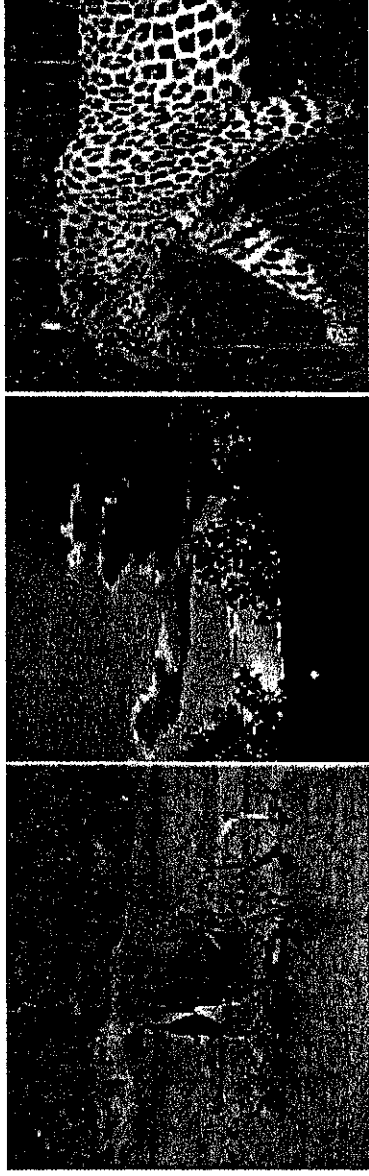


MARULENG LOCAL MUNICIPALITY



2020-21 MIDYEAR BUDGET AND PERFORMANCE ASSESSMENT

REPORT **Forum**

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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 2020.

1. FINANCIAL PERFORMANCE

HALF-YEAR BUDGET STATEMENTS STATEMENT: 31 DECEMBER 2020

(JULY 2019- DECEMBER 2020 YEAR PERFORMANCE)

The municipality's total budget amounts to R399, 934,142 (Operating and capital budget). The operating budget consists of non-cash item/ budget of R40, 740,745 and operating cash budget of R228, 714,720 including non-cash items & capital budget of R171, 219, 422. No virements (budget transfers) were made for the period 01 July 2020 to 31 December 2020.

1.1. OPERATING EXPENDITURE

Total expenditure up to December 2019 amounts to R101, 716, 538 or 44, 47% of the total operating budget of R228, 714,720. 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 R83, 438,036 and R36, 624,764 (44%) has been spent, which is R5, 094,254 less than the pro-rata spending. Delay in filling of vacant and critical positions, e.g. the position of three directors was filled in third quarter and one was filled in December 2020. (Chief financial officer, Director spatial planning and community service director).
2. **Remuneration of councillors** Budget amounts to R12, 289,802 and R5, 559,855 (45%) has been spent, which is R585, 046 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. **Repairs and maintenance** Budget amounts to R4, 330,000 and R1, 141,847 (26%) has been spent, which is R1, 023, 153 less than the pro-rata spending. Repairs and Maintenance are incidents driven. They were few incidents requiring maintenance which reported during the period under view
4. **Contracted Services** Budget amounts to R 27,597,500 and R11, 060,414 (40%) has been spent, which is R2, 738, 336 less than pro-rata spending. Most of the payment will be happened in the third and fourth quarter of the municipal year based on the supply chain procurement plan, i.e. assets register in preparation for 2020/21, valuation roll, updating of the municipal system etc. .
5. **Other Material** Budget amounts to R5, 300, 000 and R2, 614, 811 (49%) has been spent, which is R35, 189 less than pro-rata spending.
6. **Depreciation and assets impairment** Budget amounts to R26, 740,745 and R10, 666, 616 (40%) has been spent, which is R2, 703, 756 less than pro-rata spending. most of the assets are still on WIP (work in progress) which will be depreciated after the completion certificated has been issued to the municipality, the municipality has got 18 (eighteen) projects that are still in progress and will be completed by third and fourth quarter of the municipal year, those projects are (Balloon access road, Calais sports field, Maruleng indoor sports centre, Worcester access road, Santeng graveyard access road, Willows access road, Turkey gafanie Access road, Butswana Access road, rehabilitation of kampersus, rehabilitation of hoedspruit, rehabilitation of ga-sekororo, sofaya to Mahlomelong, bismark access road, Calais internal street, Lorraine community hall, low level bridges etc)

7. **Debt impairment** Budget amounts to R14,000,000 and R13, 365, 176 (95%) has been spent, which is R6,365,176 more than pro-rata spending. the municipality has total debt of R117 million which is owed for more than 90 days.
8. **General expenses** Budget amounts to R54, 365,805 and R20, 880, 283 (38%) has been spent, which is R6, 302, 619 less than the pro-rata spending. The municipality is implementing cost containment measure gazette.

1.2 OPERATING REVENUE

Total Operating revenue up to December 2020 amounts to R217, 419,077 or 65% of the total revenue budget of R333, 120, 073, which is R50, 859,040 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 R217, 419, 077 are the following revenue items—

1. **Rates and service charges** budget amounts to R98, 229, 297 and R49, 981, 108 (51%) has been billed , which is R866, 460 more than the pro-rata revenue.
2. **Rental of facilities** budget amounts to R408, 289 and 0 (0%) has been billed, which is R204, 145 less than the pro-rata revenue. Most of the service level agreement has not yet been signed with the municipality.
3. **Interest on external investments** budget amounts to R8, 151, 000 and R2, 203, 416 (27%) has been earned, which is R1, 872, 084 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 R15, 758, 255 and R6, 406, 216 (41%) has been billed, which is R1, 472, 912 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 R3, 916, 306 and actual revenue earned amounted to R2, 269, 983 (50%), which is R311, 830 more than pro rata revenue. within the pro-rata revenue.
6. **Other revenue** represents all revenue generated, which is neither listed above nor specified in the prescribed Section 71 Report in terms of the MFMA, such as the following:
 - Licences and permits (R1,417, 708)
 - Agency fees (R7, 865, 706)
 - Sundry income (R1,607,815)

Below is the six months' income and expenditure report for July 2020 to Dec 2020:

| | 2020 | 2021 |
|--|--------------------|--------------------|
| | R | R |
| MID YEAR PERFORMANCE | | |
| REVENUE | | |
| Revenue from exchange transactions | | |
| Service charges | 1 879 580 | 2 269 983 |
| Interests received-receivables | 5 206 903 | 6 406 217 |
| Interests received-Investments | 4 008 670 | 2 203 417 |
| Rental of facilities and equipment | 110 319 | 0 |
| Licences and permits | 1 160 445 | 1 417 708 |
| Agency fees | 4 550 519 | 7 865 706 |
| Other revenue | 1 446 608 | 1 548 690 |
| Total revenue from exchange transactions | 18 363 044 | 21 711 721 |
| Revenue from non exchange transactions | | |
| Taxation revenue | | |
| Property rates | 45 503 793 | 49 891 108 |
| Traffic fines | 0 | 59 125 |
| Transfer revenue | | |
| Government grants and subsidies received - operating | 95 321 071 | 127 984 800 |
| Government grants and subsidies received - capital | 17 674 728 | 17 772 324 |
| Total revenue from non exchange transactions | 158 499 593 | 195 707 357 |
| TOTAL REVENUE | 176 862 636 | 217 419 078 |
| EXPENDITURE | | |
| Employee related costs | 35 234 008 | 36 624 765 |
| Remuneration of councillors | 5 363 260 | 5 559 856 |
| Bad debts | 30 420 596 | 13 365 176 |
| Depreciation and amortisation expense | 9 592 030 | 10 666 616 |
| Finance cost | 619 690 | 692 792 |
| General expenses | 22 195 166 | 23 746 919 |
| Contracted services | 12 137 755 | 11 060 415 |
| TOTAL EXPENDITURE | 115 562 505 | 101 716 538 |
| NET SURPLUS FOR THE YEAR | 61 300 131 | 115 702 540 |

1.3 CAPITAL EXPENDITURE

The capital budget (2020/21) amounts to R171, 219, 422. The 6 months' expenditure is R72, 310, 369 which is 42% 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 67% 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 2021.

Breakdown of Capital Expenditure

| SegmentDesc | TotalBudget | TotalActual | %spend | Targets | Difference |
|--|-----------------------|----------------------|--------|------------|------------|
| ROADS CALAIS INTERNAL STREET(MIG) sc6,3 MIG | 7 422 868,00 | 1 543 345,37 | | 21% | 50% |
| ROADS SOFAYA TO MAHLOMELONG ACCESS ROAD(MIG) sc6,3 MIG | 6 907 612,00 | 3 501 846,94 | | 51% | -1% |
| Mabins access road | 1 500 000,00 | - | | 0% | 50% |
| MARULENG INDOOR SPORT CENTRE | 2 127 478,00 | - | | 0% | 50% |
| BALLOON STREETS own | 22 445 889,00 | 11 613 834,88 | | 52% | -2% |
| BISMARK own | 5 500 000,00 | 5 499 997,32 | | 100% | -50% |
| BUTSWANA ACCESS ROAD own | 8 550 000,00 | 6 046 086,81 | | 71% | -21% |
| CALAIS SPORTS FIELD - MIG own | 6 486 709,00 | 3 233 346,12 | | 50% | 0% |
| FENCES FOR CEMETRIES AND LONDON LANDFILLSITE own | 2 400 000,00 | - | | 0% | 50% |
| MARULENG LOW LEVEL BRIDGES own | 7 000 000,00 | - | | 0% | 50% |
| NEW LINE GA-FANIE ACCESS ROAD own | 12 600 000,00 | 9 860 382,83 | | 78% | -28% |
| WORCESTER own | 7 300 000,00 | 3 958 461,11 | | 54% | -4% |
| REHABILITATION OF KAMPERSUS own | 5 500 000,00 | 6 292 737,89 | | 114% | -64% |
| ROADS REHABILITATION OF GASEKORORO sc6,3 own | 6 000 000,00 | 601 462,56 | | 10% | 40% |
| SANTENG GRAVEYARD ACCESS ROAD own | 7 190 000,00 | 3 601 915,37 | | 50% | 0% |
| HALLS LORRAINE COMMUNITY HALL sc6,3 own | 6 000 000,00 | 376 235,45 | | 6% | 44% |
| CALAIS SPORTS FIELD - MIG MIG | 7 688 866,00 | 6 147 376,44 | | 80% | -30% |
| WILLOWS | 8 600 000,00 | 1 586 351,13 | | 18% | 32% |
| SOFTWARE own | 400 000,00 | - | | 0% | 50% |
| ACCESS CONTROL own | 500 000,00 | - | | 0% | 50% |
| IT EQUIPMENT own | 500 000,00 | 434 347,83 | | 87% | -37% |
| SERVER ROOM UPGRADE own | 1 520 000,00 | - | | 0% | 50% |
| AIR CONDITIONERS own | 250 000,00 | - | | 0% | 50% |
| EQUIPMENTS own | 350 000,00 | - | | 0% | 50% |
| PLANT AND EQUIPMENTS own | 150 000,00 | - | | 0% | 50% |
| RESTORATION OF MUNICIPAL BUILDINGS | 530 000,00 | - | | 0% | 50% |
| HIGHMAST LIGHT | 2 000 000,00 | - | | 0% | 50% |
| REHABILITATION OF HOEDSPRUIT MAIN STREET own | 6 000 000,00 | 5 990 066,90 | | 100% | -50% |
| VEHICLES own | 9 000 000,00 | 2 022 574,21 | | 22% | 28% |
| 1081 Cost: Acquisitions own | 18 000 000,00 | - | | 0% | 50% |
| Office furniture own | 800 000,00 | - | | 0% | 50% |
| | 171 219 422,00 | 72 310 369,16 | | 42% | 8% |

1.4 DEBTORS

LIM335 Maruleng - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

| Description | NT Code | Budget Year 2020/21 | | | | | | | | | | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.to Council Policy |
|---|-------------|---------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|----------------|--------------------|--|--|
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Days | 151-180 Days | 181 Djs-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 | 1 153 | 85 | 48 | 48 | 20 | 49 | 177 | 950 | 2 530 | 1 243 | | |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 7 934 | 5 280 | 4 423 | 4 119 | 3 655 | 3 576 | 14 815 | 71 374 | 115 183 | - | | |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 32 | 18 | 14 | 12 | 10 | 10 | 46 | 217 | 359 | 295 | | |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 337 | 204 | 184 | 189 | 171 | 156 | 565 | 1 146 | 2 952 | 2 226 | | |
| Receivables from Exchange Transactions - Waste Management | 1600 | 53 | 27 | 49 | 18 | 18 | 18 | 77 | 186 | 446 | 316 | | |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 1 093 | 966 | 940 | 906 | 864 | 839 | 3 232 | 10 979 | 18 820 | 16 820 | | |
| Interest on Arrear Debtor Accounts | 1810 | | | | | | | | | | | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | | | | | | | | | | | | |
| Other | 1900 | (264) | (189) | (124) | 66 | (407) | (395) | 39 | (251) | (1 526) | (948) | | |
| Total By Income Source | 2000 | 10 249 | 6 392 | 5 544 | 5 357 | 4 330 | 4 254 | 18 950 | 84 600 | 139 673 | 117 492 | - | - |
| 2019/20 - totals only | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 3 473 | 3 145 | 2 742 | 2 810 | 2 295 | 1 823 | 8 995 | 36 228 | 61 511 | 52 151 | | |
| Commercial | 2300 | 2 227 | 1 525 | 1 359 | 1 273 | 1 125 | 1 259 | 5 187 | 27 012 | 40 967 | 35 856 | | |
| Households | 2400 | 4 517 | 1 623 | 1 334 | 1 203 | 842 | 1 064 | 4 620 | 19 399 | 34 603 | 27 128 | | |
| Other | 2500 | 31 | 98 | 106 | 70 | 69 | 109 | 149 | 1 961 | 2 592 | 2 358 | | |
| Total By Customer Group | 2600 | 10 249 | 6 392 | 5 544 | 5 357 | 4 330 | 4 254 | 18 950 | 84 600 | 139 673 | 117 492 | - | - |

The current outstanding Debtors for Maruleng Municipality stood at R139, 673,434. This is broken down as follows:

Based on service classification, the major contributor to the debt is property rates which constitutes R97,539, 212 (70%) of the total debts, while, in terms of sector classification organ of state are the major contributor with a balance of R52,150,592 (37%) of the total debts.

The total payment from rates, service charges and other revenue from July 2020 to December 2020 is R37, 175, 094 breakdown as follows:

| TypeOfService | TotalSettlements | Billing | Dec-20 | Nov-20 | Oct-20 | Sep-20 | Aug-20 | Jul-20 |
|---------------------|----------------------|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| V,A,T, | 469 169,32 | 644 355,00 | 11 926,29 | 254 970,05 | 50 169,74 | 12 289,22 | 95 279,21 | 44 534,81 |
| INTEREST | 850 189,45 | 5 910 239,01 | 167,97 | 79 130,72 | 66 248,25 | 46 112,33 | 658 530,18 | - |
| WATER CONSUMP | 1 719 670,17 | 1 868 749,20 | 40 169,82 | 963 857,39 | 237 638,72 | 42 897,03 | 181 743,37 | 253 363,84 |
| ADD REFUSE | 1 196 738,64 | 2 029 653,69 | 19 807,54 | 693 664,29 | 55 032,90 | 18 883,97 | 373 780,64 | 35 569,30 |
| ADD SEWERAGE | 191 518,87 | 224 998,86 | 10 037,42 | 82 351,37 | 26 727,00 | 15 005,00 | 49 344,97 | 8 053,11 |
| RATES GENERAL | 29 979 756,03 | 48 344 164,06 | 3 393 762,99 | 13 215 302,52 | 3 595 891,25 | 1 546 221,39 | 7 297 318,70 | 931 259,18 |
| WATER BASIC | 21 246,20 | 25 523,17 | 840,13 | 10 065,95 | 2 275,87 | 1 246,85 | 6 317,52 | 499,88 |
| PENALTIES | 65,00 | - | - | - | - | - | 65,00 | - |
| DEPOSIT WATER | 1 275,96 | - | 714,38 | - | - | - | 561,58 | - |
| RECEIPT | 52 653,02 | - | 51 567,55 | 18 147,36 | 9 553,93 | - | - | 26 615,82 |
| RENTALS | 423 908,12 | 23 827 981,30 | 380 084,68 | 2 048,29 | 16 801,26 | 2 162,89 | 22 811,00 | - |
| REIMBERSMENTS | 169 608,84 | - | 17 195,77 | 223,31 | - | - | - | 152 189,76 |
| TRANSFERES | 576 726,07 | - | 6 230,52 | 79 010,92 | 25 220,11 | 73 250,15 | 157 302,42 | 235 711,95 |
| CLEARANCES | 93 583,88 | - | 39 663,35 | 37 843,58 | 4 504,30 | 1 444,78 | 1 667,20 | 8 460,67 |
| RATES SUPPLIMENTARY | 238 443,91 | - | 7 614,73 | 66 762,78 | 24 788,50 | 8 609,13 | 128 867,41 | 1 801,36 |
| PAYMENT ADVANCED | 1 190 541,20 | - | - | - | - | - | - | 1 190 541,20 |
| TOTAL | 37 175 094,68 | 82 875 664,29 | 3 979 783,14 | 15 503 378,53 | 4 114 851,83 | 1 768 122,74 | 8 973 589,20 | 2 835 369,24 |

45%

1.5 INVESTMENTS AND CASH AT DECEMBER 2020

As at 31 December 2020 Council had a positive Bank Balance of R183, 776, 323, consisting of:

Current account R68, 814, 040

Call deposit accounts R120, 961, 573

Float R710

6. SERVICE DELIVERY PERFORMANCE AS AT 31 DECEMBER 2020

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 2020 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 2020). 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 96 indicators, and 61 indicators which constitute 63.5% met their targets, while 35 indicators which constitute 36.5% did not meet their targets. The period under review performed better than the first quarter which performed at 58.9%.

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 | 14 | 11 | 78.5% | 3 | 21.5% |
| Budget and Treasury | 18 | 16 | 88.8% | 4 | 11.2% |
| Corporate Services | 31 | 22 | 70.9% | 9 | 29.1% |
| Community Services | 4 | 4 | 100% | 0 | 0% |
| Technical Services | 22 | 9 | 40.9% | 13 | 59.1% |
| SPED | 7 | 5 | 71.4% | 2 | 28.6% |
| Overall Organizational Performance | 96 | 61 | 63.5% | 35 | 36.5% |

| KPAs | Number of Targets | Targets Achieved | % Achieved | Targets not Achieved | % not achieved |
|---|--------------------------|-------------------------|-------------------|-----------------------------|-----------------------|
| Spatial Rationale | 5 | 4 | 80% | 1 | 20% |
| Basic Services and Infrastructure Development | 34 | 16 | 47% | 18 | 47% |
| Local Economic Development | 2 | 1 | 50% | 1 | 50% |
| Financial Viability | 16 | 12 | 75% | 4 | 25% |
| Good Governance and Public Participation | 23 | 16 | 70% | 7 | 30% |
| Municipal Transformation and Organizational Development | 16 | 12 | 75% | 4 | 25% |
| Overall Organizational Performance | 96 | 61 | 63.5% | 35 | 36.5% |

3.2 2020/21 Mid – Year Institutional Performance

| Total Number of Targets | Percentage Achieved | Percentage Not Achieved | Recommendation |
|-------------------------|---------------------|-------------------------|--|
| 96 | 63.5% Achieved | 36.5% Not Achieved | Implementation and monitoring of recommended corrective measures |

KPA 1: SPATIAL RATIONAL

4/5 indicators were achieved. These constitute 80% achievement.

| Program | KPI | First Quarter Target | 2 nd quarter | Mid-year | Actual Performance | variance | Reasons for variance | Corrective measures |
|----------------|--|--|--|--|--|----------|----------------------|---------------------|
| SDF | Number of SDF implemented | 1 Spatial Development Framework implemented 30 days | 1 Spatial Development Framework implemented 30 days | 1 Spatial Development Framework implemented 30 days | 1 SDF implemented | None | None | None |
| Update of LUMS | Turnaround time in processing land use applications from the date received | 90 days | 90 days | 90 days | 16 Applications received and proved within 30 days from date of receipt/ acknowledgement | None | None | None |
| | Turnaround time in processing complete building plans applications | 90 days | 90 days | 90 days | 90 days | None | None | None |

SPATIAL RATIONALE

Indicators that did not met their targets

| Program | KPI | First Quarter Target | 2 nd quarter | Mid-year | Actual Performance | variance | Reasons for variance | Corrective measures |
|----------------|---|----------------------|-------------------------|----------|---|--|---|---|
| Update of LUMS | Turnaround time in processing complete building plans from the date submitted | 30 days | 30 days | 30 days | 30 Applications received/ 26 approved within 30days from date of receipt/ acknowledgement | 4 applications not approved within 30 days | Submission of applications without supporting documents | The municipality will only consider applications with complete supporting documents |

KPA 2: BASIC SERVICE DELIVERY

Indicators that met their targets

| Program | KPI | First Quarter Target | 2 nd quarter | Mid-year | Actual Performance | variance | Reasons for variance | Corrective measures |
|------------------------|--|----------------------|--|---|---|----------|----------------------|---------------------|
| Calais internal street | Construction of 3km gravel to paved road | advertisement | Appointment of a contractor | Appointment of a contractor | Appointment of a contractor | none | none | None |
| Balloon access road | Number of metres of balloon access road surfaced | 1.5km road bed | 1.5km road-bed and bridge foundation completed | 1.5km sub-base and concrete columns completed | 1.5km sub-base and roof deck of 3 bridges completed | None | None | None |

| | | | | | | | | | | | | |
|--|--|------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------|---|---|---|
| Rehabilitation of Hoedspruit internal street | Number of Hoedspruit internal street surfaced | 1.5km road base completed | 1.5km road rehabilitation completed | 1.5km road rehabilitation completed | 1.5km road rehabilitation completed | 1.5km road rehabilitation completed | 1.5km road rehabilitation completed | 1.5km road rehabilitation completed | None | None | None | None |
| Bismark access road | Number of kilometres of Butswana access road paved | 500m sub-base completed | 500m road surfaced | 500m road surfaced | 500m road surfaced | 500m road surfaced | 500m road surfaced | 500m road surfaced | None | None | None | None |
| Butswana access road | Number of kilometres of Butswana access road paved | 1.4 km road paved | 900m paving completed | 900m paving completed | 900m paving completed | 900m paving completed | 900m paving completed | 1km road paved but not commissioned | 100m | Additional work done | none | none |
| Willows access road | Number of metres of willows access road paved | 900m paved | 900m roadbed completed | 900m roadbed completed | 900m roadbed completed | 900m roadbed completed | 900m roadbed completed | 900m paving completed | None | None | None | None |
| Sofaya to Mahlomelong access road | Upgrade road from gravel to paved road | Appointment of a contractor | No target | No target | Contractor appointed | Contractor appointed | Contractor appointed | Contractor appointed | None | None | None | None |
| Refuse removal from households to the landfill site in Worcester | Number of households with basic waste removal/collection by 30/08/20 | 11 206 | 11 206 | 11 206 | 11 206 | 11 206 | 11 206 | 11 206 | None | None | None | None |
| | Number of commercial, institutional and industrial centres with access to solid waste removal services | 50 business establishments | 50 business establishments | 50 business establishments | 50 business establishments | 50 business establishments | 50 business establishments | 61 | 11 | Additional centres emerged during the period under review | To plan for emerging business establishment | To plan for emerging business establishment |
| Lorraine community hall | Designs of community hall | Advertisement of the project | Appointment of a contractor | Appointment of a contractor | Appointment of a contractor | Appointment of a contractor | Appointment of a contractor | Contractor appointed | None | None | None | None |
| Routine maintenance of vehicles | Number of vehicles maintained | 10 | 14 | 14 | 14 | 14 | 14 | 14 | None | None | None | None |
| Maintenance of machines | number of heavy machines maintained | 3 | 3 | 3 | 3 | 3 | 3 | 3 | None | None | None | none |

| | | | | | | | | | |
|-------------------|--|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------|----------------------|------|
| Parks and gardens | Number of parks and gardens maintained | 6 | 6 | 6 | 6 | 6 | None | None | None |
| Software | Software upgrade | 3 | 3 | 3 | 3 | 3 | None | None | none |
| Air conditioners | Purchasing of air conditioners | Development of specification | Appointment of a contractor | Appointment of a contractor | Appointment of a contractor | Appointment of a contractor | None | Contractor appointed | None |

Indicators that did not achieved their targets.

| Program | KPI | First Quarter Target | 2 nd quarter target | Mid-year target | Actual Performance | variance | Reasons for variance | Corrective measures |
|--|--|------------------------------|----------------------------------|------------------------------------|--|------------------------------------|---|--|
| Santeng access road | Number of metres of Santeng road graveyard access road paved | 400m sub-base completed | 400m road paved and commissioned | 400 road paved and commissioned | 300m road paved | 100m | None availability of material due to covid-19 | Project to be completed in the fourth quarter |
| Rehabilitation of Sekororo internal street | Designs of 2km road | Advertisement of the project | Appointment of a contractor | Appointment of a contractor | Contractor not appointed | Advertisement of the project | Delay in appointment of service provider due to errors on the tender document | Amending and correcting the tender document |
| Maruleng low level bridges | Number of Maruleng low level bridges constructed | Designs completed | Appointment of contractors | Foundations of 6 bridges completed | Foundations not completed | Foundations of 6 bridges completed | Projects not advertised | Projects to be advertised in the third quarter |
| Kampersrus access road | Number of km of kampersrus road rehabilitated | 2km base road completed | 2km road surfaced | 2km road surfaced | 2km road surfaced but not commissioned | 2km road not commissioned | Due to heavy rains, there is a need for the storm water | Council approved the budget for storm water drainage |

| | | | | | | | | |
|-------------------------------|--|---|---|---|---|--|--|---|
| Worcester access road | Number of km of Worcester access road paved | 1.5km sub base completed | 1.5km road surfaced | 1.5km road surfaced | 1.5km road surfaced | 1.5km road not surfaced | Contractor failed to complete the work | Stabilisation of the project will be done in third quarter |
| Mabins to Mameija access road | Number of km of Mabins to Mameija access road | Appointment of a consultant | Development of designs 8km | Designs completed | Designs not developed | Designs completed | Delay in the appointment of consultant | Consultant to be appointed in the third quarter |
| Maruleng indoor sports centre | % of indoor sports centre completed | 2%(completion of grandstand foundation) | 2% (flooring ,floor work sports supreme | 2% flooring ,floor work sports supreme | Flooring not done (0%) | 2% flooring ,floor work sports supreme | Delays in submitting documents to the municipality by the consultant | Flooring to be done in the third quarter |
| Calais sports filed | % completion construction work of Calais sports field | 70% completion of grand stand | 80% installation of grand stand seating | 80% installation of grand stand seating | 78% installation of grand stand seating | 2% | Late delivery of material due to lockdown | Material to be delivered in the third quarter |
| Electricity | Number of high mast maintained | 30 | 30 | 60 | 0 | 60 | Lack of resources such as a cherry picker | Cherry picker to be outsourced in third quarter |
| Street lighting | Number of street lights maintained | 37 | 37 | 74 | 0 | 74 | Lack of resources cherry picker | Cherry picker to be outsourced in third quarter |
| Roads and bridges | Number of km of municipal roads and bridges maintained | 77km | 77km | 154km | 100km road maintained | 54km road | Shortage of maintenance material due to insufficient budget | Additional budget during Adjustment budget to be made available |
| Buildings | Number of municipal | 3 | 3 | 3 | 0 | 3 | Lack of personnel to do the job | Create a position of welder n plumber in |

| | | | | | | | | | | | | | |
|-----------------------|---|---|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|--|---------------------------------|--|---|
| | buildings maintained | | Appointment of a contractor | Appointment of a contractor | Advertisement of a project | Appointment of a contractor | Appointment of a contractor | Advertisement of a project | Appointment of a contractor | Advertisement of a project | Contractor not appointed | Evaluation, adjudication to finalize the appointment of a contractor | the 2021/22 financial year |
| Fencing of cemeteries | Number of cemeteries fenced | Advertisement of a project | Appointment of a contractor | Appointment of a contractor | Advertisement of a project | Appointment of a contractor | Appointment of a contractor | Advertisement of a project | Appointment of a contractor | Advertisement of a project | Contractor not appointed | Evaluation, adjudication to finalize the appointment of a contractor | Service provider will be appointed in the 3rd quarter |
| IT equipment's | Number of IT equipment purchased | Development of specification and submission to budget and treasury for procurement of goods | 100 laptops purchased | 100 laptops purchased | 50 laptops purchased | 100 laptops purchased | 100 laptops purchased | 50 laptops purchased | 50 | Insufficient budget (434,000 /500 000 spent) | 50 | Insufficient budget (434,000 /500 000 spent) | 50 additional laptops will be procured in the 4 th quarter after additional made available through Adjustment budget |
| Access control | Number of access control equipment's upgraded | Development of specification and submission to budget and treasury | Appointment of service provider | Appointment of service provider | Service provider not appointed | Appointment of service provider | Appointment of service provider | Service provider not appointed | Appointment of service provider | The project is on hold due to covid-19 | Appointment of service provider | The project is on hold due to covid-19 | Service provider will be appointed when COVID-19 restrictions are relaxed |
| Two way radio | Number of vehicles purchased | Development of specification and submission to budget and treasury | Appointment of service provider | Appointment of service provider | Service provider not appointed | Appointment of service provider | Appointment of service provider | Service provider not appointed | Appointment of service provider | No reason provided | Appointment of service provider | No reason provided | Service provider will be appointed in the 2nd quarter |
| Office equipment | Number of equipment's purchased | Development of specification and submission to budget and treasury | Appointment of service provider | Appointment of service provider | Service provider not appointed | Appointment of service provider | Appointment of service provider | Service provider not appointed | Appointment of service provider | Delay in procurement of office equipment due to delay in the finalization of specification | Appointment of service provider | Delay in procurement of office equipment due to delay in the finalization of specification | Service provider will be appointed in the 2nd quarter |

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Indicators that achieved targets

| Program | KPI | First Quarter Target | 2 ND quarter target | Mid-year target | Actual Performance | Variance | Reasons for variance | Corrective measures |
|----------------|------------------------------------|----------------------|--------------------------------|-----------------|--------------------------|--|-----------------------------------|----------------------------|
| LED programmes | Number of LED programmes supported | 2 | 2 | 4 | 192 programmes supported | 188 Additional business support requests received. | Increase target to 40 per quarter | Increase quarterly targets |

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Indicators that did not met targets

| Program | KPI | First Quarter Target | 2 ND quarter target | Mid-year target | Actual Performance | Variance | Reasons for variance | Corrective measures |
|-------------|---------------------------------|--|--|-----------------|---|----------|---|--|
| K2C support | Number K2C programmes supported | 1 (environmental monitors & river restoration) | 1 (environmental monitors & river restoration) | 2 | No meetings held during quarter 1 and quarter 2 | 2 | None-programme and schedule of meetings controlled by K2C | K2C to rescheduled meetings in the third quarter |

KPA 4: FINANCIAL VIABILITY

Indicators that met targets.

| Program | KPI | First 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) | 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 | 3 Updated schedule of assets changes | 3 Updated schedule of assets changes | 3 Updated schedule of assets changes | 3 | None | None | None |
| Supply chain management | % compliance to SCM regulations | 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 | 3 SCM reports | 3 SCM reports | 3 SCM reports | 3 SCM reports | None | None | None |
| Cost coverage | Number of acceptable months for municipal sustainability | 3 months | 3 months | 3 months | 13 months | 10 months | Over performance due to sound expenditure control | None |
| Debt coverage | % of debt coverage ratio | 0% | 0% | 0% | 0% | None | None | None |
| | % compliance to MSCOA (uniform) | 100% | 100% | 100% | 100% | None | None | None |

| | | | | | | | | |
|------------------|---|-----|-----|-----|-----|------|-----------------|------|
| MIG | % compliance to MIG expenditure | 25% | 50% | 50% | 67% | 17% | overachievement | None |
| Fleet management | Number of quarterly reports submitted on fleet management | 3 | 6 | 6 | 6 | None | None | None |

Indicators that did not meet targets

| Program | KPI | First Quarter Target | 2 ND quarter target | Mid-year target | Actual Performance | variance | Reasons for variance | Corrective measures |
|-----------------------|--------------------------------|----------------------|--------------------------------|-----------------|--------------------|----------|---|--|
| Revenue collection | % of revenue collected monthly | 71% | 72% | 72% | 46% | 26% | The municipality is still experience challenges with payment for rates and taxes from the farms | Appointed external debt collector to assist with debt collection |
| Capital Expenditure | % of capital budget spent | 25% | 50% | 50% | 37% | 13% | Delay in appointment of service provider for own funded projects | SCM facilitate advertisements of projects |
| Personnel Expenditure | % of personnel budget spent | 25% | 50% | 50% | 43% | 7% | Delay in filling of \$56 vacant positions. | All vacant \$56 positions to be filled by January 2021 |

| | | | | | | | | | |
|-------------------------|-------------------------------|-----|-----|-----|-----|-----|-----|---------------------------------------|---|
| Maintenance Expenditure | % of maintenance budget spent | 25% | 50% | 50% | 50% | 26% | 24% | 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

Indicators that met their targets

| Program | KPI | 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) | 25% | 25% | 50% | 90% | 40% | Remaining 40% earmarked for yearend preparation | Most of the issues addressed during the year |
| External auditing | % of A-G queries resolved | 25% | 25% | 50% | 90% | 40% | Remaining 40% earmarked for yearend preparation of AFS | Most of the issues addressed during the year |
| Internal auditing | Number of quarterly internal | 1 | 1 | 2 | 2 | None | None | None |

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

| Program | KPI | Budget | First 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 | Operational | 1 | 1 | 2 | 7(7 Jul 20 ord 31 Jul 20 SP 15 Sep 20 SP 15 Dec 20 SP 6 Nov 20 SP 23 Oct 20 SP 15 Oct 20 SP | 5 | special council sittings rendering urgent matters | None |
| Council function and support | Number of exco committee meetings held | Operational | 3 | 3 | 6 | 7(15 Dec 20 ORD 6 Nov 20 SP 26 Oct 20 SP 30 Sep 20 SP 07 Sep 20 SP 15 Oct 20 SP 17 Jul 20 SP | 1 | Special EXCO sittings rendering urgent matters | None |
| Complaints Management | % of complaints resolved | Operational | 100% | 100% | 100% | 100% | None | None | None |
| Ward committees support | Number of functional ward committees | 3 637 000 | 14 | 14 | 14 | 14 | None | None | None |
| Ward committees support | Number of monthly ward committees reports submitted | operational | 42 | 42 | 84 | 84 | None | None | None |
| Mayoral bursary | Number of learners supported | 650 000 | 4 | 4 | 4 | 4 | None | None | None |
| Disaster management | Number disaster risks | | 1 | 1 | 2 | 2 (27 Aug 2020) | None | None | None |

| | | | | | | | | | |
|--|-------------------------------------|--|--|--|--|--|-----------|--|--|
| | management awareness campaigns held | | | | | | (1/12/20) | | |
|--|-------------------------------------|--|--|--|--|--|-----------|--|--|

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

Programmes which did not meet their targets

Indicators that did not meet its target.

| Program | KPI | Budget | First 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 | Operational | 100% | 100% | 100% | 94% | 6% | Resolution register updated upon AC meetings and is being monitored monthly | Continuous monitoring of the resolution register on a monthly basis |
| Risk Management | % implementation of identified risks mitigations | Operational | 100% | 100% | 100% | 60% | 40% | Risk not implemented be rolled over to the next quarter | Continuous monitoring of risk at risk management committee |
| Council support function | Number of portfolio committee meetings held | Operational | 4 | 4 | 8 | 0 | 8 | No portfolio meetings held | Covid-19 pandemic |
| MPAC | % MPAC resolutions implemented | Operational | 100% | 100% | 100% | 30% | 70% | Resolutions deferred to council sitting | Resolutions will be implemented in the next quarter |

| | | | | | | | | | | | |
|-------------------------------|--|-------------|----|----|----|----|----|---|----|---|---|
| Public Participation | Number of community feedback meetings held | Operational | 14 | 14 | 14 | 14 | 14 | 0 | 14 | No community feedback meetings held due to covid-19 regulations | Public participation conducted through media (print & electronic) |
| Public Participation | Number of public participation meetings held (imbizos) | Operational | 1 | 2 | 2 | 0 | 2 | 0 | 2 | No public participation (imbizos) meetings held due to covid-19 regulations | Public participation conducted through media (print & electronic) |
| Traditional leaders allowance | Number of traditional leaders receiving allowance for attending council meetings | 12 000 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | Clash of their program with council programs | Re-alignment of programs |

KPA 6. MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

14/16 indicators were achieved. This constitutes 87.5% achievement

| Program | KPI | Budget R | First 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 29 May | 800 000 | Process plan | Analysis phase | Analysis phase & strategies phase | Analysis phase & strategies phase | None | None | None |
| IDP/PMS | Number of strategic planning session held | Operational | 1 | 1 | 1 | 2 (3-4 Dec 2020 & 9-11 Dec 2020) | 1 | 1 strategic planning to | None |

| | | | | | | | | | | |
|----------------------------------|--|-----------|---|---|----|---|---|-----------------------------------|------|------|
| Legal Services Legal Services | Number of labour grievances resulting in law suit against the municipality | 1 500 000 | 0 | 0 | 0 | 0 | 0 | 0 | None | None |
| Legal Services | Number of service providers with signed service level agreements | 1 500 000 | 5 | 5 | 10 | 6 | 1 | Additional service provider - SLA | None | None |
| OHS | Number of in-year compliance reports on OHS generated | 250000 | 1 | 1 | 2 | 2 | 2 | None | None | None |

KPA 6: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Indicators did not meet its target.

| Program | KPI | Budget R | First 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 | Operational | 6 | 6 | 5 | 4 | 2 | Appointment offers made for two S56 managers | Two S56 managers expected to report for duty on the 1 st January 2021 |
| Local labour forum | Number of Labour Forum meetings held | Operational | 1 | 1 | 2 | 0 | 0 | Unavailability of members | Ensure that all members are available for meeting |

| | | | | | | | | | |
|-----------------------|---|-----------|---------|---------|-----------|-----------|---------|--|---|
| Skills development | Number of employees and councilors capacitated in work skills plan | 2 500 000 | 20 | 20 | 40 | 26 | 14 | 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 (National Indicator) | 2 500 000 | 625 000 | 625 000 | 1 250 000 | 1 424 285 | 174 285 | Some trainings costed more than was budgeted | To align the budget during adjusted budget |

4. PROGRESS MADE ON RESOLVING PROBLEMS IDENTIFIED IN THE 2018/19 ANNUAL REPORT

In its 2018/19 oversight the Municipal Public Accounts Committee (MPAC) listed the following key general findings regarding the 2018/19 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 | 94% of the findings implemented and remaining 6% will be resolved by the end of the fourth quarter. Progress reports tabled in all council sittings |
| 2 | Planned actives must be done as per SDBIP time-frames | 65% of the planned targets achieved and the remaining 35% will be done as per the indicated corrective measures in quarterly reports |
| 3 | Proper monitoring should be implemented on a continuous basis | All Senior Managers position will be filled by the 1 st of January 2021 which will strengthen municipal department monitoring. MPAC Researcher appointed to strengthen the oversight role of MPAC |

5. CONCLUSION

Despite the impact of COVID-19 and other challenges, the municipality was able to achieve 63.5% (61 KPIs out of 96 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 BY:



MAGABANE T.G
MUNICIPAL MANAGER

DATE: 25 JANUARY 2021