

MARULENG LOCAL MUNICIPALITY



2021-22 MIDYEAR BUDGET AND PERFORMANCE ASSESSMENT

Wildlife Haven

MARULENG LOCAL MUNICIPALITY

Mid-year Budget and Performance Assessment Report

2021 - 2022

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INTRODUCTION

1. Section 72 (1) of the Municipal Finance Management Act, Act 56 of 2003 stipulates:

“The accounting officer of the municipality must by the 25 January of each year assess the performance of the municipality during the first half of each financial year” taking into account (i) monthly statements, (ii) municipality’s delivery targets and indicators set in the service delivery and budget implementation plan, and progress on resolving problems identified in the past annual report, and

Section 72 (3) further stipulates:

‘As part of the review-

- a) Make recommendations as to whether an Adjustment Budget is necessary; and
- b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

2. The following is the Mid-year Budget and Performance Assessment taking into account the stipulations of the MFMA, Section 72 (1) as at 31 December 2021.

1. FINANCIAL PERFORMANCE

HALF-YEAR BUDGET STATEMENTS STATEMENT: 31 DECEMBER 2021

(JULY 2021- DECEMBER 2021 YEAR PERFORMANCE)

The municipality's total budget amounts to R411, 258 Million (Including Operating and capital budget). The operating budget consists of non-cash item/ budget of R50 973 Million. The total capital budget amount to R167 381 million. No virements (budget transfers) were made for the period 01 July 2021 to 31 December 2021.

1.1. OPERATING EXPENDITURE

Total expenditure up to December 2021 amounts to R132 535 million or 54% of the total operating budget of R243 876 million. The main contributors to the under/over spending in comparison to the 50% pro rata for six months are the following:

1. **Salaries and wages Budget** amounts to R42 695 million and R43 180 (51%) has been spent, which is R486 thousand more than the pro-rata spending. more bonuses and overtimes has been paid during the first semester.
2. **Remuneration of councillors** Budget amounts to R6 145 million and R5 519 million (45%) has been spent, which is R626 thousand less than the pro-rata spending. The municipality has estimated an increase of 7% for remuneration of councillors which will be paid after the minister approved the upper limit gazette. The approval is normally happened in the third quarter of the municipal year.
3. **Contracted Services** Budget amounts to R 19 295 Million and R22 509 Million (58%) has been spent, which is R3 214 million more than pro-rata spending. contracted service are professional fees for all municipal departments i.e Assets register, valuation roll, VIP system, vat returns, refuse removal and security services. The vat returns for 2021 was paid in 2022 financial period which affected the expenditure for 2022.
4. **Inventory consumed** Budget amounts to R1 975 million and R1 593 (40%) has been spent, which is R382 thousand less than pro-rata spending.
5. **Finance charges/costs** amount to R400 thousand and the spending is zero, the municipality has just appointed the service provider for printing machine and the municipality is busy compiling the lease register.
6. **Depreciation and assets impairment, the** Budget amounts to R14 461 million and R21 642 Million (75%) has been spent, which is R7 182 Million more than pro-rata spending. The calculations/ estimation was done using the fixed assets register. Most of the assets are still on WIP (work in progress) which will be depreciated after the completion certificated been issued to the municipality, the journal for depreciation was not processed into the system as the calculations are done at year end.
7. **Debt impairment** Budget amounts to R10, 750 Million and R20 944 Million (97%) has been spent, which is R10 194 million more than pro-rata spending. the municipality has total debt of R161 million which is owed for more than 90 days, The municipality is not collecting mainly on property rates which is also affecting the interests on debtors. The estimation rate for bad debts calculations was based on 80% of the total debts and the journal was not made as the calculations are performed at year-end.
8. **General expenses** Budget amounts to R50 885 million and R16 901 million (33%) has been spent, which is R8 542 million less than the pro-rata spending. The municipality is implementing cost containment measure gazette.

1.2 OPERATING REVENUE

Total Operating revenue up to December 2021 amounts to R197 701 million or 62% of the total revenue budget of R322 162 million, which is R36 620 million more than the pro-rata budget. **(Total revenue is inclusive of revenue from operational and capital grants).**

Included in the total operating revenue earned to date of R197 701 Million are the following revenue items—

1. **Rates and service charges** budget amounts to R103 320 million and R54 364 million (53%) has been billed, which is R2 704 million more than the pro-rata revenue.
2. **Rental of facilities** budget amounts to R424 thousand and 0 (0%) has been billed, which is R204, 145 less than the pro-rata revenue. The amount of Rental of facilities has been included in other revenue, the misclassification will be corrected when we do adjustment budget.
3. **Interest on external investments** budget amounts to R5, 500, million and R1 939 million (35%) has been earned, which is R811 thousand less than the pro-rata revenue. The economy is currently affected by COVID 19 pandemic, the interest rates on investment was mostly affected.
4. **Interest on outstanding debtors** budget amounts to R16 420 million and R6 834 Million (42%) has been billed, which is R1, 376 million less than the pro-rata revenue. Most of the debtors that are owing for more than 90 days are not settling their debts.
5. **Service charges** relate to refuse removal. The (budgeted amount is R4 450 million and actual revenue earned amounted to R2, 151 million (48%), which is R74 thousand less than pro rata revenue.
6. **Licences and permits & Agency fees** budget amount to R8 618 Million and R545 thousand (6%) has been earned, which is R8 073 million more than pro- rata. There is a misclassification of licence and permits & agency fees which are included in other revenue that need to be corrected.
7. **Other revenue** budget amount to R1 731 million and R7 057 million (408%) has been earned, which is R5 326 million more than the pro- rata and this item will be corrected with the journals as other items like agency fees are wrongly mapped as other revenue.

Below is the six months' income and expenditure report for July 2021 to Dec 2021:

	2021	2022
	R	
MID YEAR PERFORMANCE		
REVENUE		
Revenue from exchange transactions		
Service charges	2 269 983	2 151 067
Interests received-receivables	6 406 217	6 834 367
Interests received-Investments	2 203 417	1 939 002
Rental of facilities and equipment	0	0
Licences and permits	1 417 708	545 189
Agency fees	7 865 706	-
Other revenue	1 548 690	7 057 408
Total revenue from exchange transactions	21 711 721	18 527 033
Revenue from non exchange transactions		
Taxation revenue		
Property rates	49 891 108	54 364 134
Traffic fines	59 125	35 497
Transfer revenue		
Government grants and subsidies received - operating	127 984 800	106 819 001
Government grants and subsidies received - capital	17 772 324	17 956 271
Total revenue from non exchange transactions	195 707 357	179 174 903
TOTAL REVENUE	217 419 078	197 701 936
EXPENDITURE		
Employee related costs	36 624 765	43 180 098
Remuneration of councillors	5 559 856	5 519 432
Bad debts	13 365 176	20 943 743
Depreciation and amortisation expense	10 666 616	21 642 403
Finance cost	692 792	0
General expenses	23 746 919	24 348 343
Contracted services	11 060 415	16 901 334
TOTAL EXPENDITURE	101 716 538	132 535 353
NET SURPLUS FOR THE YEAR	115,702,540	65,166,583

1.3 CAPITAL EXPENDITURE

The capital budget (2021/22) amounts to **R167, 381 Million** for the 6 months' expenditure is **R89 235 Million** which is **53%** of the total capital budget. It must be noted that some capital projects are either at bidding stages or designs stage. MIG spending alone is at **64%** with the balance of unspent funds attributable to own-funded projects and capital acquisitions. It is however anticipated that 100% of the capital budget will be spent by 30 June 2022.

Breakdown of Capital Expenditure

SegmentDesc	TotalBudget	TotalActual	%spending	targets	different
BISMARK OWN	8,500,000.00	7,108,505.28	84%	50%	34%
BUTSWANA ACCESS ROAD own	10,925,490.00	7,233,876.82	66%	50%	16%
CALAIS SPORTS FIELD - MIG own	1,850,000.00	1,199,804.98	65%	50%	15%
FENCES FOR CEMETRIES AND LONDON LANDFILLSITI	2,000,000.00	531,699.81	27%	50%	-23%
MARULENG LOW LEVEL BRIDGES own	10,000,000.00	8,772,690.58	88%	50%	38%
NEW LINE GA-FANIE ACCESS ROAD own	8,500,000.00	7,062,800.52	83%	50%	33%
WORCESTER own	11,140,000.00	9,848,064.39	88%	50%	38%
REHABILITATION OF KAMPERSUS own	9,600,000.00	7,771,039.55	81%	50%	31%
ROADS ENABLE INTERNAL STREET sc6.3 own	1,000,000.00	852,297.86	85%	50%	35%
ROADS REHABILITATION OF GASEKORORO sc6.3 own	10,000,000.00	210,844.00	2%	50%	-48%
SANTENG GRAVEYARD ACCESS ROAD own	1,200,000.00	1,713,412.48	143%	50%	93%
HALLS LORRAINE COMMUNITY HALL sc6.3 own	9,800,000.00	-	0%	50%	-50%
MASHOSHING INTERNAL STREET	1,000,000.00	-	0%	50%	-50%
ROADS BOTSHABELO INTERNAL STREET (MIG)	1,738,964.00	1,169,031.54	67%	50%	17%
ROADS CALAIS INTERNAL STREET(MIG) sc6.3 MIG	12,393,645.00	9,095,016.05	73%	50%	23%
ROADS SOFAYA TO MAHLOMELONG ACCESS ROAD(N	3,000,000.00	2,597,792.23	87%	50%	37%
Mabins access road	10,000,000.00	4,685,019.87	47%	50%	-3%
SKIP BINS	1,500,000.00	1,290,000.00	86%	50%	36%
ANIMAL IMPOUNDING	4,000,000.00	-	0%	50%	-50%
IT EQUIPMENT own	600,000.00	360,998.75	60%	50%	10%
ACCESS CONTROL own	500,000.00	-	0%	50%	-50%
Office Equipment additions	650,000.00	-	0%	50%	-50%
AIR CONDITIONERS own	250,000.00	-	0%	50%	-50%
PLANT AND EQUIPMENTS own	850,000.00	72,635.21	9%	50%	-41%
RESTORATION OF MUNICIPAL BUILDINGS	530,000.00	-	0%	50%	-50%
THUSONG LEARNERS CENTRE CLASSROOM(UPGRAD	1,500,000.00	-	0%	50%	-50%
REHABILITATION OF HOEDSPRUIT MAIN STREET ow	12,761,000.00	11,832,911.49	93%	50%	43%
WILLOWS ACCESS ROAD 6.5	12,470,000.00	400,251.57	3%	50%	-47%
SCORTIA INTERNAL STREET	1,000,000.00	-	0%	50%	-50%
SHIKWANE ACCESS ROAD MIG	1,000,000.00	-	0%	50%	-50%
SOFAYA BRIDGE	9,121,739.00	2,779,007.54	30%	50%	-20%
HIGHMAST LIGHT	4,000,000.00	1,263,083.86	32%	50%	-18%
VEHICLES own	3,000,000.00	1,284,056.31	43%	50%	-7%
Office furniture own	1,000,000.00	-	0%	50%	-50%
TOTAL	167,380,838.00	89,134,840.69	53%	50%	3%

1.4 DEBTORS

The current outstanding Debtors for Maruleng Municipality stood at **R185, 124 Million Including water and sewer of 2 678 million** which makes debtors book of Maruleng amount to **R182 446 million** . This is broken down as follows:

Based on service classification, the major contributor to the debt is property rates which constitutes R149 664 million (81%) of the total debts, while, in terms of sector classification organ of state are the major contributor with a balance of R87 040 million (47%) of the total debts. The municipality has appointed the service provider to assists in revenue collection.

The total payment from rates, service charges and other revenue from July 2021 to December 2021 is R49, 870 million breakdown as follows:

TypeOfService	TotalSettlements	Billing	july	Aug	Spt	Oct	Nov	Dec
						PAYMENTS		
V.A.T.	830,615.68	696,358.72	154,293.12	20539.74	118217.7	130,790.98	83,670.16	323,103.98
INTEREST	1,339,483.14	7,569,783.71	283,353.70	166032.5	181692.4	270,321.38	173,276.54	264,806.64
WATER CONSUMP	1,924,214.35	2,042,731.48	566,938.57	61872.34	337999.2	360,931.02	317,257.57	279,215.65
ADD REFUSE	3,170,788.92	2,137,070.58	395,788.73	32611.83	355969.9	457,478.42	169,142.06	1,759,798.00
ADD SEWERAGE	208,513.14	240,176.04	44,718.84	20866.11	37072.39	32,678.09	42,056.98	31,120.73
RATES GENERAL	37,127,573.54	56,726,509.84	8,989,382.99	3194730	7101733	6,495,724.74	5,821,347.46	5,524,655.39
WATER BASIC	25,841.21	31,843.45	5,400.74	3282.46	5523.49	4,009.68	3,722.14	3902.7
PENALTIES	79.80		79.80	0	0	-	-	-
DEPOSIT WATER	-		-	0	0	-	-	-
RECEIPT	69,810.61		31,021.79	2841.17	4000.38	21,927.92	9,013.54	1,005.81
RENTALS	219,233.74	213,534.47	18,639.61	16526.22	69124.71	16,055.97	26,214.98	72,672.25
REIMBERSMENTS	24,561.02		-	20305.09	4255.93	-	-	-
TRANSFERES	230,177.04		56,382.14	13885.35	40034.31	85,722.37	26,477.81	7,675.06
BAD DEBTS	-		-	0	0	-	-	-
CLEARANCES	111,264.94		17,847.14	19559.77	19200.68	18,327.50	25,313.57	11,016.28
RATES SUPPLIMENTARY	419,788.71		55,716.72	38513.48	42859.77	90,150.32	168,628.50	23,919.92
PAYMENT ADVANCED	4,167,567.34		1,239,284.04	483447.6	1166904	395,400.56	547,137.94	335,392.76
Total	49,869,513.18	69,658,008.29	11,858,847.93	4095014	9484588	8379518.95	7413259.25	8638285.17

1.5 CASH AND CASH EQUIVALENT AT DECEMBER 2021

As at 31 December 2021 Council had a positive Bank Balance of **R147, 234, 595**, consisting of:

Current account R25, 373, 311

Call deposit accounts R121, 860, 574

Float R710

2. SERVICE DELIVERY AND PERFORMANCE INDICATORS AND TARGETS

1. SERVICE DELIVERY PERFORMANCE AS AT 31 DECEMBER 2021

The annual service delivery performance of the Municipality is planned and detailed, with clear quarterly performance targets, in the Service Delivery Budget Implementation Plan (SDBIP) which was approved by the Mayor in June 2021 in accordance with section 53 (1) (c) (ii) of the MFMA, and forms part of the performance agreements of the Municipal Manager and all senior managers concluded in terms of section 57 (2) of the Local Government: Municipal Systems Act, No. 32 of 2000. The SDBIP forms the basis of all the organisational and individual performance reports, be it monthly, quarterly, mid-year or annually.

The Detailed score card (SDBIP report) is attached as an annexure. Below is the Municipality’s service delivery performance report as at mid-year (31 December 2021). Where targets have not been achieved, the challenges, and corrective measures are specified. The corrective measures are designed to ensure that all the targets are achieved by the end of the financial year, notwithstanding the challenges that delayed the targets in the first half of the year.

For the period under review the municipality had 111 indicators, and 76 indicators which constitute 68% met their targets, while 35 indicators which constitute 32% did not meet their targets. The period under review performed better than the 20/21 mid-year which scored 65%

3.1 The tables below provide an overview performance of the Municipality against the mid-year targets and as allocated per Department and KPA.

Departments	Number of Targets	Targets Achieved	% Achieved	Targets not Achieved	% not Achieved
Municipal Manager	18	13	72%	5	28%
Budget and Treasury	16	13	81%	3	19%
Corporate Services	28	15	54%	13	46%
Community Services	12	11	92%	1	8%
Technical Services	29	18	62%	11	38%
SPED	8	6	75%	2	35%
Overall Organizational Performance	111	76	68%	35	32%

KPAs	Number of Targets	Targets Achieved	% Achieved	Targets not Achieved	% not achieved
Spatial Rationale	4	4	100%	0%	0%
Basic Services and Infrastructure Development	41	26	63%	15	37%
Local Economic Development	6	3	50%	3	50%
Financial Viability	15	13	87%	2	13%
Good Governance and Public Participation	28	18	64%	10	36%
Municipal Transformation and Organizational Development	17	11	65%	6	35%
Overall Organizational Performance	111	76	68%	35	32%

3.2 2021/22 mid – Year Institutional Performance

Total Number of Targets	Percentage Achieved	Percentage Not Achieved	Recommendation
111	68% Achieved	32% Not Achieved	Implementation and monitoring of recommended corrective measures

KPA 1: SPATIAL RATIONAL

4/4 indicators were achieved. These constitute 100% achievement.

Program	KPI	Annual Target	First Quarter Target	2 nd quarter	Mid-year	Actual Performance	variance	Reasons for variance	Corrective measures
SDF	# of SDF implemented	1	1 Spatial Development Framework implemented	1 Spatial Development Framework implemented	1 Spatial Development Framework implemented	1 SDF implemented	None	None	None
Update of LUMS	% of land use application processed within 90 days from the date received	100%	100%	100%	100%	100%	None	None	None
	% of building plans processed within 30 days from the date submitted with complete required documents	100%	100%	100%	100%	100%	None	None	None
Ensure GIS updated	# of GIS update conducted	4	1	1	2	15	13	Additional data was acquired based on applications received	Increase quarterly target updates

KPA 2: BASIC SERVICE DELIVERY

Indicators that achieved targets (26/41) 63%

Program	KPI	Annual Target	1 st quarter target	2 nd quarter target	Mid-year	Actual Performance	variance	Reasons for variance	Corrective measures
Free basic waste removal	# of indigent households with access to free refuse removal	3700	800m	800	800	1200	400	Additional indigent households were provided with free basic refuse	None
Maruleng low level bridges	# of low level bridges constructed	2 bridges	Appointment of a consultant	Foundation of 2 bridges completed	Foundation of 2 bridges completed	Foundation of 2 bridges completed	None	None	None
Butswana access road	# of meters of Butswana access road paved	800m	800m road base completed	800m road bed completed	800m road bed completed	800m road bed completed	None	None	None
Willows access road	# of meters of Willows access road paved	900m	900m road base completed	900m road bed completed	900m road bed completed	900m road bed completed	None	None	None
Bismarck of access road	# of meters of Bismarck access road surfaced	500m	500m road base completed	500m road bed completed	500m road bed completed	2.5km	2km	Contractor committed to do more work up front , the municipality will pay when the budget is available	none

Calais access road	# of kilometers of Calais internal streets paved	1km	400 road base completed	400m road bed completed	400m road bed completed	2.1km road bed completed	1.7km road bed completed	Contractor committed to do more work up front , the municipality will pay when the budget is available	None
Mabins cross access road	# of meters of Mabins access road surfaced	500m	Appointment of a contractor	500m road bed completed	500m road bed completed	1.3km road surfaced	1.3km road surfaced	Contractor committed to do more work up front , the municipality will pay when the budget is available	None
Worcester	# of meters of Bismarck access road surfaced	500m	1.7km road base completed	900m road bed completed	900m road bed completed	2.5km	2km	Contractor committed to do more work up front , the municipality will pay when the budget is available	none
Rehabilitation of Hoedspruit internal streets	# of Hoedspruit internal street rehabilitated	2km	2km road base completed	2km road completed	2km road completed	2km road completed	None	None	None
Sofaya bridge	# of Sofaya bridge completed	1	Appointment of a contractor	Foundation of 1 bridge completed	Foundation of 1 bridge completed	Foundation of 1 bridge completed	None	None	None

Scotia internal street	Development of designs of Scotia internal street	Designs developed	No target this quarter	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	None	None	None
Shikwane access road	Development of designs of Shikwane road	Designs developed	No target this quarter	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	None	None	None
Botshabelo internal street	Development of designs of Botshabelo internal street	Designs developed	No target this quarter	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	None	None	None

BASIC SERVICE DELIVERY ...CONT

Indicators that achieved targets.....CONT

Program	KPI	Annual target	First Quarter Target	2ND quarter target	Mid-year target	Actual Performance	variance	Reasons for variance	Corrective measures
Enable internal street	Development of designs of Enable internal street	Designs developed	No target this quarter	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	None	None	None
Matshotshing internal street	Development of designs of Matshotshing internal street	Designs developed	No target this quarter	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	Advertisement for the appointment of a consultant	None	None	None

Basic Refuse removal	# of households with basic waste removal	11 206	11 206	11 206	11 206	20 020	8 814	Additional households emerged during the period under review	A need to revise target
	# of commercial , institutional and industrial centers with access to solid waste removal services	61 business establishments	61 business establishments	61 business establishments	61 business establishments	71 business establishments	10 business establishments	Additional households emerged during the period under review	A need to revise target
Roads and bridges	# of msq of municipal roads maintained	150 000msq	37 500msq	37 500msq	75 000msq	581 429msq	506 429msq	More maintenance required due to heavy rains	None
Machines (heavy machinery)	# of machines maintained	3	3	3	3	3	None	None	None
Maintenance of vehicles	# of vehicles maintained	14	14	14	14	14	None	None	None
Electricity (high mast lights)	# of high mast lights constructed	4	Appointment of contactor	4 high mast light constructed	4 high mast light constructed	4 high mast light constructed	None	None	None

Parks and gardens	# of parks and gardens maintained	6	6	6	6	6	None	None	None
Vehicles	# of vehicles purchased	3	Development of specifications and submission to budget and treasury	Appointment of service provider	Appointment of service provider	Service provider appointed	None	None	None
Air conditioners	# of air conditioners purchased	5	Development of specifications and submission to budget and treasury	Appointment of service provider	Appointment of service provider	Service provider appointed	None	None	None
Skip bins	# of skip bins purchased	60	Development of specifications and submission to budget and treasury	Appointment of service provider	Appointment of service provider	Service provider appointed	None	None	None
Speed machines	# of speed machines maintained	2	2	2	2	2	None	None	None

BASIC SERVICE DELIVERY

Indicators that did not achieve targets (15/41) 37%

Program	KPI	Annual target	First Quarter Target	2 ND quarter target	Mid-year target	Actual Performance	variance	Reasons for variance	Corrective measures
Free basic electricity	# of indigent households with access to free basic electricity	3 700	3700	3700	3700	930	2770	Low turn-out of applications during FBE applications	Awareness campaigns and workshops to be conducted in all wards on FBE
New –line Ga-Fanie access road	# of meters of New-line Ga-Fanie access road paved	783 m	783 road bed completed	783m paving completed	783m paving completed	0m	783m paving completed	783m completed but not commissioned	783m paving will be commissioned in the third quarter
Rehabilitation of Ga-Sekororo road	# of kilometers of Ga-Sekororo road rehabilitated	1.5km	Appointment of a contractor	1.5km road base completed	1.5km road base completed	0km	1.5km road base completed	Tender was re-advertised due to none responsive bid	The project will commence during the third quarter
Rehabilitation of Kampersrus road	# of kilometers of Kampersrus road rehabilitated	2km	2km road bed	2km	2km	1.7km	0.3km	Delay due heavy rains	0.3 km to be completed in the third quarter
Santeng graveyard access road	# of meters of Santeng graveyard access road paved	400m	400m road bed	400m	400m	0m	400m	Delay due heavy rains	400m to be completed in the third quarter
Sofaya to Mahlomelong access road	# of kilometers of Sofaya to Mahlomelong road tarred	1 km	1 km road base completed	1 km road bed completed	1 km road bed completed	0 km road bed completed	1 km road bed completed	Target not met due to budgetary constraints	Budget to be made available during adjustment budget

Lorraine community hall	% of Lorraine community hall completed	100%	Re-designs	40% completion (window level)	40% completion (window level)	0 %	40% completion (window level)	The project is on hold pending the finalization of re-designs	Awaiting for MISA to submit review report on re-designs
Calais sports field	% of completion construction work of Calais sports field	100% completion	100% completion	Commissioning	Commissioning	0 %	100% completion	Delay due to heavy rains	Project to be completed in the third quarter
Buildings	# of municipal buildings maintained	13	13	13	13	0	13	Lack of skilled personnel	To outsource services in the third quarter
Street lights	# of streets lights maintained	148	Advertisement for the appointment of service provider	Appointment of service provider	Appointment of service provider	Service provider not appointed	Appointment of service provider	Delay in finalizing TOR	Service provider to be appointed in the third quarter
Restoration of municipal buildings	# of municipal buildings restored	2	No target this quarter	Advertisement for the appointment of service provider	Advertisement for the appointment of service provider	Tender not advertised	Advertisement for the appointment of service provider	Delay in finalizing TOR	Service provider to be appointed in the third quarter
Access control	# of access control upgraded	4	No target this quarter	Advertisement for the appointment of service provider	Advertisement for the appointment of service provider	Tender not advertised	Advertisement for the appointment of service provider	Delay in finalizing TOR	Service provider to be appointed in the third quarter

IT Equipment	# of office equipment purchased	50 lap tops	Development of specifications and submission to budget and treasury	50 lap tops purchased	50 lap tops purchased	10 lap tops purchased	40 lap tops purchased	Lack of sufficient budget	Remaining lap tops to be purchased after budget adjustment
Rehabilitation of Thusong center	# of buildings rehabilitated	1	Development of specifications and submission to budget and treasury	Appointment of service provider	Appointment of service provider	Service provider not appointed	Appointment of service provider	Delay in finalizing TOR	Service provider to be appointed in the third quarter
Office equipment	# of office equipments purchased	5	Development of specifications and submission to budget and treasury	Appointment of service provider	Appointment of service provider	Service provider not appointed	Appointment of service provider	Delay in finalizing TOR	Service provider to be appointed in the third quarter

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Indicators that achieved targets (3/6 (50%))

Program	KPI	Annual target	1 st Quarter target	2 ND quarter target	Mid-year target	Actual Performance	Variance	Reasons for variance	Corrective measures
LED forums	# of LED forums coordinated	4	1	1	2	2	None	None	None
K2C support	# of K2C programmes supported	4	1	1	2	2	None	None	none
EPWP	# of jobs created through EPWP	150	150	No target this quarter	150	150	None	None	None

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Programmes which did not met their targets (3/6 (50%))

Program	KPI	Annual target	First Quarter Target	2 ND quarter target	Mid-year target	Actual Performance	Variance	Reasons for variance	Corrective measures
LED programmes	# of LED programmes supported	160	40	40	80	70	10	10 programs could not be supported due to COVID-19	All programs to be supported in the third quarter
Agricultural forum	# of agricultural forums coordinated	4	1	1	2	1	1	Unavailability of some stakeholders	Additional forum to be coordinated in the third quarter
Animal pounding	# of animal pounding facilities constructed	1	No target this quarter	Development of specifications and submission to budget and treasury	Development of specifications and submission to budget and treasury	Specifications not developed	Development of specifications and submission to budget and treasury	Delay in development of TOR	Specifications to developed in the third quarter

KPA 4: FINANCIAL VIABILITY

Programmes that achieved targets (13/15) 87%

Program	KPI	Annual target	1 st Quarter Target	2 ND quarter target	Mid-year target	Actual Performance	variance	Reasons for variance	Corrective measures
Asset and inventory management	% compliance to Asset standard (GRAP 17)	% compliance to Asset standard (GRAP 17)	100% compliance to Asset standard (GRAP 17)	100% compliance to Asset standard (GRAP 17)	100% compliance to Asset standard (GRAP 17)	100% compliance to Asset standard (GRAP 17)	None	None	None
Asset and inventory management	Number of assets update schedules	12	3	3	6	6	None	None	None
Supply chain management	% compliance to SCM regulations	100%	100% compliance to SCM regulations	100% compliance to SCM regulations	100% compliance to SCM regulations	100% compliance to SCM regulations	None	None	None
	Number of compliant in-year SCM reports submitted on time to Council and Treasury	12	3	3	6	6	None	None	None
Cost coverage	Number of acceptable months for municipal sustainability	3 months	3 months	3 months	3 months	9 months	6 months	Over performance due to sound expenditure control	None
Debt coverage	% of debt coverage ratio	0%	0%	0%	0%	0%	None	None	None
	% compliance to MSCOA (uniform reporting for municipalities)	100%	100%	100%	100%	100%	None	None	None

MFMA compliance	Number of S71 reports submitted to the mayor and provincial treasury within 10 working days of start of the month	12	3	3	6	6	None	None	None
	Number of S52 reports submitted to Council within 30 days of the end of each quarter	4	1	1	2	2	None	None	None
	Number of MFMA reports submitted to council	20	5	5	10	10	None	None	None
MIG	% compliance to MIG expenditure	100%	25%	50%	50%	64%	14%	Forward planning	None
Fleet management	Number of quarterly reports submitted on fleet management	12	3	3	6	6	None	None	None
Capital Expenditure	% of capital budget spent	25%	50%	50%	53%	3%	Forward planning	None	None

Personnel Expenditure	% of personnel budget spent	25%	50%	50%	51%	1%	Forward planning	None	None
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KPA 4: FINANCIAL VIABILITY

Indicators which did not met their targets (2/15 (13%))

Program	KPI	Annual target	First Quarter Target	2 ND quarter target	Mid-year target	Actual Performance	Variance	Reasons for variance	Corrective measures
Revenue collection	% of revenue collected monthly	70%	57%	58%	58%	13.4 %	44.6%	The municipality is still experience challenges with payment for rates and taxes from the farms	The municipality has appointed debt collector
Maintenance Expenditure	% of maintenance budget spent	100%	25%	50%	50%	23%	27%	Lack of fixed assets maintenance plan	Plan to develop fixed assets maintenance plan in progress. Routine maintenance is being prioritized by technical services

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Programmes that achieved targets (18/28) = 64%

Program	KPI	Annual target	First Quarter Target	2 nd quarter target	Mid-year target	Actual Performance	variance	Reasons for variance	Corrective measures
External auditing	% compliance of AG audit action plan (external auditing)	100%	25%	25%	50%	93%	43%	Effective governance structures	None
	% of A-G queries resolved	100%	25%	25%	50%	93%	43%	Effective governance structures	None
	# of improved audit opinion	1	No target	1	1	None	None	None	None
Internal auditing	Number of quarterly internal audit reports with recommendations	4	1	1	2	1	None	None	None
Internal auditing	Number of PMS audits conducted	4	1	1	2	1	None	None	None
Audit Committee	Number of audit committee meetings held	4	1	1	2	6	4	Additional meetings on matters requiring attention	None

Fraud and corruption	Number of fraud and corruption cases investigated	All reported cases	All reported cases	0	0	0 No cases reported for the period under review	None	None	None
Risk Management	Number of institutional Risk Management Committee meetings held	4	1	1	2	1	None	None	None
MPAC	Number of MPAC meetings held	4	1	1	2	13	12	Special MPAC meetings held matters needing attention	None

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (cont.)

Programmes that achieved targets

Program	KPI	Annual target	1 st Quarter Target	2 nd quarter target	Mid-year target	Actual Performance	variance	Reasons for variance	Corrective measures
Council function and support	Number of council sittings supported	4	1	1	2	4	2	2 special council sittings rendering urgent matters	None
Complaints Management	% of complaints resolved	100%	100%	100%	100%	100%	None	None	None
Communication strategy		Communication strategy reviewed and implemented	No target	Implementation of the strategy	Implementation of the strategy	Implementation of the strategy	None	None	None
Mayoral bursary	Number of learners supported	4	4	4	4	4	None	None	None
Disaster management	Number disaster risks management awareness campaigns held	4	1	1	2	4	2	Due to high number of house fires	None
	% of disaster affected households provided or supported	100%	100%	100%	100%	100%	None	None	None

	with relief measures								
Licensing and administration	% monitoring of daily licensing	100%	100%	100%	100%	100%	None	None	None
Traffic and law enforcement regulations	% compliance to traffic and law enforcement regulations	100%	100%	100%	100%	100%	None	None	None
Thusong center services	% effectiveness of services provided at Thusong center	100%	100%	100%	100%	100%	None	None	None

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (cont.)

Indicators which did not met their targets (10/28) = 36%

Program	KPI	Annual target	1st Quarter Target	2 nd quarter target	Mid-year target	Actual Performance	variance	Reasons for variance	Corrective measures
Internal auditing	% of audit performance committee resolutions implemented	100%	100%	100%	100%	93%	7%	Resolution register updated upon AC meetings hence some could not be	Continuous monitoring of the resolution register on a monthly basis

								addressed for the period under review	
Risk Management	% implementation of identified risks mitigations		100%	100%	100%	70%	30%	Mitigation strategies could not be implemented	Management encouraged to implement the risk mitigation strategies
Council support function	Number of portfolio committee meetings held	16	4	4	8	6	2	Political campaigns dominated the period under review	Meetings to be held in the third quarter
Public Participation	Number of community feedback meetings held	54	14	14	28	0	28	No community feedback meetings held due to covid-19 regulations and electioneering	Public participation conducted through media (print & electronic)
Public Participation	Number of public participation meetings held (imbizos)	4	1	1	2	0	2	No community feedback meetings held due to covid-19 regulations and	Public participation conducted through media (print & electronic)

								electioneering	
MPAC	% of MPAC resolutions implemented	100%	100%	100%	100%	93%	7%	Some of the resolutions are still in progress	Resolutions will be implemented during the 3 rd quarter
Traditional leaders allowance	Number of traditional leaders receiving allowance for attending council meetings	4	4	4	4	4	4	Clash of their program with council programs	Re-alignment of programs
Ward committees support	Number of functional ward committees	14	14	14	14	0	14	Ward committees dissolved due to local government elections	Establishment of ward committees in the third quarter
Ward committees support	Number of monthly ward committees reports submitted	42	42	42	84	0	4	Ward committees dissolved due to local government elections	Establishment of ward committees in the third quarter

Council function and support	Number of EXCO committee meetings held	12	3	3	6	1	5	Local elections disrupted the functionality of EXCO	EXCO meetings to be held as per schedule from the third quarter
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KPA 6: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Indicators which met their targets (11/17) = 65%

Program	KPI	Annual target	1 st Quarter Target	2 nd quarter target	Mid-year target	Actual Performance	variance	Reasons for variance	Corrective measures
IDP Review	IDP/Budget adopted by Council by 30 May	Adopted by Council by 30 May	Process plan	Analysis phase	Analysis phase	Analysis phase	None	None	None
PMS	Number of in-year performance management reports submitted to Council	4	1	1	1	1	None	None	None
	Number of Annual and oversight reports adopted within stipulated timeframes	1	Draft annual performance report	1	1	Draft APR submitted to AG by the 31 August 2021	None	None	None
Employment equity plan	Number of staff component wit disability	5	5	5	5	5	None	None	None

Employment equity (NKPI)	Number of people from employment equity target group employed in the three highest levels of the municipality (National indicator)	1	No target	1	1	1	none	None	None
Payroll management	% accuracy on payroll information	100%	100%	100%	100%	100%	None	None	None
HR Management (Overtime management)	% compliance to overtime regulation	100%	100%	100%	100%	100%	None	None	None
Legal Services Legal Services	Number of labour grievances resulting in law suit against the municipality	0	0	0	0	0	None	None	None
Legal Services	% of service providers with signed service level agreements	100%	100%	100%	100%	100%	100%	None	None
OHS	Number of in-year compliance reports on OHS generated	4	1	1	2	2	None	None	None
Covid-19 pandemic	% compliance to covid-19 regulations	100%	100%	100%	100%	100%	100%	None	None

KPA 6: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Indicators which did not met their targets 6/17 (35%)

Program	KPI	Annual target	1 st Quarter Target	2 nd quarter target	Mid-year target	Actual Performance	variance	Reasons for variance	Corrective measures
PMS	Number of Senior Managers with signed performance agreements within prescribed timeframes	6	6	6	6	5	1	Director Technical Services dismissed and appealed his dismissal	Awaiting the ruling of the court
IDP/PMS strategic planning session	# of strategic planning sessions held	1	0	1	1	0	1	Elections disrupted the program	To held in the third quarter
PMS	Number of other officials other than S 56 managers with Performance Plans skills plan	170	170	No target	170	50	120	Most employees did not submit their performance plans	All employees to submit their performance plans in the third quarter

Local labour forum	Number of Labour Forum meetings held	4	1	1	2	0	2	Delay to hold LLF due to training of new councilors	Extra meeting to be held in the next quarter
Skills development	Number of employees and councilors capacitated in work skills plan	70	20	20	40	0	40	Some training were on hold due to covid 19	Trainings will be conducted when covid 19 regulations is uplifted
Workplace skills plan	Amount actual spent(1 % of the salary budget of municipality) on implementing workplace skills plan	2 000 000	500 000	5000 000	1 000 000	56 208	943 792	Some trainings were on hold due to covid 19	Trainings will be conducted when covid 19 regulations is uplifted

4. PROGRESS MADE ON RESOLVING PROBLEMS IDENTIFIED IN THE 2019/20 ANNUAL REPORT

In its 2019/20 oversight the Municipal Public Accounts Committee (MPAC) listed the following key general findings regarding the 2019/20 Annual Report:

1. Delay in addressing some of the A-G findings as per management action plan
2. None- adherence to time-frames as per SDBIP, and
3. Lack of proper monitoring by municipal directorates

The following progress were made regarding MPAC's resolutions:

No.	Resolution	Progress
1	Management addresses all AG's findings as per management action plan and progress made thereof be reported in all council meetings	93% of the findings implemented and remaining 7% will be resolved by the end of the fourth quarter. Progress reports tabled in all council sittings
2	Planned activities must be done as per SDBIP time-frames	68% of the planned targets achieved and the remaining 32% will be done as per the indicated corrective measures in quarterly reports
3	Proper monitoring should be implemented on a continuous basis	Most Senior Managers were filled by the 1 st of January 2021 which will strengthen municipal department monitoring.

5. CONCLUSION

Despite the impact of COVID-19 and other challenges, the municipality was able to achieve 68% (76 KPIs out of 111 measured) which is an indication of the organisation's commitments towards service delivery in the Maruleng community. The accounting officer recommends:

1. That council takes note of mid-year assessment on the financial health status of the municipality and service delivery performance, and
2. That council takes note that an Adjustment Budget is necessary.

SIGNED:


MAGABANE T.G
MUNICIPAL MANAGER

24/01/2022