897

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in the Financial Performance Statement
3. Total Expenditure by functional classification must reconcile to total operating expenditure shown in 'Financial Performance Statement'
4. All amounts must be classified under a functional classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

KZN261 eDumbe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		28 624	30 903	29 127	2 508	15 119	15 452	(333)	-2%	29 127
Service charges - electricity revenue		29 211	44 160	31 742	4 312	15 144	22 080	(6 936)	-31%	31 742
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		1 573	2 927	4 162	133	823	1 463	(640)	-44%	4 162
Rental of facilities and equipment		1 449	1 928	1 760	359	801	964	(163)	-17%	1 760
Interest earned - external investments		539	1 249	1 348	83	443	625	(182)	-29%	1 348
Interest earned - outstanding debtors		7 902	6 952	6 780	719	4 257	3 476	781	22%	6 780
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3 529	3 228	3 371	361	714	1 614	(900)	-56%	3 371
Licences and permits		1 179	1 842	1 413	80	580	921	(340)	-37%	1 413
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		129 289	97 923	95 542	32 115	77 189	48 962	28 228	58%	95 542
Other revenue		(14 471)	1 182	661	89	143	591	(447)	-76%	661
Gains		(42)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		188 784	192 295	175 906	40 759	115 215	96 147	19 067	20%	175 906
Expenditure By Type										
Employee related costs		71 575	72 836	76 412	6 417	37 903	36 418	1 485	4%	76 412
Remuneration of councillors		7 377	7 473	6 696	801	4 021	3 736	285	8%	6 696
Debt impairment		22 490	7 384	12 360	-	-	3 692	(3 692)	-100%	12 360
Depreciation & asset impairment		49 944	12 006	11 236	-	-	6 003	(6 003)	-100%	11 236

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Finance charges	1 262	–	190	–	–	–	–	–	190
Bulk purchases – electricity	36 000	40 023	30 128	2 276	19 689	20 011	(323)	-2%	30 128
Inventory consumed	128	–	1 024	–	–	–	–	–	1 024
Contracted services	27 425	29 065	26 904	3 697	12 427	14 532	(2 105)	-14%	26 904
Transfers and subsidies	683	1 003	–	–	–	501	(501)	-100%	–
Other expenditure	14 735	16 858	11 114	2 059	7 443	8 429	(986)	-12%	11 114
Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	231 618	186 648	176 064	15 249	81 483	93 324	(11 841)	-13%	176 064
Surplus/(Deficit)	(42 834)	5 647	(158)	25 510	33 732	2 824	30 908	0	(158)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 892	33 405	36 055	2 201	15 458	16 703	(1 244)	(0)	36 055
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)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(942)	39 052	35 897	27 711	49 190	19 526			35 897
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	(942)	39 052	35 897	27 711	49 190	19 526			35 897
Attributable to minorities	–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	(942)	39 052	35 897	27 711	49 190	19 526			35 897
Share of surplus/ (deficit) of associate	–	–	–	–	–	–			–
Surplus/ (Deficit) for the year	(942)	39 052	35 897	27 711	49 190	19 526			35 897

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including capital transfers/contributions etc

230 676	225 700	211 961	42 960	130 673	112 850	211 961
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MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

KZN261 eDumbe - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification, and funding) - M06 December

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 – Housing		-	-	-	-	-	-	-	-	-
Vote 8 – Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 14 – Other		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Admin2		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	100	-	-	-	50	(50)	-100%	-
Vote 2 - Finance and Admin		50 020	1 000	2 060	-	2 218	500	1 718	344%	2 060
Vote 3 - Internal Audit		-	-	-	-	-	-	-		-
Vote 4 - Community and Social Services		1 584	-	-	-	386	-	386	#DIV/0!	-

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 – Housing		-	-	-	-	-	-	-	-	-
Vote 8 – Health		15 970	11 348	-	834	5 163	5 674	(511)	-9%	-
Vote 9 - Planning & Development		16 233	23 075	40 055	3 028	15 259	11 537	3 721	32%	40 055
Vote 10 - Road Transport		(19 595)	-	-	-	-	-	-	-	-
Vote 11 - Energy Sources		10 258	-	-	73	7 130	-	7 130	#DIV/0!	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - Waste Management		-	24 899	-	-	-	12 450	(12 450)	-100%	-
Vote 14 – Other		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Admin2		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	74 470	60 421	42 115	3 935	30 155	30 211	(55)	0%	42 115
Total Capital Expenditure		74 470	60 421	42 115	3 935	30 155	30 211	(55)	0%	42 115
<u>Capital Expenditure - Functional Classification</u>										
Governance and administration		50 020	1 100	2 060	-	2 218	550	1 668	303%	2 060
Executive and council		-	100	-	-	-	50	(50)	-100%	-
Finance and administration		50 020	1 000	2 060	-	2 218	500	1 718	344%	2 060
Internal audit		-	-	-	-	-	-	-	-	-
		(18						(12		
Community and public safety		011)	24 899	-	-	386	12 450	063)	-97%	-
Community and social services		1 584	-	-	-	386	-	386	#DIV/0!	-
Sport and recreation		(19								
Public safety		595)	-	-	-	-	-	-	-	-
Housing		-	24 899	-	-	-	12 450	(12	-100%	-
Health		-	-	-	-	-	-	450)	-	-
Economic and environmental services		26 492	23 075	40 055	3 101	22 389	11 537	10 851	94%	40 055
Planning and development		16 233	23 075	40 055	3 028	15 259	11 537	3 721	32%	40 055
Road transport		10 258	-	-	73	7 130	-	7 130	#DIV/0!	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		15 970	11 348	-	834	5 163	5 674	(511)	-9%	-
Energy sources		15 970	11 348	-	834	5 163	5 674	(511)	-9%	-
Water management		-	-	-	-	-	-	-	-	-

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	74 470	60 421	42 115	3 935	30 155	30 211	(55)	0%	42 115
Funded by:										
National Government		(42 528)	25 922	40 055	3 369	18 935	12 961	5 974	46%	40 055
Provincial Government		569	33 399	-	566	9 003	16 700	(7 697)	-46%	-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		(41 959)	59 321	40 055	3 935	27 937	29 661	(1 723)	-6%	40 055
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		116 429	1 100	2 060	-	2 218	550	1 668	303%	2 060
Total Capital Funding		74 470	60 421	42 115	3 935	30 155	30 211	(55)	0%	42 115

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment
3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations
4. Include expenditure on investment property, intangible and biological assets

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

check balance

- - - - -

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 81.5 million against the budgeted expenditure of R 93.3 million with a variance of R11.8 million. Total amount of creditors is R 3.9 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 votes have been under/overspent due its nature. The municipality needs to reprioritise.

Income performance

Total revenue (Incl. grants)

Above is the C4 – Financial Performance schedule for the Municipality. The actual total revenue including grants from July to December 2022/23 is at R 115 million and Total expenditure is at R 81.4 million. It shows that the council is operating at an actual projected of the to date budget R 19.5 million. The Financial Performance is prepared in the accrual basis.

Operating Revenue by Source

The table indicates billing for service charges for property rates, electricity, and refuse. Billing for property rates reflects expected revenue of R 15 163 000 from July to December 2022/23.

The collection of billed amounts for rates remains a huge challenge. Most of the customers are not paying rates which have resulted to the increase on outstanding debtors. The revenue enhancement strategy has been developed and the Revenue Section is currently implementing the strategy which will be closely monitored by the department and reports will be sent to MANCO, EXCO and Council meetings. The MANCO have also established the Debt Steering Committee which also deals with the matters.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Services charges

Services charges: We have done a collection of 93% of the Mid-Year budget. Refuse revenue collected is at 31% to date. Table indicates that from the Services charges actual collected from July to December is R 14 810 500.45 and refuse actual is R 510 083.00, which includes revenue from services rendered by the municipality including electricity, refuse. The major problem is most customers from eDumbe Location that are not buying electricity which makes life difficult for the municipality to sustain the electricity business.

Licences and permits.

Licences and permits for the midyear budget is R 1 179 million. The R 580 000 disclosed here is all actual cash received.

Revenue from operating grants

Revenue from operating grants is at 59% of the year-to-date budget. Operating grants received came to R 77 million out of the budgeted year to date of 129 million, which we have received most of the operating grant that was due to us this mid-year.

Other revenue

Other revenue collected is R143 000 and year to date budget R 149 000 and variance - 89% other revenue collected includes collections from eDumbe dam, Insurance claim, Clearance certificate, connection fee, re-connection fee, tender monies, burial fees, and hall hire fees.

Total revenue

Total Revenue (excluding Capital transfers and contributions) came to R 115 million (20% variance) compared to the budget year to date of R94.3Million as at the end of the Mid-Year. This includes revenue from services rendered by the municipality, which are electricity, refuse, Rates, Licences, and permits, Traffic fine and rental facilities.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Expenditure performance

Operating Expenditure by type

In accordance with Municipal Finance Management Act No. 56 of 2003 section 99, this deals with expenditure management. Section 99(2) the accounting officer has taken all reasonable steps to ensure that – Internal controls are in place such as procedure for authorization, approval, withdrawals, and payment of funds.

This report includes other expenditure which are travel and subsistence claims, Advertising, Cleaning Materials, printing and stationery, Fuel, Telkom etc. A contracted service includes payments to Grass cutting, Security Services, Rental of office equipment and others. Council to note that Depreciation is non- cash item, but provision must be made for it.

Employee related costs.

The municipality is currently spending R 37.9 million on employee cost and R 4 Million remuneration for councillors for the Midyear.

Employee related costs and remuneration of councillor's actual comes to only 52% of the budgeted year to date amount of R 40.1 Million for Employee related cost and Council for the Mid Year.

a. **Table C5: Monthly Budget Statement -Capital Expenditure**

KZN261 eDumbe - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 14 - Other		-	-	-	-	-	-	-	-	-
Vote 15 - Finance and Admin2		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	100	-	-	-	50	(50)	-100%	-
Vote 2 - Finance and Admin		50 020	1 000	2 060	-	2 218	500	1 718	344%	2 060
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-

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Vote 4 - Community and Social Services		1 584	-	-	-	386	-	386	#DIV/0!	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-		-
Vote 6 - Public Safety		-	-	-	-	-	-	-		-
Vote 7 – Housing		-	-	-	-	-	-	-		-
Vote 8 – Health		15 970	11 348	-	834	5 163	5 674	(511)	-9%	-
Vote 9 - Planning & Development		16 233	23 075	40 055	3 028	15 259	11 537	3 721	32%	40 055
Vote 10 - Road Transport		(19 595)	-	-	-	-	-	-		-
Vote 11 - Energy Sources		10 258	-	-	73	7 130	-	7 130	#DIV/0!	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - Waste Management		-	24 899	-	-	-	12 450	(12 450)	-100%	-
Vote 14 – Other		-	-	-	-	-	-	-		-
Vote 15 - Finance and Admin2		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	74 470	60 421	42 115	3 935	30 155	30 211	(55)	0%	42 115
Total Capital Expenditure		74 470	60 421	42 115	3 935	30 155	30 211	(55)	0%	42 115
Capital Expenditure - Functional Classification										
Governance and administration		50 020	1 100	2 060	-	2 218	550	1 668	303%	2 060
Executive and council		-	100	-	-	-	50	(50)	-100%	-
Finance and administration		50 020	1 000	2 060	-	2 218	500	1 718	344%	2 060
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		(18 011)	24 899	-	-	386	12 450	(12 063)	-97%	-
Community and social services		1 584	-	-	-	386	-	386	#DIV/0!	-
Sport and recreation		(19 595)	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	24 899	-	-	-	12 450	(12 450)	-100%	-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		26 492	23 075	40 055	3 101	22 389	11 537	10 851	94%	40 055
Planning and development		16 233	23 075	40 055	3 028	15 259	11 537	3 721	32%	40 055
Road transport		10 258	-	-	73	7 130	-	7 130	#DIV/0!	-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		15 970	11 348	-	834	5 163	5 674	(511)	-9%	-
Energy sources		15 970	11 348	-	834	5 163	5 674	-	-9%	-

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

								(511)		
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	74 470	60 421	42 115	3 935	30 155	30 211	(55)	0%	42 115
Funded by:										
National Government		(42 528)	25 922	40 055	3 369	18 935	12 961	5 974	46%	40 055
Provincial Government		569	33 399	-	566	9 003	16 700	(7 697)	-46%	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		(41 959)	59 321	40 055	3 935	27 937	29 661	(1 723)	-6%	40 055
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		116 429	1 100	2 060	-	2 218	550	1 668	303%	2 060
Total Capital Funding		74 470	60 421	42 115	3 935	30 155	30 211	(55)	0%	42 115

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment
3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations
4. Include expenditure on investment property, intangible and biological assets

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

KZN261 eDumbe - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2021/22	Budget Year 2022/23		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	20 798	18 148	–	–	10 399	(10 399)	-100%	18 148
Service charges		–	35 600	30 400	–	–	17 800	(17 800)	-100%	30 400
Other revenue		–	26 489	7 002	–	–	13 244	(13 244)	-100%	7 002
Transfers and Subsidies - Operational		–	102 316	95 542	–	–	51 158	(51 158)	-100%	95 542
Transfers and Subsidies - Capital		–	67 901	40 055	–	–	33 951	(33 951)	-100%	40 055
Interest		–	2 987	–	–	–	1 494	(1 494)	-100%	–
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		–	(167 393)	–	15 412	101 976	(83 697)	673)	222%	–
Finance charges		–	–	–	–	–	–	–		–
Transfers and Grants		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	88 698	191 146	15 412	101 976	44 349	(57 627)	-130%	191 146
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		377 933	(60 421)	(42 115)	(3 935)	(30 155)	(30 211)	(55)	0%	(42 115)
NET CASH FROM/(USED) INVESTING ACTIVITIES		377 933	(60 421)	(42 115)	(3 935)	(30 155)	(30 211)	(55)	0%	(42 115)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	(239)	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(239)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	377 933	28 038	149 031	11 477	71 821	14 138			149 031
Cash/cash equivalents at beginning:	(4 000)	4 967	7 259		(4 000)	7 259			(4 000)
Cash/cash equivalents at month/year end:	373 934	33 005	156 290		67 821	21 397			145 031

References

CFA: CASH FLOW STATEMENT ACTUALS - DECEMBER 2022						
Detail	Jul	Aug	Sep	Oct	Nov	Dec
Cash Receipts by Source						
Property rates	2 579 302.56	2 507 862.63	2 507 862.63	2 507 862.63	2 507 862.63	2 507 862.63
Property rates - penalties & collection charges	631 265.04	637 790.39	644 155.49	650 119.85	649 156.33	653 826.61
Service charges - electricity revenue	2 402 086.16	2 742 581.17	2 741 575.44	2 253 243.70	2 672 894.90	2 263 646.38
Service charges - refuse revenue	138 008.01	138 008.01	138 008.01	138 008.01	138 008.01	137 244.31
Rental of facilities and equipment	132 563.21	126 558.94	107 146.13	21 807.61	26 807.61	358 744.54
Interest earned - external investments	65 441.89	125 513.83	81 470.27	65 620.10	31 786.31	82 870.62
Fines	234 300.00	129 300.00	0.00	300.00	0.00	360 500.00
Licences and permits	84 519.95	63 443.60	81 013.54	167 316.00	89 380.58	79 735.70
Agency services						
Transfer receipts - operational	36 434 000	0.00	0.00	3 390 000.00	675 000.00	30 744 000.00
Other revenue	16 825.91	26 929.72	13 860.82	20 076.00	40 213.00	94 621.88
Cash Receipts by Source	-	-	-	-	-	-
Transfer receipts – capital	7 885 187.50	375 000.00	125 000.00	2 046 250.00	1 796 250.00	7 885 187.50
Total Cash Receipts by Source	50 603 500.23	6 872 988.29	6 440 092.33	11 260 603.90	8 627 359.37	45 168 240.17
Cash Payments by						

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Type						
Employee related costs	6 553 411.00	6 599 803.65	6 553 411.00	6 499 588.09	6 579 774.89	6 417 047.45
Remuneration of councillors	666 232.72	610 171.27	666 232.72	655 767.98	646 790.03	801 059.84
Interest paid						
Bulk purchases - Electricity	2 447 550.07	5 841 247.44	2 447 550.07	2 430 042.05	2 447 643.88	2 275 637.87
Contracted services	1 414 332.68	2 478 092.11	1 414 332.68	943 831.91	1 314 097.06	3 696 639.81
General expenses	1 074 705.27	1 218 731.64	1 074 705.27	900 530.44	1 026 384.61	1 693 866.32
Cash Payments by Type	23 592.70	51 763.96	23 592.70	23 592.70	23 592.70	47 732.69
Capital assets	0	5 495 767.31	6 569 850.05	5 789 419.14	1 982 416.94	5 274 905.72
Total Cash Payments by Type	8 461 647.59	13 369 852.83	14 390 179.00	12 876 833.97	12 146 256.63	16 039 522.94
Net Increase / (Decrease) in Cash Held	34 330 834.62	-2 177 287.92	-650 612.47	-5 411 355.86	-1 013 053.18	29,990,291.46
Cash/cash equivalents at the month/year begin:	3,863,223.88	38 194 058.5	36,016,770.58	35,366,158.11	299,540,802	6,177,928.18
Cash/cash equivalents at the month	38 194 058.50	36 016 770.58	35,366,158.11	29,954,802.25	6 177 928.18	36,168,219.64

The municipality's cash flow is positive currently, which shows that the municipality still has 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 in call accounts to attract. There are no Borrowing that exist within the institution except money owed by creditors. Our cash flow on c schedule does not agreed /this doesn't populated properly this our challenge but we are already engaged system provider to corrected this on adjustment..

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT –
2022/2023 FINANCIAL YEAR

Debtors' ageing report

KZN261 eDumbe - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2022/23										Act Det Off Det
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 990	863	467	233	250	166	1 068	4 840	9 876	6 556	
Receivables from Non-exchange Transactions - Property Rates	1400	1 641	(3 031)	1 335	1 294	1 235	1 272	6 952	43 482	54 180	54 236	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	190	199	183	173	177	172	1 120	80 911	83 126	82 553	
Receivables from Exchange Transactions - Property Rental Debtors	1700	17	16	16	16	16	16	79	35	210	161	
Interest on Arrear Debtor Accounts	1810	719	714	711	704	696	689	4 762	26 110	35 105	32 961	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	-	-	-	-	-	-	-	1	1	1	
Total By Income Source	2000	4 557	(1 240)	2 712	2 420	2 374	314	13 982	155 379	182 498	176 468	
2021/22 - totals only										-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	860	(2 631)	730	653	616	618	3 589	16 156	20 591	21 632	
Commercial	2300	1 558	1 139	691	604	615	568	3 542	22 005	30 723	27 335	
Households	2400	1 004	836	1 076	940	924	910	5 820	109 022	120 532	117 616	
Other	2500	1 135	(584)	215	223	218	219	1 031	8 195	10 652	9 886	
Total By Customer Group	2600	4 557	(1 240)	2 712	2 420	2 374	2 314	13 982	155 379	182 498	176 468	

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Notes

Material increases in value of debtors' categories compared to previous month to be explained

Bad debts = amounts actually written off in the month

Total by Income Source must reconcile with Total by Customer

Group

- - - - -

The total debtor's book continues to grow and to-date, total debtors amount to R 182 million

An intensive collection drive aimed at ensuring that collection of outstanding debtors is improved is underway and this will be implemented during the current financial year. This process will start by ensuring that debtors are encouraged to ensure that their current monthly account is settled by implementing the credit control and debt management policy. Also, a Revenue Enhancement Strategy is currently being developed it 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 to avoid customer dissatisfaction. This will ensure Statements to the customers are issued monthly.

Arrears – we have lot of queries relating to customer account. The municipality needs to tackle to 100 debtors and to deal with problematic government accounts.

Customer care we need to improve on this can find a way of providing a service to customers with a 'one-stop shop' where all accounts could be paid to allow accounts to be paid at banks, the Post Office, retail chain stores, etc.

4. Table SC4- creditors Age Analysis

KZN261 eDumbe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	522	-	-	-	522	522
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	(10)	36	-	-	-	-	792	(0)	818	818
Auditor General	0800	-	-	-	-	-	-	-	0	0	0
Other	0900	2 617	-	-	-	-	-	-	-	2 617	2 617
Total By Customer Type	1000	2 607	36	-	-	522	-	792	(0)	3 957	3 957

Notes

Material increases in value of creditors' categories compared to previous month to be explained

Table SC4 shows the amount of Creditors ageing as at 31 December 2022. An amount of R 3.9 million remains a liability at the end of the month; 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 2022 to December 2022.

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

Investment revenue is the amount of interest earned on the amount invested with various financial institutions registered with South African Banking Council. The total amount of money in the bank amounts to **R 23 million** as at the end of December 2022.

In line with the investment policy, funds are invested only on call accounts with FNB and Grindrod institutions. The municipality is still dealing with its 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.

eDumbe LOCAL MUNICIPALITY							
INVESTMENT REGISTER							
SUMMARY INVESTMENT REGISTER (Regulation 3(1)(g))							
2022/2023							
INSTITUTION	OPENING BALANCE 2021-07-01	Bank charges	INVESTED in current year	Withdrawal	INTEREST	BALANCE 2022-06-30	INTEREST Earned
FNB - 62033660376	335 519.08	-	72 000 000.00	52 300 000.00	236 375.40	20 271 894.48	236 375.40
GRINDROD - 154009	19 022.70	-	-	-	515.81	19 538.51	515.81
FNB - 624218433807	105 278.74	-	12 000 000.00	11 177 873.01	110 605.55	1 038 011.28	110 605.55
FNB - 61328003233	769 632.26	-	10 000 000.00	8 812 000.00	52 247.03	2 009 879.29	52 247.03
FNB - 62219848746	135 525.23	-	-	-	2 931.61	138 456.84	2 931.61
TOTAL	1 364 978.01	-	94 000 000.00	72 289 873.01	402 675.40	23 477 780.40	402 675.40
Summary							
Total interest received from these investments (for the period 1 July 2022 to 30 June 2023)						402 675.40	

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Total amount on current investments & call account (as at 31 December 2022)	23 477 780.40
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Grants Income and Expenditure December 2022

EDUMBE MUNICIPALITY - GRANTS REGISTER DECEMBER 2022						
GRANT	GRANT' BUDGET(DORA) 2022-2023	AMOUNT RECEIVED	YEAR-TO-DATE PAYMENTS	UNSPENT CLOSING BLANCE	% Spent	COMMENTS
Equitable Share	93,423,000	(67,181,000)	67,575,000	394,000	72%	The amount was received as per Dora allocation financial year 2022 /23 the amount was withheld by treasury of any amount of R 394 000 however the letter was sent treasury with supporting documents
FMG	3,000,000	(3,000,000)	1,981,073,80	(1,018,926,20)	66%	The expenditure on this was supposed to be at 50% on mid-year but is sat on 66% that good for Municipality.
Energy	13,350,000	(8 000 000)	7,400,033,06	(599,966,94)	93%	The expenditure was supposed to be at 50% in midyear but now sitting at 93% which it's good for Municipality
MIG	20,055,000	(15 000 000)	12,956,381,97	(2,043,618,03)	86%	The Grant was Received as per Dora Allocation, and this was supposed to be 50% spent on December but we spent 86% as its December.
EPWP	1,500,000	(1,050,000,00)	606,788,40	(443,211,60)	58%	Received as per Dora Allocation we spent 58% as per December this shows that the next months will have some challenges with this operational Grant.
Art & Culture	3,231,000	(3,390,000)	1,574,125,67	(1,815,874,33)	46%	The amount that was received as Provincial KZN Gazzeted. This was supposed to be 50% as at December but its 46% as at December
KZNEDTEA	1,000,000	(1,000,000,00)		(1,000,000,00)	0%	Amount was received and it will be spent during the 3 rd Quarter

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

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Table SC8 Councillor and Staff benefits

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.

KZN261 eDumbe - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		6 510	7 473	6 696	736	3 603	3 736	(133)	-4%	6 696
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		833	-	-	65	412	-	412	#DIV/0!	-
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		34	-	-	-	6	-	6	#DIV/0!	-
Sub Total - Councillors		7 377	7 473	6 696	801	4 021	3 736	285	8%	6 696
% increase	4		1.3%	-9.2%						-9.2%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		1 849	4 057	-	314	1 274	2 029	(755)	-37%	-
Pension and UIF Contributions		7	-	115	1	4	-	4	#DIV/0!	115
Medical Aid Contributions		-	-	1 542	9	27	-	27	#DIV/0!	1 542
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		215	-	331	2	2	-	2	#DIV/0!	331
Motor Vehicle Allowance		670	-	417	59	353	-	353	#DIV/0!	417
Cellphone Allowance		78	-	199	12	59	-	59	#DIV/0!	199
Housing Allowances		283	-	177	37	163	-	163	#DIV/0!	177
Other benefits and allowances		20	-	1	19	24	-	24	#DIV/0!	1
Payments in lieu of leave		-	-	71	-	-	-	-		71
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-

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Sub Total - Senior Managers of Municipality		3 122	4 057	2 853	453	1 904	2 029	(124)	-6%	2 853
% increase	4		30.0%	-8.6%						-8.6%
Other Municipal Staff										
Basic Salaries and Wages		48 639	45 580	52 929	4 473	26 629	22 790	3 839	17%	52 929
Pension and UIF Contributions		7 603	8 194	7 640	745	4 394	4 097	297	7%	7 640
Medical Aid Contributions		2 228	4 445	3 053	206	1 226	2 223	(997)	-45%	3 053
Overtime		1 144	1 438	1 322	91	672	719	(47)	-7%	1 322
Performance Bonus		3 532	4 606	4 457	58	741	2 303	(1 562)	-68%	4 457
Motor Vehicle Allowance		1 637	2 519	2 229	160	971	1 260	(289)	-23%	2 229
Cellphone Allowance		269	449	271	26	159	224	(66)	-29%	271
Housing Allowances		81	747	639	7	40	374	(333)	-89%	639
Other benefits and allowances		2 073	12	12	192	1 105	6	1 099	18138%	12
Payments in lieu of leave		526	622	836	–	20	311	(291)	-94%	836
Long service awards		348	165	172	–	–	83	(83)	-100%	172
Post-retirement benefit obligations	2	373	–	–	7	41	–	41	#DIV/0!	–
Sub Total - Other Municipal Staff		68 454	68 779	73 559	5 964	35 999	34 390	1 609	5%	73 559
% increase	4		0.5%	7.5%						7.5%
Total Parent Municipality		78 952	80 309	83 108	7 218	41 924	40 155	1 769	4%	83 108
Unpaid salary, allowances & benefits in arrears:			1.7%	5.3%						5.3%
Board Members of Entities										
Basic Salaries and Wages								–		
Pension and UIF Contributions								–		
Medical Aid Contributions								–		
Overtime								–		
Performance Bonus								–		
Motor Vehicle Allowance								–		
Cellphone Allowance								–		
Housing Allowances								–		
Other benefits and allowances								–		

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Board Fees								-	
Payments in lieu of leave								-	
Long service awards								-	
Post-retirement benefit obligations								-	
Sub Total - Board Members of Entities	2	-	-	-	-	-	-	-	-
% increase	4								
Senior Managers of Entities									
Basic Salaries and Wages								-	
Pension and UIF Contributions								-	
Medical Aid Contributions								-	
Overtime								-	
Performance Bonus								-	
Motor Vehicle Allowance								-	
Cellphone Allowance								-	
Housing Allowances								-	
Other benefits and allowances								-	
Payments in lieu of leave								-	
Long service awards								-	
Post-retirement benefit obligations	2							-	
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-
% increase	4								
Other Staff of Entities									
Basic Salaries and Wages								-	
Pension and UIF Contributions								-	
Medical Aid Contributions								-	
Overtime								-	
Performance Bonus								-	
Motor Vehicle Allowance								-	
Cellphone Allowance								-	
Housing Allowances								-	
Other benefits and allowances								-	
Payments in lieu of leave								-	
Long service awards								-	

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Post-retirement benefit obligations								-		
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-		-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-		-
TOTAL SALARY, ALLOWANCES & BENEFITS		78 952	80 309	83 108	7 218	41 924	40 155	1 769	4%	83 108
% increase	4		1.7%	5.3%						5.3%
TOTAL MANAGERS AND STAFF		71 575	72 836	76 412	6 417	37 903	36 418	1 485	4%	76 412

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. If benefits in kind are provided (e.g. provision of living quarters) the full market value must be shown as the cost to the municipality
3. s57 of the Systems Act
4. B/A, C/A, D/A

Column Definitions:

- A. Audited actual 2005/06 (audited financial statements). If audited amounts unavailable, unaudited amounts must be provided with a note stating these are unaudited
- B. The original budget approved by council for the 2006/07 budget year.
- C. The budget for 2006/07 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual amounts (pre audit - 2006/07 budget year) at the time of preparing the budget for the 2007/08 budget year. This may differ from C.

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

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Employee related costs

The expenditure to date for employee related costs amounts to R37.9 million against the expected expenditure of R 35.7 million the variance of 2.2 Million of which is not good for the Municipality. The percentage variance 5.8%.

Remuneration of Councillors

The expenditure to date for remuneration of Councillors amounts to R4 million against the expected budget of R 3.7 million.

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 report 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).

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

5. 2022/23 MID-TERM BUDGET PERFORMANCE: RECOMMENDATIONS

- The In Year Reporting (IYR) which is schedule C must be submitted monthly and report be submitted to all portfolio using the format not the manual format
- More effort should be put in reviewing the IYM submission made to PT.
- The municipality is advised to revise cash flows to align with municipal procurement plans.
- The municipality must always align AC of appendix B and Schedule C reports.
- The municipality needs to state names of the top 10 creditors. However, the municipality is commended for paying its creditors within 30 days.
- Municipality must update the contracts register and commitments register on monthly basis.
- The municipality is advised to have a schedule of meetings for all bid committees and honor the dates.
- The opening cash flow balance at the beginning of the month must always be captured in the CFA return; and
- The municipality is urged to adhere to submission dates and times and to submit credible reviewed work.

BUDGET PERFORMANCE vs. ADJUSTMENT BUDGET

Factors that inform the need for adjustment of the budget

Having considered the financial performance for the half year period, the following factors informed the need for the adjustment

- Under collection on own revenue
- Recognition of grants and income that were not budgeted for during the approved 2022/23 final budget
- Capital project that are in progress that need the more funds
- Over/under spending on general expenditure

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

2022/23 BUDGET FOCUS AREAS

The local government equitable share will grow at an average annual rate of above 9 per cent over the MTEF, this is because of funds that will be added in 2022/23 to offset the cost pressures of electricity purchases which continue to grow faster than inflation.

The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, we must consider the following when compiling their 2022/23 MTREF budgets:

- Cost Containment Measures are affected and that non-core items as outlined in Circular 82 are kept at a ceiling or reduced.
- Improving the effectiveness of revenue management processes and procedures.
- Ensure locative efficiency and the protection of core service delivery items; and
- The affordability of providing free basic services to all households.
- Implementation of Incentive Scheme

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

6. SCM ISSUES

Irregular expenditure

The Municipality reported, through the SCM policy implementation report, an irregular expenditure is 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 minimize and stop the irregular expenditure.
- Recovery of irregular expenditure.

SCM Reg. 36 Deviations from normal procurement processes

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

Compliance issues

- **Website information**

The website of the municipality does not show up to date bid information as required in terms of Supply Chain Management Regulations. For example, the advertisement of all bid invitation, Bid received register & awarded bids.

It is recommended that all the required information be published on the website to achieve the transparency of the procurement system and fairness as envisaged by the MFMA and SCM policy of the municipality.

- **Other matters**
 - Model SCM Policy for infrastructure (MFMA circular 77)
 - Procurement Plan vs. SDBIP & IDP
 - Centralised supplier database (CSD) and adverting of tender as per MFMA circular 83 of

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Quarter report is attached



SCM MID-YEAR REPORT TO THE MUNICIPAL COUNCIL

IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY

eDumbe Local Municipality

(As per Section 6(1)(3) of the Municipal SCM Regulations)

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Introduction

In terms of clause 6(1)(3) of the Municipal Supply Chain Management Regulations, 2005, which deals with the Oversight role of council of municipality:

- (1) *The council of a municipality must maintain oversight over the implementation of its supply chain management policy.*
- (2) *The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.*

2. SCM Policy & Procedures

2.1 Adoption of the SCM Policy by the Council – Following the preferential procurement regulation, 2022 (PPR 2022) rollout it was necessary to amend the SCM Policy to take effect of the changes brought by new PPR. The directive is that amendment to the policy must be effective from the 16 January 2023

2.2 SCM Procedures - The Budget and Treasury Office still needs to re- develop the procedure manuals to enhance the efficiency of human resource within Budget and Treasury Office and to improve our control activities in that environment. The BTO needs a budget to cater for those shortcomings in the system.

2.3 Delegations - Delegations in the SCM process are inadequate to prevent any risks associated with the daily activities undertaken in the SCM process. They require attention of the management especially in term of permanently filling in Senior Management positions who are the key decision maker in bids awards

2.4 Infrastructure Procurement - the municipality still needs a budget for intensive training of SCM Staff and bid committee members on this standard.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

3. Functioning of the SCM Unit

3.1 SCM Structure- The municipality does have a approved structure with some vacancies.

3.2 Declaration of interest- All municipal staff including SCM Personnel have been declaring their interests which is done every year. No finding has been picked up by AG relating to declaration of interest of any family interest awards raised.

3.3 Code of conduct Lack of training to newly appointed staff has led to code of conduct not formally signed by all role payers in the SCM System. There is need to workshop them especial by new management.

3.4 Training Not all SCM Personnel has been trained. We have a newly appointed contract management officer that requires training on contract management. Two SCM Practitioners that also require training. Participants in the SCM system also need workshop on new developments in the system.

4. Functioning of Bid Committees

4.1 Constitution All three bid committees has been constituted however they are not adequately resourced to always achieve regular decision making require in the SCM process. BAC has suffered instability in filling of Senior Management positions and that has adversely affect decision taken in that level of the delegation and resulting irregular decisions.

4.2 Infrastructure Committees -The municipality still has not constituted the Bid Appeal Committee and the infrastructure committee as required by Infrastructure Delivery Management System (IDMS) due to the absence of training on the policy.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

5. Reporting Items

5.1 Deviations

5.1.1 Section 114 (Approval of tenders not recommended)

Date of Award	Bid No.	Description of Goods/Services/Works	Award Value	BEC Recommendation	BAC Recommendation	Reason for Deviation	Notifications		
							AG	PT	NT
All awards made through the Bid Committees has been in concurrence with recommendation made by Bid Evaluation Committee									

5.1.2 Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)

Date of Award	Contract Description	Award Value	Service Provider	Name of Contract Owner (Department / Municipality)	Consent obtained from Organ of State and Service Provider		Reason for Deviation	PT Decision	
					Yes	No		Approved	Not Approved
The Municipality has thus far not made any award that ward in terms of the Regulation 32 of the Municipal SCM Regulations.									

5.1.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)

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Description of Goods/Services/Works	Date of Award	Awarded To	Award Value	Reason for Deviation	Date reported to Council
Municipal email Accounts	Unknown	Afrihost	R1 210.00 pm	Migration risk	25 February 2023
Request to bind council & EXCO agendas	2022-07-27	Vryheid Printers Pty Ltd	R2852.00	There is only one service provider who can supply us with these services for agenda bind	
Request to conduct a lie detector test	2022-07-20	The Truth Verification Specialist	R36740.00	Emergency services required for the lie detecting service to be conducted after the burglary at traffic services	
To Procure 50 Design Posters For The Municipal Activities And Programmes(Mayoral Cup)	2022-07-19	Public Eye Media And Communications	R39 500.00	To Procure 50 Design Posters For The Municipal Activities And Programmes(Mayoral Cup)	
To Hire X4 Bakkies And X4 Trailers To Transport Horses And Jockeys To 2022 Dundee July	2022-07-14	K.P Multipurpose Dealers	R45 000.00	To Hire X4 Bakkies And X4 Trailers To Transport Horses And Jockeys To 2022 Dundee July	
Strip And Quote ForTlb Repairs	2022-07-06	Isulami Trading And Projects	R45 163.06	Strip And Quote For TLB Repairs	
Emergency repairs electricity	2022-10-03	Kambula Electrical Cc	R 60 599.25	it was an electrical emergency and procurement of services In the normal SCM processes would have been impractical as large businesses were affected	
Emergency repairs electricity	2022-10-26	Kambula Electrical Cc	R 6 422.75	it was an electrical emergency and procurement of services In the normal SCM processes would have been impractical as large businesses were affected	
Emergency repairs electricity	2022-11-10	Kambula Electrical Cc	R 75 341.68	it was an electrical emergency and procurement of services In the normal SCM processes would have been impractical as large businesses were affected	
Emergency Towing of NPP 6816 Toyota Prado	2022-11-15	Dumbe Towing And Recovery	R 3 000.00	Emergency Towing of NPP 6816 Toyota Prado procurement of services In the normal SCM processes would have been impractical as large businesses were affected	

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5.2 **Unauthorized, Irregular, Fruitless & Wasteful Expenditure**

i) *See attached registers*

5.3 **Central Suppliers Database (CSD)**

We are currently behind with the developments of this system due to the lack of training both by Provincial Treasury and the Municipality.

5.4 **Procurement Plan Implementation**

i) *See the copy of the Annual Procurement Plan attached.*

5.5

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Bids Awarded >R100K

Bid Awarded to.	Bid Description	SCM Process	Award Value
King Zwesh Pty Ltd	Supply And Delivery Of Refuse Bags	Formal Written Price Quotation	R 132.000.00
Fana Manufacturing	Supply and delivery of District Mayoral Cup Sport GEAR	Formal Written Price Quotation	R177 330.00
Nhlanzeko Consulting	AFS Review Consultants	Formal Written Price Quotation	R160 500.00
Autobahn Tyres	Supply And Installation Of Tyres	Formal Written Price Quotation	R 171 900.28
Zingezethu Trading and projects	Construction of KwaNkomo Bridge	Competitive Bidding	R2 580 000.00
MKF Trading and Projects	Bilanyoni SMME centre	Competitive bidding	R3 399 482.46
Sipho-Glad Construction	Construction of Phase 5 community hall	Competitive bidding	R2 362 997.86
Isulami Trading and Projects	Construction of EzixeniSportsfield	Competitive bidding	R2 158 072.51
Kunene Makopo Risk Solutions	Short term Insurance: 36 months	Competitive bidding	-
N/A	PANEL OF EQUIPMENT PLANT AND HIRE: 36 MONTHS AS & WHEN REQUIRED	Competitive bidding	-
N/A	PANEL OF SERVICE PROVIDERS PLANT AND FLEET MAINTENANCE	Competitive bidding	-
N/A	PANEL OF SERVICE PROVIDERS ELECTRICAL MAINTENANCE	Competitive bidding	-
Red hawks army protection services	SUPPLY AND DELIVERY: UNIFORM AND PROTECTIVE CLOTHING	Competitive bidding	R336 014.99
Conlog	ELECTRICITY VENDING SERVICES: 36 MONTHS CONTRACT	Competitive bidding	-
Zaidi Business Solutions	SUPPLY AND DELIVERY: DISASTER RECOVERY SERVER	Competitive bidding	R230 149.74
N/A	PANEL OF EVENT COORDINATORS	Competitive bidding	-
Dlamindlovu	CONSTRUCTION OF MBEDLENI BRIDGE	Competitive bidding	R3 500 000.00
Simpfulwazi	CONSTRUCTION OF REGRAVELLING OF KWANYOSI ROAD	Competitive bidding	R3 000 000.00

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Judy Magwaza Trading	ACCOMMODATION FOR 135 PEOPLE	Competitive bidding -Event Coordinator	R344 902.25
Kura Uone Group	PROCCUREMENT OF 10M3 TIPPER TRUCK	Transversal Contract	R2 521 438.99
Judy Magwaza Trading	TO HOST MAYORAL CUP	Competitive bidding -Event Coordinator	R1 105 966.73
Khanyisa Civils	GRAVE DIGGING	Competitive bidding - Panel of plant and equipment hire	R115 920.00
Select Sports	PURCHASE PLAYERS KITS		R105 649.40
Judy Magwaza Trading	DISABILITY LAUNCH AND DINNER CATERING	Competitive bidding -Event Coordinator	R273 067.50
Smodeni Trading	HORSE RIDING AND INGOMA EVENT	Competitive bidding -Event Coordinator	R649 836.00
ISULAMI TRADING AND	PLANT HIRE	Competitive bidding - Panel of plant and equipment hire	-
PIONEER BUSINESS CONSULTING	MFMP TRAINING	Competitive bidding - Panel of LG SETA training service providers	R680 000.00

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5.6 Municipal Bid Appeals

- i) *There were no appeal officially received within given appeal periods. Any Appeals received after the appeal period are directed to the accounting officer for official response.*
- ii) *We have one appeal received outside the appeal period that is still in the office of the MM for official response.*

5.7 Contract Management

No. of Current Contracts	No. of Contracts about to expire in <6 months	No. of Expired Contracts but still in use
74	22	0

5.7.2 Variations

- i) *Variations within 15% or 20%*

Contract Description	Contract Value	Reasons for Variation	Amount
0	0	0	0

- ii) *Variations above 15% or 20% (Comply with MFMA S116(3))*

Description	Contract Value	Reasons for Variation	Amount	Date Tabled at Council	Date of Notice to Community
0	0	0	0	0	0

5.8 Logistics / Inventory Management

The Inventory is measured at the lower of cost or net realizable using weighted average method. Inventory counts are done monthly to ensure safety stock is maintained. Sometimes the budget for these inventory items is omitted leading to overspending of votes. COVID-19 consumables has now necessitated to bigger budget

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5.9 Unsolicited Bids

Description of Goods/services	Amount	Date Submitted to Council	Supported		Date submitted to Provincial Treasury	Supported	
			Yes	No		Yes	No

6. Preferential Procurement Policy Framework Act (PPPFA), Regs2017

6.1 Contracts with Pre-Qualification (Regulation 4)

Contract Description	Pre-Qualification Criteria	Award Value	Date of Award
No contracts with Pre-Qualification has been awarded yet except Local Content procurements			

6.2 Contracts with Objective Criteria (Section 2(1)(f) PPPF Act)

Contract Description	Objective Criteria	Award Value	Date of Award
All our competitive bidding have an objective criterion as a first stage functionality measure.			

6.3 Contracts above R30 million (Contract Participation Goals) (Regulation 4)

Contract Description	Sub-Contracting Criteria	Award Value	Amount Sub-Contracted	Date of Award
All Construction Contracts has up to 30% Participation Goal to our Local Economic Development				

7. Local Content Procurement

Contract Description	Designated Sector	% Designated	Award Value	Date of Award	Reporting to DTI
Supply and delivery: Uniform and protective clothing	Textile, leather	100%	R336 014.99		
Golf T-Shirt	Clothing	100%	R29 883.90		
Tracksuits	Clothing	100%	R177 330.00		
Tracksuits(Pants & jackets)	Clothing	100%	R105 649.40		

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8. Risk Management

8.1 Fraud Prevention Plan

The Risk Management committee has made progress in terms of adopting risk management strategies.

8.2 Internal Audit Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
We have not findings thus far			

8.3 Provincial Treasury Assessment Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
No Provincial Treasury Assessment has been performed this year			

8.4 Auditor General Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
Deviation – deviation was approved even though it was practical to invite competitive bids	Limit the procurement of Goods through deviation by ensuring that all goods to be procured are included in the procurement plan and in circumstances where deviation is justifiable to deviate from SCM process the reasons are justifiable and verifiable	31 March 2023	Busy with adjustment budget and End user departments to submit Revised Procurement Plan after approved Adjustment budget
Suppliers submitted false declaration of interest	Follow up with these service providers and investigate the root cause of false declaration and take the necessary steps.	31 March 2023	UIFW Expenditures investigations are underway address recurring UIFW expenditures

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

9. Recommendations

9.1 The Council approves the report

9.2 To approve awards made in terms of Regulation 36 of the Municipal SCM Regulations and to validate the expenditure thereof through the resolution.

9.3 To approve awards made in terms of Regulation 36 of the Municipal SCM Regulations and to validate the expenditure thereof through the resolution.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT
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7. ANNUAL REPORT FOR 2021/22

AUDIT OUTCOME

The financial statements were submitted on time and Final audit Outcome is Unqualified for eDumbe Municipality with Auditor General.

- Irregular Expenditure
- Unauthorised Expenditure
- Fruitless and wasteful expenditure
- Commitments understated

BTO ASSESSMENT

The functionality of the BTO within our municipality has such challenges:

- Approved of the Organogram and Filling of vacant post on the organogram especially the Asset Management Unit
- No aligned reporting processes
- Lack of implementation of internal controls (Weak internal controls) and accountability
- No capacitating of staff
- Dependency on consultants
- Subordinates are not supervised as reports are submitted to outside stakeholders without the knowledge of supervisors.
- The intervention through internal audit, when doing their audit charter is critical to BTO, to ensure implementation of the recommendations raised in this report

N O.	CHALLENGES PROGRAMMES IDENTIFIED	/	PROGRESS ON RESOLVING PROBLEMS
1.	The municipality does not collect revenue to its maximum level		<p>The municipality is facing serious back blocks especially with the road's infrastructure and maintenance thereafter.</p> <p>The municipality must Revenue Enhancement Strategy</p> <p>There has been a slight improvement for revenue collection. 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		The municipality is looking at other source of financial modeling to speed up the implementation of projects and to strengthen the

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	Spending Against Capital Budget.	<p>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. 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.	<p>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</p>
5.	Multi Year projects not completed on time and poor contract management	<p>The issue of work in progress remains 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 nonperforming SP be charged penalties The project files be updated monthly with financial and non-financial information, and this will assist in compiling credible Contract Management Register.</p>
6.	Supply Chain Management – Non sitting of bid committees causing delay in the implementation of projects	<p>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 monthly</p>
7.	Supply Chain Management – non implementation of SCM policy resulting to deviation from SCM regulations	<p>The deviation reports are being compiled on monthly bases but on investigations have taken place as per the Municipal Public Accounting Committee</p>
8.	Lack of Office Space	<p>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</p>
9.	No Standard Operating Procedures (SOP's)	<p>The SOPs 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.</p>
10.	Non-Implementation of audit action plan	<p>The non-resolve issues will be included in the audit action plan and implementation is imperative to improve audit opinion from Qualified to Unqualified Audit Opinion. Some of the queries were addressed during the preparation of Annual Financial Statement (AFS)</p>
11.	Delay in implementation of Data Cleansing project due to planning	<p>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</p>
12.	Non – implementation of Standard Chart of Accounts (SCOA)	<p>The current financial system has been upgraded to be SCOA compliant. This is an ongoing process, and everyone need to participate and be trained to ensure that everyone understand their requirements</p>

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

8. RECOMMENDATIONS

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 must be fully aligned and SA tables A4 to A6 must be fully populated.
- The municipality must state clear and measurable objectives and 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 always ensure when preparing its budget that it is fully funded budget and realistic in accordance with Circular 28.

RECOMMENDED for THE BUDGET ADJUSTMENT THAT:

- 1) The Mid-year Budget and Performance Assessment Report of eDumbe Municipality for the period ended 31 December 2022 as referred to in S72 of the MFMA be and are hereby NOTED.
- 2) The Monthly Budget Statement for the month of December 2022 and the supporting documents as referred to in S71 of the MFMA be and is hereby NOTED.
- 3) The Quarterly Budget Implementation Report and supporting documents as referred to in S52 (d) of the MFMA be and is hereby NOTED.
- 4) The Consolidated Report of withdrawals from municipal bank account be and is hereby NOTED.
- 5) The Mid-Year Budget and Performance Assessment 2022/23 be submitted to the Provincial and National Treasury in both electronic and hard copies.

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- 6) The revision to the Service Delivery and Budget Implementation plan as referred to in S54(c) of the MFMA be and is hereby APPROVED.
- 7) The service delivery targets and performance indicators in the SDBIP will only be approved by Council following the approval of the adjustment budget.
- 8) The financial problems facing the municipality including any pending financial problems be and is hereby NOTED.
- 9) Instructions as referred to in S54(d)(i) of the MFMA be and is hereby given to the Municipal Manager to ensure that the budget is implemented in accordance with the service delivery and budget implementation plan be NOTED.
- 10) Instructions as referred to in S54 (d) (ii) of the MFMA be and hereby given to the Municipal Manager that spending of funds and revenue collection proceed in accordance with the budget be NOTED.
- 11) The municipality as referred to in S54(2)(a) of the MFMA be and is hereby committing to: -
 - i. Introduce steps spending since revenue anticipated is less than the projected in the municipality's approved budget.
 - ii. Steps in terms of section Chapter 13 of MFMA is and hereby NOTED.
- 12) The MEC for the Department of Co-operative Governance and Traditional affairs as referred to in S54 (2) (b) of the MFMA be and is hereby alerted to the financial problems facing EDumbe Local Municipality

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

CHAPTER 5 – CORPORATE AND COMMUNITY SERVICES

A: INFORMATION TECHNOLOGY

Introduction

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.

2. 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. Internet Usage

The Business Connection as service provider was appointed with effect from June 2019 and has successfully installed Enterprise Internet solution in April 2020. The challenge that has been experienced for low bandwidth has been resolved by increasing Megabytes, as a result the internet speed has improved. Interruption of the internet supply at Technical department continues to be a problem due to the stealing of copper cables and the installation of the alternative solution called Pure-connect DSL was not successfully. Therefore, the problem will be hopefully resolved when the appointment of the new service provider probably in the 3rd quarter has been done.

4. 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, Conlog 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.

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5. 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 identified, although it is not well resourced. The SCM process to appoint a new service provider was initiated in August 2022, and the bidders responded. The relevant responsible Bid committees sat and BAC recommended to the Municipal Manager for the appointment but no appointment has been done as yet.

6. Backups performed

ICT unit regularly implement information backups on a weekly and monthly basis as well as doing restores on a quarterly basis as per clause 4 of Backup and Restore policy. 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. The manual backups and restores screenshots and backups registers are prepared as evidence (PoEs) and submitted to PMS after signed off by the Director Corporate services on a monthly report.

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8. ICT Challenges and Proposals

Challenge	Proposed Solution
1. The ADSL is susceptible to weather conditions and network equipment is ageing.	<ul style="list-style-type: none"> The Internet connection mode has to change from ADSL to Fibre optic and Wireless Internet Access solutions to better improve speed and ensuring reliability and protection from theft.
2. Shortage of working tools and equipment.	<ul style="list-style-type: none"> There is still a shortage of computers or laptops for other municipal staff. However, the provision of the budget to add the number equipment is made for 2022-2023 financial year.
3. The improvement of the server room is inadequate.	<p>The ICT unit still have to purchase the following lacking equipment for the server room:</p> <ul style="list-style-type: none"> Purchase the steel door Concrete ceiling Smoke detector Fire suppressor <p>However, the budget for purchasing this equipment is still inadequate in 2022-2023 financial year.</p>
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 is in a process of purchasing the DRP server equipment, however the problem will still not be addressed of implementing DRP test because other equipment for an establishment of a DRP site still have to be purchased. It is envisaged that by end of 2022/2023 financial year these requirements will be achieved.</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 strengthening in purchasing the lacking software licenses e.g. Ms Office. The appointment of service provider for developing the King IV version is required. The budget in 2022-2023 was made available for the outsourcing of service.</p>
6. Lack of review of ICT policies All 26 ICT policies and ICT strategy need a review then approved by Council.	<p>The appointment of the service provider to review all the 26 ICT policies is required, and then submitted to Council for approval.</p>

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7. Information Security and Cyber-attacks. The network infrastructure currently in place is inadequate and vulnerable from external and internal attacks (Cyber-attacks and Fraud).	Software license or Licensed firewall had to be purchased in 2022/2023 financial year. Due to insufficient fund the ICT unit will consider applying for financial assistance from external sources.
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8. PROCUREMENT UNDERWAY

- The purchasing of at least x06 laptops is underway. The service provider was appointed in December 2022, but no delivery was made.
- The purchasing of DRP server is underway. The recommendation to appoint was made by BAC to the Municipal Manager in 2022, but no appointment was made.
- The appointment of the new service provider for internet service supply is underway. The SCM process has been initiated in September 2022. The advert was issued in December 2022.

9. MUNICIPAL WEBSITE

The ICT section ensures that all necessary documents as per section 71 of MFMA, 2003 and other 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. The ICT section also ensures that the reporting about this function is done on a monthly basis through the SDBIP reports and signed off by the director for CCS.

10. COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

ICT section as a support function unit 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.

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B. PUBLIC SAFETY

1. Vehicles Testing Station {VTS}

The sub-section deals mainly with Testing of vehicles for Roadworthiness. There are 12 equipments that requires need to be annually calibrated and it is inspected by SABS. The revenue generated by this sub-section is for municipality. South African Bureau of Standards {SABS} onlytakes 3% of each vehicle that has been tested. This sub-section is manned by x2 Examiners with Grade A, 1 X Pit Assistance, 1 x General worker, 1x Supervisor and 2 x Cashiers.

REVENUE COLLECTED FROM JULY TO DECEMBER 2022

ITEM	Jul to Sept	Oct to Dec	+/- VARIANCE	% INCREASE	% DECREASE
COR APPLICATION	R 12'140.00	R14'480.00	R2'340.00	83%	
COR ISSUED	R4'920.00	R6'240.00	R1'320.00	78%	

2. Drivers Licence Testing Centre {DLTC}

The sub-section deals mainly with applications of Driving licence and learners licence, testing and issuing of Learners Licence and Driving Licence, Driving Licences renewals, application and issue Professionals Driving Permits{PrDP}as well as Eye Test. The total revenue generated by this sub-section is for the municipality. This sub-section is manned by 6 employees x2 Examiners with Grade A,X1 Examiner with Grade L,X1 Examiner with Grade F,X1Supervisorand x2 Cashiers.

REVENUE COLLECTED FROM JULY TO DECEMBER 2022

ITEM	July to Sept	Oct to Dec	+/-VARIANCE	% INCREASE	% DECREASE
DRIVERS TEST	R11'350.00	R10'450.00	R900.00		92%
LEARNERS TEST	R19'500.00	R22'350.00	R2'850.00	87%	
LEARNERS LICENCE ISSUED	R2'940.00	R4'280.00	R1'340.00	68%	
PROFESSIONAL DRIVING PERMITS	R21'300.00	R14'100.00	R7'200.00		66%
DRIVING LICENCE CARDS ISSUED	R51'984.00	R43'434.00	R8'550.00		83%
TEMPOARY & DUPLICATES	R7'920.00	R10'319.00	R2'399.00	76%	

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3. Registration and licensing of vehicles:

The sub-section deals with functions related to vehicles mainly Registration and Licensing. Agency fee calculated at 8.55% of the total revenue is retained by the municipality. This sub-section is manned by 3 employees comprising of x1 Supervisor, x2 Cashiers.

- **Agents fee calculated at 8.65%**

ITEM	July to Sept	Octto Dec	+/-VARIANCE	% INCREASE	% DECREASE
AGENCY FEE	R132'054.30	R128'654.05	R3'400.25		97%

4. Traffic

This sub-section deals with all traffic related matters through National Road Traffic Act, Criminal procedure act and Municipal By-Laws. The revenue generated by this sub-section is for the Municipality. It is manned by x1 Traffic Chief Officer, x1 superintendent, x1Senior Traffic officer, x 5 Traffic officers and x1 Traffic clerk.

- **SECTION 56 NOTICES ISSUED FOR JULY TO DECEMBER 2022**

SECTION 56 NOTICES ISSUED	TOTAL	AMOUNT
2022 July to September	200	R105'708.00
2018 October to December	106	R128''142.00

NB: From July to December Traffic Section had challenges with sec 56 fine books.

- **REVENUE COLLECTED ON SECTION 56 NOTICES FOR JULY TO DECEMBER**

July to Sept	Oct to Dec	+/- VARIANCE	% INCREASE	% DECREASE
R38'520.00	R37'771.00	R7490.00	98%	

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5. ROAD PAINTING

Painting was done during the month of July to December 2022 on High street and Mark Street

6. STAFF TRAINING

None

7. OVERTIME

Traffic officers worked overtime during the month of December due to festive season including accidents

8. FIRE

This sub-section deals with fire related functions throughout the whole of eDumbe Area {08 Wards}.It is controlled by the Fire Brigade Act, Standard Municipal By-Laws and Building Regulation SABS 0400-1990.The equipment, to service the community the Fire Team has one old and dilapidated truck SAMAL 50,one old Bakkie and two Bakkie Sakkie and 12 beaters. It is manned of 9 Fire Fighters that do all the functions.

9. Disaster Management

These sub-section deals with all issues related to Disaster and it works hand in hand with Fire Sub-section. This sub report all incidents occurred in eDumbe area to Council and District Disaster Management .It is manned by Acting Disaster officer (Manager Public Safety) and nine Fire Fighters

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SUMMARY STATISTICS FOR JULY TO DECEMBER 2022

Wards	Types of incidents	Number incidents	of Household affected	People affected	Fatalities	Injuries	ASSISTANTS GIVEN
1	HEAVY RAIN & FIRE	2HR & 3FI	5	134	0	0	7 BLANKETS & 2 SPONGE
2	NONE	0	0	0	0	0	NONE
3	STRUCTURAL FIRE	2FI	2	4	0	0	5 BLANKETS, & 2B -BOX
4	NONE	0	0	0	0	0	NONE
5	HEAVY RAIN	1HR	1	5	0	0	3 BLANKETS
6	HEAVY RAIN	1HR & 1LI	2	26	0	0	4 BLANKETS & 2B -BOX
7	STRONG WIND, HAIL STORM, FIRE & LIGHTNING	2SW,1LI,4FI & 5 HR	12	66	0	0	B-BOX ,3 SP & 8 PLASTIC SHEETS
8	STRONG WIND & LIGHTNING	3SW & 1LI	4	33	0	0	NONE
9	NONE	0	0	0	0	0	NONE
10	HEAVY RAIN & FIRE	2HR & 2FI	4	17	0	0	PLASTIC SHEET
TOTAL	FIRE, HEAVY RAIN, HAIL STORM & STRONG WIND	11FI, 11HR, 3LI & 5SW	28	285	0	0	20BL, 5SP, 3B-BOX & 8PL

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10. CHALLENGES

- Alarm System and Fencing of the premises/yard
- Office Space
- Shortage of Fire Equipment
- Shortage of Fire Fighters Uniform
- Disaster officer or Fire Chief

11. GENERAL

Desired State for Public Safety

- To have Disaster Centre and Fire Equipment
- Disaster Officer
- Fire Engine

C. ADMINISTRATION

BACKGROUND

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.

ADMINISTRATION ACTIVITIES REPORT FOR JULY TO DECEMBER 2022

Meetings	Ordinary	Special	Actual Meetings for the month
1. EXCO Meeting		July 2022 <ul style="list-style-type: none"> • Special Exco meeting was held on the 13 July 2022 September 2022 <ul style="list-style-type: none"> • Ordinary Exco meeting was held on the 29-30 September 2022 October 2022 <ul style="list-style-type: none"> • Special Exco Meeting was held on the 27 October 2022 November 2022	02

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		<ul style="list-style-type: none"> Special Exco Meeting was held on 18 November 2022 <p>December 2022</p> <ul style="list-style-type: none"> Special Exco Meeting was held on the 21 December 2022 	
3.3 Corporate Services	<p>July 2022</p> <ul style="list-style-type: none"> No meeting took place in the month of July 2022. <p>September & October 2022</p> <ul style="list-style-type: none"> No meeting took place <p>November 2022</p> <ul style="list-style-type: none"> No meeting took place for the month of November 2022. <p>December 2022</p> <ul style="list-style-type: none"> No meeting took place for the month of December 2022. 		0
2.4 MPAC meeting	<p>July 2022</p> <ul style="list-style-type: none"> No meeting took place in the month of July 2022. <p>October 2022</p> <ul style="list-style-type: none"> No meeting took place for the month of October 2022. <p>November 2022</p> <ul style="list-style-type: none"> Ordinary 		01

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	<p>MPAC Meeting was held on the 16 November 2022.</p> <p>December 2022</p> <ul style="list-style-type: none">• No meeting took place for the month of December 2022.		
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3. Amakhosi Travelling Allowance Claims

- All travelling claims were made in the 2nd quarter and submitted to Finance Department for processing.

4. Council Resolution Certificates

- Council resolutions are filed at Registry and issued to the relevant departments for implementation as and when necessary.

5. CORRESPONDANCE REGISTER

- On daily basis emails and hand delivered mail are received, insert appropriate reference numbers and register the work related letters in the above mentioned register.
- Make copies and distribute to the relevant officials after Municipal Manager's comments.

6. INVOICE REGISTER

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

7. 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.

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- ✚ Allocate a reference number for that record and register it in the register of files opened.

8. TENDER OPENING REGISTER

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

9. PHOTOCOPYING, PRINTING AND SCANNING

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

10. FILING OF CORRESPONDANCE AND CONTRACTS

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

11. CLEANING

- ✚ There has been no PPE of the Cleaners for several years.
- ✚ Cleaners are using cold water to clean the floors even during winter as the geyser is non-functional.

13. RECEIVING OF APPLICATIONS

- Since our nearest post office is currently closed the applications for new vacancies are received via email, printed, registered and are submitted to Human Resources office after the closing date.

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14. CHALLENGES

Council Chamber	Computers	Stationery	Records
<ul style="list-style-type: none"> Recording microphones needs to be added in order to accommodate the number of Councillors as it has increased. 	<ul style="list-style-type: none"> The Committee Office has received two laptops, 1 desktop in order to store more information. 	<ul style="list-style-type: none"> The Committee Section performs its duties under a lot of pressure as there is no enough resources e.g. heavy duty stapler and punch as this tool plays an important role on binding of the agendas. 	<ul style="list-style-type: none"> The Registry Office needs a counter and that was a finding from Provincial Archives office. We use to include this in our budget input but it always doesn't appear on our final budget. A new postbag with padlock and chain is needed. A new desktop is needed. We are having a challenge with starting disposal process other records are written in Afrikaans which makes it difficult for us to sort and list but a letter requesting assistance have been sent to Provincial Archives Pietermaritzburg and we still waiting for their response. Post is now collected once a week in Vryheid post office since our nearest post office is closed until further notice.

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D. COMMUNITY SERVICES SECTION

D1:

1. BACKGROUND

The Community Services section remains as one of the units that interact mostly with the community at a very local level. Most of the activities performed in this unit are those that emanate from community structures that are recognized by the municipality. Some of the activities performed are derived from the SDBIP of the municipality whilst others are performed as per the mandate of the unit in general. This report covers the months of 1st July 2022 – 31st December 2022.

2. DELIBERATIONS

2.1 DISCUSSION

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The approach for this report is to elaborate briefly on the activities performed per sub-unit within Community Services during the reporting period.

3. REPORTS

3.1. Sub-Unit 1 Sports Development

This Sub-Unit achieved 6 targets in this reporting period. The targets met are as follows:

PROGRAM	DATE	VENUE
Attendance of Dundee July Horse Riding	16-17 July 2022	Dundee
Hosting of Local Senior Citizens Games	20 July 2022	Dumbe Regional Stadium
Hosting of Local Mayoral Cup Games	30 July 2022	Bilanyoni
Attendance of District Senior Citizens Games	17 August 2022	Ulundi
Participation in District Mayoral Cup Games	01October 2022	Vryheid
Participation & attendance of 2022/2023 KZN DSAC SALGA Games	8-11 December 2022	Newcastle

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3.2. Sub-Unit 2 Youth Desk

The youth desk achieved 7 targets in this reporting period. These programs were implemented as follows:

PROGRAM	DATE/S	HOST WARD/VENUE
1. Election of Youth Committees in all wards	15 – 28 July 2022	Ward 1 – Ward 10
2. Hosting of Youth Summit	29 July 2022	Muloro Bed & Breakfast
3. Educational Advocacy Program	06 October 2022	Paulpietersburg Townhall (All Wards)
4. Tertiary Institutions Application	12 th – 21 st October 2022	High schools in Ward 2, Ward 4, Ward 5, Ward 6 & Ward 8
5. Cyber Safety Awareness Campaign	28 October 2022	Paulpietersburg Townhall (All Wards)
6. GBVF Dialogue for Youth in High Schools	19 October 2022	Ward 2, Ward 4 & Ward 10 High Schhols- Kwasa High School (venue)
7. GBV Awareness Campaign for Learners in Primary Schools	30 November 2022	Ward 3- eDumbe Community Hall

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3. Sub-Unit 3 Social Cohesion

This sub-unit achieved 6 targets this reporting period. The targets achieved are detailed in the below table:

PROGRAM	DATE	VENUE
Attendance of Royal Reed Dance Ceremony	17-18 September 2022	Nongoma
Horse Riding Competition	17 th December 2022	EDumbe Dam –Ward 9
Ingoma Competition	26 th December 2022	Magosuthu – Ward 10
Cothoza Competition	27 th December 2022	Townhall – Ward 9
Ingoma Competition	28 th December 2022	KwaVova-Ward 5
Ingoma Competition	31 st December 2022	KwaNgwanya – Ward 2

3.4. Sub-Unit 4 Special Programs

The sub-unit achieved 2 targets in this reporting period. They are as follows:

PROGRAM	DATE	VENUE
Election of Special Programs Committees in All Wards	15-28 July 2022	Ward 1 – Ward 10
Hosting of Mayoral Dinner with Disabled People & Launch of eDumbe Disability Forum	17August 2022	EDumbe Community Hall– Ward 3

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3.5. Sub-Unit 5 Waste Management

This sub-unit managed to ensure that waste is collected as per the approved schedule for the quarter in question. As per the schedule this sub-unit collected waste in Ward 2, 3, 4 and 9. The waste collection is done both in households, shops and industrial area. As part of its functions as well, thus sub-unit also cleans the town streets. Town cleaning is done during the week and also on weekends. On weekends cleaning is done by weekend employees.

In terms of outreach programs, this sub-unit conducted 3 campaigns/outreach programs this period as follows:

PROGRAM	DATE	VENUE
Waste Management Campaign	18 August 2022	Ward 3
Environmental Management Awareness Campaign	13 October 2022	Bilanyoni Primary School
Illegal Dump Clearing Campaign	13 December 2022	Dumbe Location

3.6. Sub-Unit 6 Libraries

The 3 libraries performed as follows in this reporting period:

LIBRARY	PATRONS STATISTICS FOR MID-TERM	CYBERCAFE STATISTICS FOR MID-TERM	OUTREACH PROGRAMS FOR MID-TERM
Paulpietersburg	373	N/A	2
Bilanyoni	82	67	3
Dumbe	1576	2348	6

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E. HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT SECTION

Hereunder are the core components of Human Resources:

Human Resources Management

Labour Relations

Human Resource Skills Development

Human Resource Planning

The field of Human Resources combines administrative personnel functions such as recruitment, employment, training and other personnel issues, with employee relations and resource planning and development. The objective is to maximize the return on investment from the human capital within the Municipality and to minimize financial risk. It is therefore the responsibility of the Human Resources Unit in consultation with Management to conduct these activities in an effective, legal, fair and consistent manner. The Human Resources Unit aimed at being an active partner in the facilitation and creation of a self-motivated and progressive Municipal workforce that is focused on Municipal service delivery objectives whilst also achieving personal and career growth as well as self-fulfilment.

1. ORGANIZATION STRUCTURE:

The recruitment process used by the Municipality is a consultative and incorporated process. A request to fill a vacant position is received from the relevant Head of Department and once the Municipal Manager approves the request, the position is advertised. On receipt of applications, Human Resources do the initial sorting and summary of applicants. Employment Committee is then called to short list candidates. Once this is completed, the interview is arranged and conducted with the applicants. The interviewing panel consists of the (Municipal Manager, Departmental Directors, two councillors (if it's senior position), Human Resources representative and the relevant Unions).

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1.1 Positions Advertised for a period of July 2022 to December 2022;

- Accountant Budget (Internal)
- Revenue Officer (Internal)
- PMS Officer (Internal)
- Billing Officer (Internal)
- Youth Development Manager (External)
- Director Corporate Services (National)
- Asset Officer (Internal)

1.2 Interviews seated for a period of July 2022 to December 2022

- Librarian (06 July 2022)
- Library Assistant (06 July 2022)
- Supervisor Road & Maintenance (17 August 2022)
- Accountant Budget (12-12-2022)
- Revenue Officer (12-12-2022)
- PMS Officer (08-12-2022)
- Billing Officer (12-12-2022)
- Asset Officer (12-12-2022)

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1.3 Recruitment and Selection employees appointed for a period of July 2022 to December 2022:

NO:	INITIALS AND SURNAME	DEPARTMENT	POSITION	DATE OF APPOINTMENT	DURATION
1.	Mr S.M. Vundla	Infrastructure Serv	Supervisor Road & Maintenance	01-09-2022	Permanent
2.	Mr S.N. Ntuli	Planning Depart.	Housing & Estate Manager	01-08-2022	Permanent
3.	Ms H.G. Sibiya	Corp & Comm Serv	Receptionist	01-07-2022	Permanent
4.	Mr C.V. Mthethwa	Cashier	Budget & Treasury	01-07-2022	Permanent
5.	Mr N.M. Nkala	Infrastructure Serv	Director Infrastructure	01-10-2022	On Contract
6.	Mr Z.R. Thusi	Budget & Treasury	CFO	01-10-2022	On Contract
7.	Mr J.F.K. Khumalo	Executive	Municipal Manager	01-11-2022	On Contract

1.4 Fixed Term Contracts for a period of July 2022 to December 2022:

The Municipality has appointed

- Three (3) General Assistance for three months (Dec 2022- Feb 2023)
- Youth Clerk for three months (Nov 2022 – Jan 2023)
- Leave & Auxiliary Management Clerk for three months (Dec 2022- Feb 2023)

1.4 Staff Induction

All appointed staff is always inducted by Human Resources Section.

1.6 Promotion

The municipality does not have the policy for promotion; we follow selection and recruitment policy approved by Council.

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1.7 Employees Resigned/Retired/Contract Ended/Deceased & Dismissed

NO:	NAME & SURNAME	POSITION	REASON	DATE
1.	Z.I. Zulu	VIP Guard	Passed away	16 October 2022
2.	S.S. Maseko	Art & Culture Coordinator	Passed away	25 October 2022
3.	G.C. Letsoale	Acting CFO	Contract Ended	31 October 2022
4.	M.N. Nkala	Director Infrastructure	Resigned	31 December 2022

2. LEAVE RECORDS

2.1. Leave Administration and Management

Municipal leave records are updated on weekly basis and also captured on the system.

Municipal staff have adapted the culture of taking 16 days leave compulsory and employees ensures that the leave that the vacation leave is approved before taking it.

Senior Managers also take 10 days compulsory in a cycle those who have not taken the compulsory leave Human Resource Unit has choice to forfeited them, each employee has two files one is for personnel (Particulars) documents and the other is for leave records.

1.52.2. Leave taken in a period of July 2022 to December 2022:

Leave Description	Vacation Leave	Sick leave	Family Responsibility	Study Leave	Maternity	Time Off
Total	1409	87	21	11	59	0

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1.62.3. Leave paid in a period of July 2022 to December 2022:

- Mr Z.I. Zulu
- Mr S.S. Maseko
- Mr V.B. Mbatha

1.72.4. Pro -Rata bonuses paid for a period of July 2022 to December 2022:

- Mr S.S. Maseko

3. JOB PROFILES AND WAGE CURVE IMPLEMENTATION:

The Municipality did the Job Evaluation in 2015 and the outcome was implemented, the salary and wage collective agreement was implemented for 2021 July to 2024 June.

3.1. Job description

All Municipal employees have signed job descriptions and are kept on their personal files

4. EMPLOYMENT EQUITY:

In compliance with the Employment Equity Act, Act 55 of 1998, the éDumbe Local Municipality appointed Mr V.B. Mbatha to developed a five year Employment Equity Plan, starting from 2022 to 2027. The progress and developments of the Employment Equity Plan are annually reported to the Department of Labour at the end of January of each year.

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5. WORKPLACE SKILLS PLAN:

The Workplace Skills Plan for 2022/23 for the Municipality was finalized and delivered to LGSETA together with the Annual Training report for 2021/22 on due date, i.e. 30 April 2023.

6. TRAINING & DEVELOPMENT:

The annual training budget (grant plus council provision) is centralized and managed by Human Resources and during the 2nd Quarter 16 employees were enrolled for training on Municipal Financial Management Programme.

7. HUMAN RESOURCES POLICIES:

Through leadership from the Director: Corporate and Community Services, various Human Resources and Administrative Policies were drafted and approved by Council. The process commenced with the identification of critical areas of concern, prioritisation and selection of HR interventions and agreement on time frames for delivery. Various presentation sessions to all Departments as well as Councillors took place and the Council have already adopted the following Policies in 2022 such as:

- Recruitment and Selection
- Remuneration Policy
- Leave policy
- Acting policy
- Subsistence & Travelling policy
- Overtime policy
- Housing policy
- Training and Development policy

8. LABOUR DISPUTES AND OUTCOMES:

The purpose of a disciplinary code and procedures is to regulate standards of conduct and incapacity within an Organization. The aim of discipline is to correct unacceptable behaviour and adopt a progressive approach in the workplace.

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8.1. Labour matters

Grievance procedures are available in Human Resource Unit and Municipal staff are aware of them and they are attended timeously if there is any that has been submitted the below are ongoing matters:

1. Mr M.N. Mathabela (I.C.T. Manager)	Election to serve as union shop steward, The Municipal Manager, directing that managers of eDumbe Municipality cannot make themselves available for election to serve as shop steward for unions	Finalised
2. Mr M.F. Madi (PMU Technician)	Unfair labour practice, the employee was grieving as he was not appointed as Operations & Maintenance Manager as he acted on the position for about two years; he took the matter to Bargaining Council, the employer requested the postponement on the 28 September 2022 and it was granted the matter will seat on the 27 March 2023	Pending
3. Mr P.T. Ndlongolo (Electrical Assistants)	The Municipal Manager appointed Mr V.B. Mbatha Director Corporate & Community Services as Presiding Office and Ms M. Gumede Human Resource Manager at eJozini Local Municipality as Prosecutor to deal with the matter. The disciplinary Hearing sat on the 2 nd of November 2022 and sanction was that the employee should pay the amount of R22 397.47 within a period of 12 consecutive months.	Finalised
1. Mr I.M. Hadebe & Mr N. Khumalo	Mr Hadebe and Mr N. Khumalo were reshuffled from their positions to new positions without consultation, and they felt that it was a unilateral decision and lodge a grievance which as not dealt with and refer the matter to bargaining council for Conciliation. The conciliation sat on the 5 th of January 2023	Pending

**MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT –
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8.2 Litigation

Attorneys	Matters	Status
AfriForum vs. éDumbe Municipality	The Municipality was sued for not paying R14 884.81. AfriForum claimed at the time that they have repaired certain portion of the urban roads without the permission of the municipality and needed to be refunded of that money. The municipality took a decision to defend itself.	Litigant abandoned the matter
Guarantee with Eskom	The municipality has a call account, which has a portion of guarantee withheld by the bank for Eskom license guarantee. The amount for guarantee is R530 000.00	Finalised
MSN Investments	The municipality has been sued by MSN Investments claiming that they were appointed by acting Municipal Manager verbally to continue working for the council for the finalization of Annual Financial Statements. MSN Investment is claiming R78 906 for work performed. The legal cost estimated was R50 000.	Finalised
Mgemfu trading projects vs ELM	The municipality has been sued by Mgemfu trading and projects for the amount of R120 000.00 claiming that they were appointed to deliver 100 000 refuse bags for the municipality, R6000.00 for unpaid invoices for partial delivery of the aforesaid, and R114 000 for loss of income as a result of the unlawful cancellation of the appointment.	Finalised
MMSD Transport and General services vs ELM	The municipality is being sued by MMSD transport and general trading for loss of income claiming that they were appointed by the then Acting Municipal Manager for the Supply and delivery of fuel for which those services were never utilized.	Finalised

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

Maximum Profit Recovery vs ELM	The municipality is being sued by Maximum profit recovery for the deemed unlawful terms surrounding the advertisement and appointment of MBD consulting for the recovery of VAT.	Ongoing
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9. ATTENDANCE BY EMPLOYEES AT WORK:

All departments have attendance registers, the registers are checked by Manager Human Resources on monthly basis before processing the salary of each and every employee. It is the responsibility of Supervisors to check attendance registers on daily basis, if the employee did not sign the attendance register and no leave form éDumbe Municipality applies no work no pay.

10. OVERTIME/STANDBY

All employees that have worked over time and being on standby were paid an amount of **R1052 207.47** for a period of July 2022 to December 2022:

11. LOCAL LABOUR FORUM meeting seated as follows for the Period of July 2022 to December 2022:

- 06 July 2022
- 06 October 2022

12. STAFF MEETING

No Staff meeting was held during this period.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

13. GENERAL

The challenges in Human Resource section:

- Being under staff only two employees to deal with Human Resource Unit.
- Not having sufficient Budget for Human Resources operations

CHAPTER 6

CONCLUSION

In the absence of sufficient resources to address service delivery requirements, challenges will always be there in any public sector organisation and therefore this Municipality is no exception but gradually the impact to the well-being of people about what we do, will be felt no matter how small it would be to the citizens of éDumbe in its entirety.

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT – 2022/2023 FINANCIAL YEAR

CHAPTER 7

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

- The 2022/2023 Mid-Term Budget and Performance Assessment Report of eDumbe Municipality as referred to in Section 72 of the MFMA be and hereby adopted.
- An Adjustments Budget for 2022/2023 be prepared and this must be approved by Council by no later than 28 February 2023 as per Section 72 (3) (a)
- The Mayor must consider revision to the 2022/2023SDBIP, 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 2022/2023 Mid-Term Budget and Performance Assessment report be submitted to the COGTA, Provincial and National Treasury in both electronic and hard copies

CHAPTER 8

ANNEXURE 1

2022/2023 SDBIP PERFORMANCE –MID- YEAR TARGETS VS ACTUALS



EDUMBE LOCAL MUNICIPALITY

2022/2023 SDBIP MID-TERM PERFORMANCE REPORT												2022/2023 QUARTERLY PROJECTIONS												
SDBIP REF	Strategic Objective	Strategy	Strategic Action/ Project	IDP REF NO.	Key Performance Indicator (KPI)	Unit of Measure	Annual Target	Funding Source	BUDGET 2022/2023		WARD INFORMATION	MID-TERM Q2 TARGETS VS ACTUAL		STATUS (TARGET ACHIEVED / NOT ACHIEVED)	REASON FOR VARIANCE	MEASURES TO IMPROVE PERFORMANCE	Responsible Department	Portfolio of Evidence						
									ANNUAL BUDGET	MID-TERM EXPENDITURE		Q 2 - Target	Q 2 - Actuals											
KPA 1: MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT																								
KPI 1	To improve institutional capacity through Policy Development and Enforcement	Submission of compliance reports in line with legislation	Submit Workplace Skills Plan to LGSETA	1,1,1,4	Date the 2023/2024 Workplace Skills Plan submitted to LGSETA	Date	2023/2024 Workplace Skills Plan submitted to LGSETA by 31 May 2023	None	R 0,00	R 0,00	Institutional	N/A	Not planned for Q2		N/A	N/A	Corporate and Community Services	None						
KPI 2		Submitted compliance reports in line with legislation	Submit Employment Equity reports to DoL	1,1,1,6	Date Employment Equity Plan submitted to Department of Labour	Date	Employment Equity Plan submitted to Department of Labour by 31 January 2023	None	R 0,00	R 0,00	Institutional	N/A	Not planned for Q2		N/A	N/A	Corporate and Community Services	None						
KPI 3		Perform information backups and registers	Perform information restores	1,1,1,8	Number of IT Backups and Registers performed	Number	12 monthly IT Backups and Registers performed by 30 June 2023	None	R 0,00	R 0,00	Institutional	3 monthly IT Backups and Registers performed by 31 Dec 2022	3 monthly IT backups and registers were successfully performed	Target Achieved	N/A	N/A	Corporate and Community Services	3 monthly IT Backups and Registers performed for Oct 2022 - Dec 2022						
KPI 4														1 Restore and Register performed by 31 Dec 2022					1 quarterly Restores and Registers were successfully performed	Target Achieved	N/A	N/A	Corporate and Community Services	Quarter 1 Screen shots and registers
KPI 5														3 Access Logs Reviewed by 31 Dec 2022					3 monthly Access logs were reviewed by 31 Dec 2022	Target Achieved				
KPI 6		Monitor Antivirus software	Number of antivirus software monitored	Number	4 quarterly Antivirus software monitored by 30 June 2023	Internal Funding	R 30 000,00	R 15 000,00	Institutional	1 X Monitored antivirus software by 31 Dec 2022	Antivirus was monitored in Quarter 2	Target Achieved	N/A	N/A	Corporate and Community Services	Quarter 2 antivirus software report								
KPI 7		Develop and approve 2022/2023 SDBIP	1,1,1,11	Date the 2022/2023 SDBIP is developed and approved by Council	Date	The 2022/2023 SDBIP be developed and approved by 30 June 2022 (i.e. before the start of the financial year)	Internal Funding	R 6 000,00	R 6 000,00	Institutional	Compiled Quarter 2 SDBIP/PMS reports	2022/2023 was approved on the 21st June 2022 & Quarter 2 PMS Report was compiled					Target Achieved	N/A	N/A	Executive	SDBIP Council resolution and Q2 PMS / SDBIP report			
KPI 8		Develop and sign 2022/2023 Performance agreement	Date the 2022/2023 performance agreements for all filled Section 54/56 positions developed and signed	Date	Performance agreements for all filled Section 54/56 positions be developed and signed by 31 July 2022	Internal Funding	R 6 000,00	R 6 000,00	Institutional	N/A	Performance Agreements were signed on the 6th of July 2022	Target Achieved					N/A					N/A	Executive	Signed Performance Agreements
KPI 9		Compile and adopt the 2021/2022 Annual report	Date the 2021/2022 Annual Report compiled and adopted	Date	The 2021/2022 Annual Report compiled and adopted by 31 January 2023	None	R 6 000,00	R 0,00	Institutional	N/A	Not planned for Q2		N/A	N/A	N/A	Executive								
KPI 10		Compile and adopt 2022/2023 Mid-term Budget and Assessment Performance report	Date the 2022/2023 Mid-term Budget and Performance Assessment report compiled and adopted	Date	2022/2023 Mid term Budget and Performance Assessment report compiled and adopted by 25 January 2023	None	R 0,00	R 0,00	Institutional	N/A	Not planned for Q2		N/A					N/A	N/A	Executive	None			
KPI 11		Compile and adopt 2021/2022 Oversight Report	Date the 2021/2022 Oversight report compiled and adopted	Date	2021/2022 Oversight Report compiled and adopted by 31 March 2023 i.e. within 60 days of the tabling of annual report	None	R 6 000,00	R 0,00	Institutional	N/A	Not planned for Q2		N/A				N/A					N/A	Executive	None
KPI 12		Update the Municipal website	1,1,1,9	Number of Municipal website updates	Number	4 quarterly updates on Municipal websites by 30 June 2023	Internal Funding	R 50 000,00	R 20 000,00	Institutional	Signed Screen shots - For updated Municipal website	Municipal website was updated in Quarter 2	Target Achieved	N/A	N/A	Corporate and Community Services								

KPI 13		Functionalise B2B/ Cleaning campaigns		Number of Back to Basics / cleaning campaigns conducted	Number	4 quarterly B2B/cleaning campaigns conducted by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 B2B/cleaning campaign conducted by 31 Dec 2022	B2B /cleaning campaign was conducted on the 13th December 2022	Target Achieved	N/A	N/A	Corporate and Community Services	B2B/ Cleaning campaign reports (including photos)	
KPA 2: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT																		
KPI 14	To ensure provision of basic services in a fair, equitable and sustainable manner	Provide free basic services to all indigent households with available resources	Free Basic Electricity	2,1,1,2	Percentage of qualifying indigent consumers as per Eskom monthly list provided with free basic electricity	Percentage	100% qualifying Eskom Indigent Consumers provided with free basic electricity by 30 June 2023	EQS	R 200 000,00	As per invoices	All Wards	100% of qualifying Eskom indigent consumers provided with free basic electricity by 31 Dec 2022	100% Eskom qualifying indigent consumers were provided with free basic electricity (first 50 KWh) by 31 Dec 2022	Target Achieved	N/A	N/A	Finance	List of Eskom indigent beneficiaries (Oct - Dec 2022)
KPI 15		Free Waste Services	Percentage of consumers with a property value of R110 000 and less provided with free basic waste	percentage	100% qualifying consumers with a property value of R110 000 and less provided with free basic waste by 30 June 2023	EQS	As per invoices	As per invoices	Ward 3,4 & 9	100% qualifying consumers with a property value of R110 000 and less provided with free basic waste by 31 Dec 2022	Consumers with a property value of R110 000 and less were provided with free basic waste in Q2	Target Achieved	N/A	N/A	Finance	List of beneficiaries with a property value of R110 and less		
KPI 16		Improvement of Access to Roads	Regravelling of kwaNyosi Road	2,1,1	Percentage of kwaNyosi road regravelled by 30 June 2023	Percentage	100% of kwaNyosi road regravelled by 30 June 2023	MIG	R 3 000 000,00	R 2 874 790,83	Ward 6	60% of construction completed by 31 Dec 2022	Progress was on 100% by 31 Dec 2022	Target Achieved	N/A	N/A	Infrastructure and Planning	Progress report and project photos
KPI 17		Rehabilitation of Roads in CBD (through Small Town rehabilitation grant)	Percentage of roads rehabilitated in CBD by 30 June 2023	Percentage	100% of roads rehabilitated in CBD by 30 June 2023	Small Town	R 5 600 000,00	R 5 353 026,99	Ward 9	60% of construction completed by 31 Dec 2022	Progress was on 100% by 31 Dec 2022	Target Achieved	N/A	N/A	Infrastructure and Planning	Progress report and project photos		
KPI 18		Installation of 2 sets of Street lights and Robots	Number of Street lights and Robots installed by 30 June 2023	Number	2 sets of Street lights and Robots installed by 30 June 2023	Small Town	R 5 000 000,00	R 5 000 000,00	Ward 9	60% of construction completed by 31 Dec 2022	Progress was on 100% by 31 Dec 2022	Target Achieved	N/A	N/A	Infrastructure and Planning	Progress report and project photos		
KPI 19		Mbedleni Bridge	Percentage of Mbedleni Bridge completed by 30 June 2023	Percentage	100% of Mbedleni Bridge completed by 30 June 2023	MIG	R 3 500 000,00	R 3 113 240,93	Ward 7	60% of construction completed by 31 Dec 2022	Progress was on 70% by 31 Dec 2022	Target Achieved	N/A	Target was achieved, however there's a challenge of a minimum space for road diversion. Technical team is still looking at other means to divert the road	Infrastructure and Planning	Progress report and project photos		
KPI 20		KwaNkomo Bridge	Percentage of kwaNkomo Bridge completed by 30 June 2023	Percentage	100% of kwaNkomo Bridge completed by 30 June 2023	MIG	R 3 000 000,00	R 294 000,00	Ward 10	60% of construction completed by 31 Dec 2022	Progress was on 5% by 31 Dec 2022	Target not Achieved	Delays were due to various reasons, i.e. Late appointment of Contractor. Project was underbudgeted when comparing the costs with the work to be done. Environmental Impact Assessments still has to be done	Infrastructure and Planning	Progress report			
KPI 21		Ezixeni sportfield	Percentage of Ezixeni Sportfield completed by 30 June 2023	Percentage	100% of Ezixeni Sportfield completed by 30 June 2023	MIG	R 2 255 250,00	R 1 350 874,28	Ward 1	60% of construction completed by 31 Dec 2022	Progress was on 40% by 31 Dec 2022	Target not Achieved	Delays were due to heavy , continous rain and land ownership between the Municipality and Mondli	Project is now ongoing since the rain has cleared. Engagements with Mondli are in place regarding the land ownership	Infrastructure and Planning	Progress report and project photos		
KPI 22		Bilanyoni SMME Centre	Percentage of Bilanyoni SMME Centre completed by 30 June 2023	Percentage	100% of Bilanyoni SMME Centre completed by 30 June 2023	MIG	R 4 000 000,00	R 845 158,87	Ward 4	60% of construction completed by 31 Dec 2022	Progress was on 30% by 31 Dec 2022	Target not Achieved	Late appointment of Contractor / Service Provider and again land ownership	Projects is ongoing as all the challenges were attended to and resolved	Infrastructure and Planning	Progress report and project photos		
KPI 23		Phase 5 Community hall	Percentage of Phase 5 Community Hall completed by 30 June 2023	Percentage	100% of Phase 5 Community Hall completed by 30 June 2023	MIG	R 3 000 000,00	R 881 193,98	Ward 2	60% of construction completed by 31 Dec 2022	Progress was on 5% by 31 Dec 2022	Target not Achieved	Delays were due to heavy rains	Project is ongoing as the rain has cleared up.	Infrastructure and Planning	Progress report and project photos		

KPI 24	Improvement of access to Electricity	KwaSonkela Electrification Phase 3 Project	2,1,1,3	Percentage of kwaSonkela Electrification Phase 3 project completed by 30 June 2023	Percentage	100% of kwaSonkela Electrification Phase 3 project completed by 30 June 2023	INEP	R 3 600 000,00	R 749 496,54	Ward 1	60% of Project Execution/ Upgrade completed by 31 Dec 2022	Progress was on 60% by 31 Dec 2022	Target Achieved	N/A	N/A	Infrastructure and Planning	Progress report and project photos
KPI 25		KwaLembe electrification		Percentage of kwaLembe Electrification project completed by 30 June 2023	Percentage	100% of kwaLembe Electrification project completed by 30 June 2023	INEP	R 5 250 000,00	R 631 814,07	Ward 1	60% of Project Execution/ Upgrade completed by 31 Dec 2022	Progress was on 60% by 31 Dec 2022	Target Achieved	N/A	The Q2 60% target was achieved, however there were challenges of obtaining way leave approvals from land owners which delayed construction	Infrastructure and Planning	Progress report and project photos
KPI 26		Khambule electrification		Percentage of kwaKhambule Electrification project completed by 30 June 2023	Percentage	100% of kwaKhambule Electrification project completed by 30 June 2023	INEP	R 4 500 000,00	R 476 687,36	Ward 7	60% of Project Execution/ Upgrade completed by 31 Dec 2022	Progress was on 60% by 31 Dec 2022	Target Achieved	N/A	The Q2 60% target was achieved, however there were challenges of obtaining way leave approvals from land owners which delayed construction	Infrastructure and Planning	Progress report and project photos
KPI 27		Replacement of Tampered Electricity Meters		Number of tampered meters replaced	Number	400 of Tampered Meters Replaced by 30 June 2022	EQS	R 1 500 000,00		Ward 3	100 of tampered meters replaced by 31 Dec 2022	52 meters were replaced by 31 Dec 2022	Target not Achieved	Shortage of material	The Municipality will make provision for purchasing of material during the adjustment budget to continue with the project	Infrastructure & Planning	Replacement Forms
KPI 28	Improvement of access to sustainable human settlement	Facilitate Housing Forums	2,1,1,5	Number of Housing Forum meetings facilitated	Number	4 quarterly Housing Forums facilitated by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 Housing Forums by 31 Dec 2022	Forum did not sit in Quarter 2	Target not Achieved	Forum did not sit in Quarter however progress report was submitted (as attached)	Schedule has now been developed and communicated with all Implementing Agents to ensure Forums are sitting as required	Infrastructure and Planning	Q2 Housing report

KPA 3: LOCAL ECONOMIC DEVELOPMENT

KPI 29	To create conducive environment for sustainable economic growth and development	Job creation and promotion of employment opportunities	3,1,1,1	Number of Work Opportunities created through EPWP and Capital Projects	Number	160 Work Opportunities created through EPWP and Capital Projects by 30 June 2023	EPWP and Capital Grants Funding	R 1 500 000,00	R 606 790,00	Institutional	Quarterly Report on Work Opportunities created	185 EPWP work opportunities were created through EPWP grant and Capital projects by 31 Dec 2022	Target Achieved	N/A	N/A	Infrastructure Planning	EPWP Q2 report	
KPI 30		LED Projects		Implement LED projects	Date the LED projects in all Wards be implemented	Date	LED projects in all Wards be implemented by 30 June 2023	EQS	R 2 096 000,00	R 0,00	Ward 1 - 10	Project Inception & Report	Not planned for Q2		N/A	Project is in planning stage	Infrastructure Planning	None
KPI 31		Formalizing the Informal Economy through Informal Traders		Formalise the Informal Traders	Number of the meetings with the Informal Traders Committee to be conducted	Number	2 meetings be conducted with Informal Traders Committee by 30 June 2023	EQS	R 0,00	R 0,00	Institutional	N/A	Not planned for Q2		N/A	N/A	Infrastructure & Planning	None

KPA 4: GOOD GOVERNANCE, COMMUNITY PARTICIPATION & WARD COMMITTEE SYSTEM

KPI 32	To promote effective Community Participation	Facilitate IDP Consultative Meeting	4,1,2,1	Number of IDP road-shows to be facilitated	Number	2 IDP Roadand Budget shows be facilitated by 30 June 2023	OWN FUNDING	R 104 800,00	R 104 800,00	Institutional	1 IDP and Budget Road Show	IDP and Budget roadshows were conducted in all Wards during Q2	Target Achieved	N/A	N/A	Infrastructure Planning	Attendance Register
KPI 33		Develop summarized 2022/2023 IDP Booklets		Date the summarized 2022/2023 IDP Booklets be developed	Date	Summarized 2022/2023 IDP Booklets be developed by 30 June 2023	EQS	R 104 800,00	R 0,00	Institutional	Project Execution	Not planned for Q2		N/A	N/A	Infrastructure & Planning	Summarized IDP 2022/23
KPI 34		Implementation of Operation Sukuma Sakhe		Ensure functionality of war rooms	4,1,2,3	Number of War room meetings to be conducted	Number	4 quarterly War room meetings be conducted by 30 June 2023	None	R 0,00	R 0,00	Institutional	Q2 war room meetings held by 31 Dec 2022	War room meetings were held in all ard in Q2	Target Achieved	N/A	N/A
KPI 35	Youth / Sports Development	Participate in Mayoral Games	3,1,2,3	Date to participate in Mayoral games	Date	Participated in Mayoral games by 31 December 2022	EQS	R 676 400,00	R 676 400,00	Institutional	Report for participation in Mayoral games	Mayoral games were conducted in July 2022	Target Achieved	N/A	N/A	Corporate and Community Services	Report for Mayoral games

KPI 36		Conduct Special Programmes	3,1,2,4	Date the Community Special Programme (Amahhashi) will be conducted	Date	Amahhashi Special Programmes be conducted by 31 December 2022	OWN FUNDING	R 872 774,00	R 872 774,00	Institutional	Amahhashi special programme conducted by 31 December 2022	Horse riding event was held on the 17th of December 2022	Target Achieved	N/A	N/A	Corporate and Community Services	Report on Amahhashi programme
KPI 37		Conduct Art & Culture Programmes		Date the Community Art & Culture Programme (Ingoma) will be conducted	Date	Ingoma Art & Culture Programmes be conducted by 31 December 2022	OWN FUNDING	R 327 290,00	R 327 290,00	Institutional	Ingoma Art & Culture programme conducted by 31 December 2022	Ingoma and cothoza events were held on the 26, 27 and 28th of December 2022	Target Achieved	N/A	N/A	Corporate and Community Services	Report on Ingoma programme
KPI 38		Participate in HIV/AIDS Programmes		Date to participate in HIV/AIDS Programmes	Date	Participated in HIV/AIDS Programmes by 31 March 2023	EQS	R 58 877,00	R 58 877,00	Institutional	N/A	Not planned for Q2	Target Achieved	N/A	N/A	Corporate and Community Services	None
KPI 39	Facilitating the functioning of Council and Council Committees	Facilitate sitting of Council meetings	4,1,1,6	Number of Council meetings to be convened	Number	04 quarterly Council meetings be convened by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 Council Meeting by 31 Dec 2022	3 Council meetings were convened in Q2, 27 Oct, 24 Nov, and 06 Dec 2022	Target Achieved	N/A	N/A	Corporate and Community Services	Notice, agenda and attendance register
KPI 40		Facilitate sitting of Executive Committee meetings		Number of Executive Committee meetings to be convened	Number	04 quarterly Executive Committees meetings be convened by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 Executive Committee Meeting by 31 Dec 2022	3 EXCO meetings were convened in Q2, 27 Oct, 18 Nov, and 21 Dec 2022	Target Achieved	N/A	N/A	Corporate and Community Services	Notice, agenda and attendance register
KPI 41		Facilitate sitting of Finance Portfolio committee meetings		Number of Finance Portfolio committee meetings to be convened	Number	4 Finance portfolio committee meetings be convened by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 Finance Portfolio Meeting by 31 Dec 2022	No Finance Portfolio meeting was convened in Q2	Target not Achieved	No items were submitted for the facilitation of the meeting	HOD's should ensure items are submitted and meetings do sit as per the schedule	Finance	None
KPI 42		Facilitate sitting of Infrastructure and Planning Portfolio Committee meetings		Number of Infrastructure and Planning Portfolio Committee to be convened	Number	4 Infrastructure and Planning Portfolio Committee meetings be convened by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 Infrastructure and Planning Portfolio Meeting by 31 Dec 2022	1 Infrastructure and Planning Portfolio meeting was convened in Q2, 24 Nov 2022	Target Achieved	N/A	N/A	Infrastructure and Planning	Notice, agenda and attendance register
KPI 43		Facilitate sittings of Community and Corporate Services Portfolio Committee meeting		Number of Community and Corporate Services Portfolio Committee meetings to be convened	Number	4 Community and Corporate Services Portfolio Committee meetings be convened by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 Community & Corporate Services Portfolio Meetings 31 Dec 2022	No Community and Corporate Services Portfolio meeting was convened in Q2	Target not Achieved	No items were submitted for the facilitation of the meeting	HOD's should ensure items are submitted and meetings do sit as per the schedule	Corporate and Community Services	None
KPI 44		Facilitate sittings of Municipal Public Accounts Committee (MPAC) meeting		Number of Municipal Public Accounts Committee (MPAC) to be convened	Number	04 Municipal Public Accounts Committee (MPAC) meetings be convened by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 MPAC Meeting by 31 Dec 2022	1 MPAC meeting was convened in Q2, 16 Nov 2022	Target Achieved	N/A	N/A	Corporate and Community Services	Notice, agenda and attendance register
KPI 45		Facilitate sittings of Audit Committee		Number of Audit Committee Meetings to be convened	Number	04 Audit Committee Meetings be convened by 30 June 2023	EQS	R 300 000,00	R 85 000,00	Institutional	1 Audit Committee Meetings by 31 Dec 2022	1 Audit Committee meeting was convened in Q2	Target Achieved	N/A	N/A	Executive	Notice, agenda and attendance register
KPA 5: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT																	
KPI 46		Functionality of Audit Committee		Number Audit Committee reports submitted to Council	Number	4 quarterly Audit Committee reports submitted to Council by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 Audit Committee Report	Audit Committee Report was not tabled to Council in Q2	Target not Achieved	N/A	Report will be submitted on a next scheduled Council meeting	Executive	None
KPI 47		Functionalise Risk Management Committee		Number of Risk Steering Committee Meetings convened	Number	4 quarterly Risk Steering Committee Meetings convened by 30 June 2023	None	R 0,00	R 0,00	Institutional	1 Risk Steering Committee Meeting by 31 Dec 2022	Risk Committee meeting was convened in Q2	Target Achieved	N/A	N/A	Executive	Attendance Registers and Risk reports

KPI 48	To improve municipal financial viability and sound financial management	Payment to creditors to be made within 30 days in terms of section 65 of MFMA	Ensure payment of creditors within 30 days	4,1,1,5	Percentage of monthly Creditors paid within 30 days	Percentage	100% of Creditors paid within 30 days on monthly basis till 30 June 2023	EQS	As per invoices	As per invoices	Institutional	100% Creditors paid within 30 days / Creditors Age Analysis (October - December 2022)	Few Creditors are still not paid within 30 days, those accumulated from previous years i.e. SALGA, Zululand District Municipality	Target not Achieved	Financial constraints	Two outstanding Creditors listed are paid in terms / arrangements on montly basis	Finance	Creditors Age Analysis for Dec 2022
KPI 49		Ensuring financial reporting and compliance	Submit in-year Financial Reports in line with legislation	5,1,1,1	Number of Section 71 compiled and submitted to Treasury within 10 working days by	Number	12 monthly Section 71 reports compiled and submitted to Treasury by 30 June 2023	None	R 0,00	R 0,00	Institutional	Confirmation of submission by Treasury (Oct - Dec 2022)	Monthly Section 71 reports were submitted within the stipulated timeframe i.e. (Oct - Dec 2022)	Target Achieved	N/A	N/A	Finance	3 months confirmation of submission reports
KPI 50		Capital Expenditure Management	Formulate a plan for Capital Budget expenditure	5,1,1,4	Percentage of expenditure on Capital Budget	Percentage	100% expenditure spent on Capital Budget by 30 June 2023	Grants	R 164 617 000,00	R 102 446 416,09	Institutional	60% Expenditure (Grant register report for all implemented) Capital projects (Oct - Dec 2022)	Above 60% on grants has been spent	Target Achieved	N/A	N/A	Finance	Grant Register (for June 2023)
KPI 51		Expenditure Management	To reduce occurrence / percentage of UIFW expenditure by 30 June 2023		Percentage of reduced occurrence of UIFW expenditure	Percentage	40% reduced occurrence of UIFW expenditure by 30 June 2023	None	R 0,00	R 0,00	Institutional	UIFW register for Oct - Dec 2022	Occurance of UIFW expenditure was reduced in Q2 as compared to previous quarters	Target Achieved	N/A	N/A	Finance	Annual UIFW expenditure report
KPI 52		Budget & Treasury Policies and Procedures	Review and approve all budget related policies	5,1,1,1	Date the budget related policies reviewed and adopted	Date	Budget related policies be reviewed and adopted by 30 September 2022	None	R 0,00	R 0,00	Institutional	N/A	Budget related Policies were reviewed and adopted on 30 May 2022	Target Achieved	N/A	N/A	Finance	Council Resolution
KPI 53		Assets Management	Perform 4 asset count per year to update the Asset Register	5,1,1,8	Number of Asset verifications on movable assets performed	Number	04 quarterly Assets verifications on movable assets performed by 30 June 2023	None	R 1 467 200,00	R 0,00	Institutional	Quarterly Assets Reconciliation with count sheets	Assets verifications and reconciliations were not performed in Quarter 2	Target not Achieved	Verifications were not performed due to capacity constraints	Asset Officer has now been appointed to ensure verification on monthly basis	Finance	Complete, Accurate and fully supported Fixed Asset Register
KPA 6 : CROSS CUTTING INTERVENTIONS (SPATIAL DEVELOPMENT, ENVIRONMENT PLANNING & DISASTER MANAGEMENT)																		
KPI 54	To ensure efficient and sound Strategic and Spatial municipal planning	Facilitate the formulation of the Credible IDP	Adopt IDP process plan	6,1,1,1	Date the IDP process plan be adopted	Date	IDP process plan be adopted by 30 Sep 2022	None	R 0,00	R 0,00	Institutional	N/A	IDP process plan was adopted on the 30th August 2022	Target Achieved	N/A	N/A	Infrastructure Planning	Council Resolution
KPI 55			Formulate and adopt a credible IDP		Date the 2023/2024 IDP be adopted	Date	Adopted 2023/2024 IDP by 30 June 2023	None	R 0,00	R 0,00	Institutional	N/A	Not planned for Q2	Target Achieved	N/A	N/A	Infrastructure Planning	Council Resolution
KPI 56		Road Awareness campaign	Conduct Road awareness campaign		Number of Road awareness campaigns conducted	Number	2 Road awareness campaign conducted by 30 June 2023	None	R 40 000,00	R 0,00	Institutional	1 Road awareness campaign conducted by 31 Dec 2022	Road awareness campaign was not conducted by 31 Dec 2022	Target not Achieved	Unavailability of all required stakeholders	The Municipalty is preparing to conduct Road awaress ca,paim in April 2023	Corporate and Community Services	Road awareness Report