



2018/19 MID-YEAR REPORT

MARULENG LOCAL MUNICIPALITY

Maruleng Haven

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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 Section 72 (1) of the Municipal Finance Management Act.

CHAPTER 1: SERVICE DELIVERY PERFORMANCE ANALYSIS

PART A: FINANCIAL PERFORMANCE

HALF-YEAR BUDGET STATEMENTS STATEMENT: 31 DECEMBER 2018

(JULY 2018- DECEMBER 2018 YEAR PERFORMANCE)

The municipality's total budget amounts to R307, 400,569 (Operating and capital budget). The operating budget consists of non-cash item/ budget of R54, 563, 130 and operating cash budget of R150, 087,289(204, 650,419) and capital budget of R102, 750,150. No virements (budget transfers) were made for the period 01 July 2018 to 31 December 2018.

1.1. OPERATING EXPENDITURE

Total expenditure up to December 2018 amounts to R88, 457,888 or 43% of the total operating budget of R204, 650,419. The main contributors to the under spending in comparison to the 50% pro rata for six months are the following:

1. **Salaries and wages Budget** amounts to R71, 865,562 and R30, 931,207 (43%) has been spent, which is R5, 001,574 less than the pro-rata spending.
2. **Remuneration of councillors Budget** amounts to R11, 188,491 and R5, 224,816 (47%) has been spent, which is R369, 430 less than the pro-rata spending.
3. **Repairs and maintenance Budget** amounts to R4, 800,000 and R704, 100(15%) has been spent, which is R169, 900 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 10, 660,000 and R6, 137,697(58%) has been spent, which is R807, 697 more than pro-rata spending.
5. **Other Material Budget** amounts to R3, 548,500 and R1, 892,701 (53%) has been spent, which is R118, 451 more than pro-rata spending.
6. **Depreciation and assets impairment Budget** amounts to R27, 589,223 and R8, 653,113 (31%) has been spent, which is R5, 141, 498 less than pro-rata spending.
7. **Debt impairment Budget** amounts to R24, 500,000 and R9, 402,336 (38%) has been spent, which is R12, 250, 000 less than pro-rata spending.
8. **General expenses Budget** amounts to R51, 177,735 and R26, 078,798 (51%) has been spent, which is R489, 931 more than the pro-rata spending.

1.2 OPERATING REVENUE

Total Operating revenue up to December 2018 amounts to R158, 066,809 or 68% of the total revenue budget of R233, 342,094, which is R41, 395, 762 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 R158, 066,809 are the following revenue items—

1. **Rates and service charges** budget amounts to R68, 756, 855 and R40, 812, 218 (60%) has been billed, which is R6, 433, 791 more than the pro-rata revenue.
2. **Rental of facilities** budget amounts to R371, 395 and R104, 949 (28%) has been billed, which is R80, 749 less than the pro-rata revenue.
3. **Interest on external investments** budget amounts to R6, 500,000 and R3, 557,690 (55%) has been earned, which is R307, 690 more than the pro-rata revenue.
4. **Interest on outstanding debtors** budget amounts to R5, 756,751 and R1, 410,406 (25%) has been billed, which is R2, 978, 376 less than the pro-rata revenue.
5. **Service charges** relate to refuse removal. The (budgeted amount is R3, 336,915 and actual revenue earned amounted to R1, 722, 127 (52%), which is R53, 669 more than 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 (R2,058,048)
 - Agency fees (R1, 607,906)
 - Traffic fines (30,300)
 - Sundry income (R1,759,807)

Below is the six months' income and expenditure report for July 2018 to Dec 2018:

	2019 R	2018 R	2018 R
	MID YEAR REPORT		YEARLY
REVENUE			
Revenue from exchange transactions			
Service charges	1 722 127	1 527 344	3 150 246
Interests received-receivables	1 410 406	1 120 001	3 536 984
Interests received-Investments	3 357 691	2 294 074	6 748 684
Rental of facilities and equipment	104 949	138 731	224 089
Licences and permits	2 058 048	1 258 048	2 490 110
Agency fees	1 607 906	1 072 468	2 129 794
Other revenue	1 759 807	4 557 020	2 426 985
Total revenue from exchange transactions	12 020 933	11 967 686	20 706 892
Revenue from non exchange transactions			
Taxation revenue	40 812 218	35 978 675	70 269 431
Property rates	30 300	8 700	398 600
Traffic fines			
Transfer revenue			
Government grants and subsidies received - operating	84 491 000	77 069 910	102 321 808
Government grants and subsidies received - capital	20 712 358	20 127 281	27 222 902
Total revenue from non exchange transactions	146 045 876	133 184 566	200 212 741
TOTAL REVENUE	158 066 809	145 152 252	220 919 633
EXPENDITURE			
Employee related costs	30 931 208	26 887 118	56 873 978
Remuneration of councillors	5 224 817	4 641 544	10 367 363
Bad debts	9 402 337	0	8 774 365
Depreciation and amortisation expense	8 653 114	0	21 255 264
Finance cost	27 200	25 165	25 165
General expenses	28 081 516	23 920 392	42 146 458
Contracted services	6 137 697	3 692 882	9 599 233
Loss on disposal of Assets			159 149
TOTAL EXPENDITURE	88 457 889	59 167 101	149 200 975
NET SURPLUS FOR THE YEAR	69 608 921	85 985 151	71 718 658

1.3 CAPITAL EXPENDITURE

The capital budget (2017/18) amounts to **R102, 750,150**. The 6 months' expenditure is **R27, 946,927** which is **27%** 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 **79%** 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 2018.

Breakdown of Capital Expenditure

DESCRIPTION	BUDGET	ACTUAL	SPEND	TARGET	DIFFERENC
Cost:Acquisitions VEHICLES	9 200 004,00	-	-	0%	50%
Cost:Acquisitions Office furniture	1 000 008,00	-	-	0%	50%
Acquisitions:Outsourced MARULENG INDOOR SPORT CENTR	13 500 000,00	-	-	0%	50%
Cost:Acquisitions PLANT AND EQUIPMENTS	200 004,00	-	-	0%	50%
Cost:Acquisitions TWO WAY RADIO	500 004,00	-	-	0%	50%
Cost:Acquisitions MARULENG VEHICLES TESTING CENTRE	2 000 004,00	-	-	0%	50%
Cost:Acquisitions RESTORATION OF MUNICIPAL BUILDINGS	2 000 004,00	-	-	0%	50%
Cost:Acquisitions THUSONG LEARNERS CENTRE CLASSROOM	700 008,00	-	-	0%	50%
Cost:Acquisitions HIGHMAST LIGHT	2 000 004,00	-	-	0%	50%
Cost:Acquisitions OFFICE FURNITURE	370 008,00	-	-	0%	50%
Cost:Acquisitions WATER COOLER	100 008,00	-	-	0%	50%
Own Account Construction:Materials and Supplies ROAD T1	10 008,00	29 100,00	-	0%	50%
Cost:Acquisitions SERVER ROOM UPGRADE	1 200 000,00	-	-	0%	50%
Computer Software:Acquisitions SOFTWARE	650 004,00	-	-	0%	50%
Cost:Acquisitions ACCESS CONTROL	500 004,00	-	-	0%	50%
Cost:Acquisitions IT EQUIPMENT	250 008,00	225 075,44	-	90%	-40%
Acquisitions:Outsourced CALAIS SPORTS FIELD - MIG	10 320 156,00	5 835 071,75	-	57%	-7%
Acquisitions:Outsourced FENCES FOR CEMETRIES AND LON	1 900 008,00	-	-	0%	50%
Cost:Acquisitions AIR CONDITIONERS	400 008,00	29 989,00	-	7%	43%
Acquisitions:Outsourced BALLOON STREETS	15 250 008,00	5 969 732,89	-	39%	11%
Acquisitions:Outsourced BISMARCK	3 800 004,00	543 192,00	-	14%	36%
Acquisitions:Outsourced BUTSWANA ACCESS ROAD	2 300 004,00	571 595,81	-	25%	25%
Acquisitions:Outsourced HLOHOKWE ACCESS ROAD PHASI	1 200 000,00	440 692,44	-	37%	13%
Acquisitions:Outsourced LORRAINE BELLVILLE ROAD	1 200 000,00	1 341 501,51	-	112%	-62%
Acquisitions:Outsourced MADEIRA ACCESS ROAD - MIG	6 900 000,00	4 464 583,38	-	65%	-15%
Acquisitions:Outsourced NEW LINE GA-FANIE ACCESS ROA1	3 000 000,00	1 523 013,68	-	51%	-1%
Acquisitions:Outsourced REHABILITATION OF KAMPERSUS	2 000 004,00	99 843,30	-	5%	45%
Acquisitions:Outsourced SANTENG GRAVEYARD ACCESS RC	3 000 000,00	1 076 836,39	-	36%	14%
Acquisitions:Outsourced THE OAKS INTERNAL STREET	7 800 000,00	4 930 947,78	-	63%	-13%
Acquisitions:Outsourced WORCESTER	2 000 004,00	-	-	0%	50%
Cost:Acquisitions REHABILITATION OF HOEDSPRUIT MAIN S	3 000 000,00	-	-	0%	50%
Cost:Acquisitions WILLOWS ACCESS ROAD 2	4 500 000,00	865 751,48	-	19%	31%
TOTAL	102 750 276,00	27 946 926,85		27%	23%

1.4 DEBTORS

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

Description		Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy		
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dye-1 Yr	Over 1Yr	Total	Total over 90 days				
NT Code															
R thousands															
Debtors Age Analysis By Income Source															
1200	Trade and Other Receivables from Exchange Transactions - Water	268	161	130	65	38	41	116	594	1 412	853				
1300	Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-				
1400	Receivables from Non-exchange Transactions - Property Rates	6 742	5 155	4 956	3 500	3 395	3 008	14 249	45 116	85 262	69 399				
1500	Receivables from Exchange Transactions - Waste Water Management	32	21	15	12	11	9	36	123	250	192				
1600	Receivables from Exchange Transactions - Waste Management	269	186	170	156	156	151	114	947	2 149	1 524				
1700	Receivables from Exchange Transactions - Property Rental Debtors	19	16	16	16	16	16	48	95	243	193				
1810	Interest on Asset Debtor Accounts	732	687	-	-	-	-	1 588	2 496	5 606	4 187				
1820	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	(240)	(52)	(66)	-	-	(254)	(237)	289				
1900	Other	(141)	(145)												
2000	Total By Income Source	7 920	6 081	5 057	3 777	3 540	3 449	16 648	49 183	95 695	76 637				
2017/18 - totals only															
Debtors Age Analysis By Customer Group															
2200	Organis of State	3 017	2 757	2 980	1 866	1 818	1 868	7 954	21 453	43 463	34 699				
2300	Commercial	1 846	1 256	940	892	814	760	4 705	15 447	26 660	22 618				
2400	Households	2 894	1 954	1 113	1 005	940	849	4 086	12 410	25 214	19 252				
2500	Other	163	115	14	13	7	12	(109)	143	359	67				
2600	Total By Customer Group	7 920	6 081	5 057	3 777	3 540	3 449	16 648	49 183	95 695	76 637				

The current outstanding Debtors for Manuleng Municipality stood at **R95, 695,137**. This is broken down as follows:

Based on service classification, the major contributor to the debt is property rates which constitutes R86,261, 969 (90%), while, in terms of sector classification organ of state are the major contributor with a balance of R43,463,024 (45%).

The total payment from rates and service charges from July 2018 to December 2018 is R21, 900,731 breakdown as follows:

PERCENTAGE OF REVENUE COLLECTED 2018/19 FY

DESCRIPTION	BUDGET	REVENUE COLLECTED					TOTAL	GRANT TOTAL PERCENTAGE
		JULY	AUG	SEPT	OCT	NOV		
INTEREST	5 756 751	36 728	51 424	32 920	67 470	59 353	12 645	
ADD REFUSE	3 336 915	43 972	127 342	95 149	223 400	157 676	132 383	
RATES GENERAL	68 756 855	1 833 010	3 356 246	2 643 707	5 865 757	4 657 284	2 422 683	
RENTALS	371 395	20 142	7 673	22 404	17 669	7 869	5 827	
TOTAL	78 221 916	1 933 852	3 542 686	2 794 180	6 174 296	4 882 181	2 573 537	
GRANT TOTAL PERCENTAGE							21 900 731	28%

DESCRIPTION	BILLING	REVENUE COLLECTED					TOTAL	GRANT TOTAL PERCENTAGE
		JULY	AUG	SEPT	OCT	NOV		
INTEREST	1 410 406	36 728	51 424	32 920	67 470	59 353	12 645	
ADD REFUSE	1 722 127	43 972	127 342	95 149	223 400	157 676	132 383	
RATES GENERAL	40 812 218	1 833 010	3 356 246	2 643 707	5 865 757	4 657 284	2 422 683	
RENTALS	104 949	20 142	7 673	22 404	17 669	7 869	5 827	
TOTAL	44 049 700	1 933 852	3 542 686	2 794 180	6 174 296	4 882 181	2 573 537	
GRANT TOTAL PERCENTAGE							21 900 731	50%

1.5 INVESTMENTS AND CASH AT DECEMBER 2018

As at 31 December 2018 Council had a positive Bank Balance of **R162, 380, 368**, consisting of:

Current account R15, 486, 208

Call deposit accounts R146, 893, 450

Float R710

PART B: NON FINANCIAL PERFORMANCE

For the period under review the municipality had **113** indicators across the six KPA's namely, Spatial Rationale, Basic Service Delivery, Local Economic Development, Financial Viability, Good Governance and Public Participation, and Municipal Transformation and Organizational Development. 71 indicators met targets which constitute 63%, and 42 indicators did not achieve targets, which constitute 37%. Below is the breakdown of indicators per KPA's:

KPA	Number of indicators	Indicators achieved	% Indicators achieved	Unachieved indicators	% Unachieved indicators
Spatial Rationale	7	7	100%	0	-
Basic Service Delivery	31	14	45%	17	55%
LED	5	3	60%	2	40%
Financial Viability	16	12	75%	4	25%
Good Governance and Public Participation	36	25	69%	11	31%
Municipal Transformation and Organizational Development	18	10	56%	8	44%
TOTAL	113	71(63%)		42(37%)	

Below is the detailed municipal service delivery performance report per KPA:

KPA 1: SPATIAL RATIONAL

Spatial Rational had 7 indicators/ targets of which all were achieved. This translates to 100% achievement.

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
SDF	Number of SDF implemented	1	SDF is implemented	None	None	None
Update of LUMS	Turnaround time in processing land use applications from the date received	30 days	7 land use applications received, 3 approved and 4 currently within objection period.	None	None	None
	Turnaround time in processing building plans from the date submitted	90 days	26 Building Plans Received, 19 Plans Approved and 18 Occupation Certificates Issued. Building Register Updated	None	None	None
Update of GIS	Number of GIS updates conducted	2	GIS was updated on 3 occasions	None	None	None
SPLUMA campaigns	Number of SPLUMA campaigns conducted	2	3 SPLUMA campaigns conducted, 04 November 2018 (Sekolo Primary School), 11 November 2018 (Enable Community Hall), 18 November 2018 (Makgaung Community Hall)	None	None	None
LUMS campaigns	Number of LUMS campaigns conducted	2	3 SPLUMA campaigns conducted, 04	None	None	None

Land acquisition for development	Amount set aside for acquisition of land	R1,500,000	1 500 000	November 2018 (Sekolo Primary School), 11 November 2018 (Enable Community Hall), 18 November 2018 (Makgaung Community Hall)	None	None	None	None	None

KPA 2: BASIC SERVICE DELIVERY

14/31 indicators were achieved. This constitute 45% achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Balloon access road	Number of kilometres of Balloon access road paved	1km earthwork completed	300m base complete and rock fill for the bridge	None	None	none
Santeng graveyard access road	Number of metres of Santeng graveyard access road paved	Designs completed	Designs completed	none	None	none
Madeira access road	Number of kilometres of Madeira access road paved	1km earthwork completed	1000m road paved	None	None	None
Refuse removal	Number of households with access to refuse removal	11 206	11,206	None	None	None
	Number of commercial institutions and industrial centres with access to solid waste removal services	50 business establishments	58	None	None	None
Calais sports field	% completion construction of Calais sports field	5% (palisade fence completed)	33% of palisade completed and 51% foundation for the sports field has been completed.	None	None	None
Roads and bridges	Km roads and bridges maintained	Maintained of 77km of 308 km road	140,14km	None	None	none
buildings	Number of municipal buildings maintained	6	4	None	None	none
Road master plan	Number of road	Appointment of	Scoping report	None	None	None

	master plans developed	service provider	completed			
Restoration of municipal buildings	Number of municipal buildings renovated	Development of specifications	The specification has been developed and was advertised for tender. The advert was later cancelled.	None	None	None
High mast lights	Number of high mast lights erected	Development of specifications	Development of Specification completed	None	None	None
Speed machines	Number of speed machines maintained	1	1	None	None	None
Parks and gardens	Number of parks and gardens maintained	4	6	None	None	None
Access control equipment	Number of access control equipment upgraded	Development of specifications	Specification Developed and submitted to budget and treasury	None	None	None

BASIC SERVICE DELIVERY

Programmes which did not meet their targets

17/31 indicators did not meet its target. This constitutes 55% non achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Free Basic Electricity	Number of indigent households with access to free basic service	3700	625	3075	Low turnout of applicants during FBE registrations	A workshop to be conducted on FBE benefits to the community
The Oaks internal street	Number of kilometres of The Oaks internal streets paved	1 km base completed	600m paving completed	400m	Budget constrains let to the reduction of the scope	The target to be rived in line with the approved adjusted

Hloholokwe access road	Number of kilometres of Hloholokwe access road paved	1.2km commissioned	1 km paving completed	200 m to be paved	Delay due to poor performance of the contractor	budget The Contractor to be terminated due to poor performance
Lorraine-Bellville road	Number of kilometres of Lorraine-Bellville road tarred	1km commissioned	2km asphalt surfaced road completed awaiting commission	1km still to be surfaced with asphalt.	Delays due to poor performance by the Contractor and the Engineer.	The Municipality should terminate the contract for both the contractor and the engineer and appoint a sub-contractor to complete the remaining works.

KPA 2: BASIC SERVICE DELIVERY (cont..)

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Fencing of cemeteries	Number of cemeteries fenced (upgraded)	5 (poles planted)	Terms of references completed	Appointment of Contractor	Delay in advertisement	Fastrack advertisement and appointment of Contractors
Manuleng indoor sports centre	% completion construction of Maruleng indoor sports centre	100% completion (commissioned)	90%	10%	Delay in payment of the Contractor	Fastrack the payment of the Contractor
Electricity	Number of electrical equipments maintained	75	30	45	Delay in procurement of material	SCM to process the request for procurement of material
Street lighting	Number of streets lights maintained	37	26	11	Delay in procurement of material	SCM to process the request for procurement of material
Routine maintenance of vehicles	Number of vehicles maintained	10	5 Cars maintained	5	No cars required maintenance	To maintain more cars in the next quarter

Machines	Number of municipal heavy machinery maintained	3	2(Cat grader and Hino dipper)	1	No Machines required maintenance	To maintain more machine in the next quarter
Maruleng vehicle testing centre	Number of buildings repaired	Development of specifications	The budget will be moved to Lorraine access road during the budget adjustment. No specification will be developed this financial year.	No specification developed	Budget constraints	To be catered for in the budget adjustments

KPA 2: BASIC SERVICE DELIVERY (cont..)

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Thusong learner centre classroom	Number of learner centre classrooms upgraded	Development of specifications	The budget will be moved to Lorraine access road during the budget adjustment. No specification will be developed this financial year.	No specification developed	Budget constraints	To be catered for in the budget adjustments
IT equipments	Number of IT equipments purchased	5 laptops & 10 desktop computers	15 laptops procured	10 Desktop	Desktops are not been used anymore only laptops	To adjust the SDBIP to laptops only during the adjustment
Software	Software upgraded	Software upgraded	service provider appointed but yet to deliver the	Software Upgraded	The service provider hasn't n=delivered the software yet	to fast track the service provider and to upgrade the

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Programmes met their targets

3/5 indicators were achieved. This constitute 60% achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
K2C support	Number of K2C programmes supported	2	1 River restoration and environmental monitors programme supported	1	Only 1 programme held by K2C as the custodian of the programme.	None. Programme not managed or controlled by the municipality
LED programmes	Number of LED programmes supported	4	35 SMMEs supported, 1 LED Forum Held, 3 Business Training Conducted	None	None	None
LED Forum	Number of LED forums held	1	1 LED Forum Held	None	None	None
Tourism	Number of existing tourism activities supported	1	2 tourism initiatives supported and attended. Tourism Awareness Campaign - 04 October 2018, Kruger National Park and Maruleng Tourism Information Session - 12 December 2018	None	None	None

Programmes which did not meet their targets

2/5 indicators did not meet its target. This constitutes 40% non achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
EPWP	Number of jobs created through EPWP	150	124	26	The nature of work carried out was through machinery. Less labourers were hired.	More work to be implemented by labourers in the following work milestone.
K2C support	Number of K2C programmes supported	2	1 River restoration and environmental monitors programme supported	1	Only 1 programme held by K2C as the custodian of the programme.	None. Programme not managed or controlled by the municipality

KPA 4: FINANCIAL VIABILITY

12/16 indicators were achieved. This constitute 75% achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Cost coverage	Number of acceptable months for municipal sustainability	3	13 months	10 months	over performance due to sound expenditure control	None
Debt coverage	% of debt coverage ratio	0%	0%	None	None	None
MSCOA	% compliance to MSCOA	100%	100%	None	None	None
Asset and inventory management	% compliance to asset standard (GRAP17)	100%	100% compliance to Asset standard (GRAP 17)	None	None	None
	Number of assets update schedules	6 updates	6 Updated schedule of assets changes for second quarter	None	None	None
Supply Chain Management	% compliance to SCM regulations	100%	100% compliance to SCM regulations	None	None	None
	Number of compliant in-year SCM reports submitted on time to Council and Treasury	6	6 SCM reports	None	None	none
MFMA compliance	Number of S71reports submitted to the Mayor and Provincial Treasury within 10 working days after start of the month	6	6	None	None	none

	Number of S52 reports submitted to council within 30 days of the end of each quarter	2	2	None	None	None
	Number of MFMA reports submitted to Council	10	10	None	None	None
MIG Expenditure	% of MIG budget spent	50%	79%	29%	None	None
Fleet Management	Number of quarterly reports submitted on fleet management	6 reports	6 reports	None	None	None

KPA 4: FINANCIAL VIABILITY (conti...)

Programmes which did not meet their targets

4/16 indicators did not meet its target. This constitutes 25% non achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Revenue collection	% of revenue collected monthly	72%	50%	12%	non payment of property rates for the farms	appointment of debt collector to in collection for accounts that are overdue for more than 90 days
Personnel Expenditure	% of personnel budget spent	50%	43%	7%	Delay in filling vacant position.	HR to facilitate recruitment processes
Maintenance Expenditure	% of maintenance budget spent	50%	15%	35%	Lack of fixed assets maintenance plan	Plan to develop fixed assets maintenance plan in progress. Routine maintenance is being prioritised by technical services

Capital Expenditure	% of capital budget spent	50%	27%	23%	Delay in appointment of service provider for own funded projects	Procurement to facilitate advertising of projects.
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KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

25/36 indicators were achieved. This constitute 69% achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Internal Auditing	Number of PMS audits conducted	2	2	None	None	None
Audit Committee	Number of Audit committee meetings held	2	4 (25 August 2018) (29 August 2018) (19 October 2018) (27 November 2018)	None	None	None
Fraud and corruption	Number of fraud and corruption cases investigated	All reported cases	No fraud and corruption case reported.	None	None	None
Risk Management	Number of strategic reviews conducted	1	Strategic risk register has been reviewed	None	None	None
MPAC	Number of MPAC meetings held	2	Meetings held (10 July 2018, 12 July 2018 and 23 July 2018) and 06-07 Dec 2018	None	None	None

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

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Council function and	Number of council sittings	2	9(31 July 2018,02	None	None	None

support	supported			Sep 2018, 12 Sep 2018, 22 Sep 2018) and (1 Oct 2018, 26 Oct 2018, 30 Oct 2018, 9 Nov 2018, 30 Nov 2018)			
	Number of schedule Executive Committee meetings held	2		3(31 July 2018)/5 Nov 2018 and 5 Nov 2018)	None	None	None
	Number of Schedule portfolio committees meetings held	8		8	None	None	None
Disaster Risk Management	Disaster Risk Management review	Reviewed Disaster Risk Management Plan		Service Provider Appointed(17 Oct 2018)	None	None	None
	Number of disaster risk management campaigns held	2		2(5 Dec 2018(Butswana Community hall) and 18 Nov 2018 (Finale Village)	None	None	None

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

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Complaints management	% of complaints resolved	100%	100%	None	None	None
Communication	Communication strategy reviewed and implemented annually	Communication strategy reviewed and implemented annually	Communication Strategy Implemented	None	None	None
Traditional Leaders allowance	Number of traditional leaders receiving allowance for attending	4	4	None	None	None

	council meetings and activities					
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KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (cont.)

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
Mayoral Bursary Fund	Number of learners supported	4	4	None	None	None
Elderly	Number of elderly initiatives supported	2	2	None	None	None
Manuleng 16 Days of activism	Number of 16 days of activism initiatives	1	1(24 Nov 2018)	None	None	None
HIV/AIDS programmes	Number of HIV/AIDS awareness road shows conducted	6	6	None	None	None
Mayoral sports tournament	Number of Mayoral sports tournaments held	2	2	None	None	None
Disability programme	Number of disability forum meetings held	2	2	None	None	None
Arts and culture support program	Number of arts and cultural initiatives supported	4	5(02 Oct 2018, 03 Oct 2018, 17 Nov 2018, 24 Nov 2018 and 28 Nov 2018)	None	None	None
Arrive alive	Number of arrive alive campaigns held	1	1	None	None	None
Greening programme	Number of greening initiatives initiated	2	2(19 Oct 2018 and 5 oct 2018)	None	None	None
Educational awareness campaigns on waste management	Number of campaigns on waste management organised	1	1(16 Nov 2018)	None	None	None
Driver of the year	Number of the driver of the	1	1	None	None	None

Library campaigns	year competitions held						
	Number of library awareness campaigns held	1	2	None	None	None	None

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Programmes which did not meet their targets

11/36 indicators did not meet its target. This constitutes 31% non achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
External Auditing	% compliance to AG Audit Action Plan	50%	0%	50%	The audit was finalised at end November 2018. thereafter the action plan will be drafted for monitoring in the 3rd quarter 2018/20. however 94% of the 2016/17 issues addressed.	To finalise the action plan before end January 2019
	% of AG queries resolved	50%	0%	50%	The audit was finalised at end November 2018. thereafter the action plan will be drafted for monitoring in the 3rd quarter 2018/20. however 94% of the 2016/17 issues addressed.	To finalise the action plan before end January 2019

	% internal audit findings resolved	100%	77%	23%	Follow up report updated as and when reports are issued	to continuously ensure monitoring of implementation of agreed actions at management and AC level
	% of Audit and Performance Committee reports submitted to council	100%	81%	19%	Resolutions are updated after each meeting	to continuously ensure monitoring of implementation of AC resolutions at management and AC level
Risk Management	% implementation of identified risks mitigations	100%	50%	50%	Agreed action to mitigate the risk not effectively implemented.	Management is encouraged to implement the agreed action to mitigate the risk.
	Number of institutional risk management committee meetings held	2	0	2	No Risk Management Committee Meeting held during the 2nd Quarter.	External Chairperson to be appointed who will assist in ensuring that Risk Management Committee seats.
MPAC	% of MPAC resolutions implemented	100%	58%	42%	MPAC resolutions deferred to the council sitting	All the resolutions will be resolved in the next quarter
Public Participation	Number of public participation meetings held (imbizos)	4	1(2 Sep 2018)Molalane ward 5	1 Imbizo	imbizos were planned and later postponed due to Mayors commitments	2 imbizos will be held in the 3rd quarter
	Number of community feedback meetings held	28	8	20	ward councillors not convening community feedback meeting according to schedule	The office of the Speaker has developed monitoring system to prevent future cases
Gender programme	Number of gender	2	1(06 Dec 2018)	1	Gender programme	Number of gender

	activities/meetings held					activities/meetings held
Energy Forum	Number of energy forums hosted	2	0	2 energy forum	the energy forum is hosted by the district and no invitation were issued for first quarter	for the district to issue out invites within the quarter

KPA 6: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

10/18 indicators were achieved. This constitute 56% achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
IDP Review	IDP/Budget adopted by Council y 31 May	Strategies Phase	Analysis, Strategy and draft projects	None	None	None
IDP/PMS strategic planning session	Number of strategic planning session held	1	28-30 November 2018	None	None	None
PMS	Number of other officials other than Senior Managers with signed performance plans	20 Performance plans developed	20 Development of Performance Plans	None	None	None
	Number of in-year performance management reports submitted to Council	2	2	None	None	None
	Number of annual reports submitted to Council	1 (Draft Annual Report)	Draft annual report submitted on the 31 August 2018	None	None	None

KPA 6: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT (cont.)

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
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Payroll management	% accuracy on payroll information	100%	100%	None	None	None
Overtime management	% compliance to overtime regulation	100%	100%	None	None	None
OHS	Number of in-year compliance reports on OHS generated	2	2	None	None	None
HR working group	Number of sessions held	2	(2)3 August 2018 and 09 November 2018	None	None	None

KPA 6: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Programmes which did not meet their targets

8/18 indicators did not meet its target. This constitutes 44% non achievement

Program	KPI	Mid-Year Target	Actual Performance	variance	Reasons for variance	Corrective measures
PMS	Number of Senior Managers with signed performance agreements within prescribed timeframes	6	4	2	Delay on appointment after recruitment process.	To appoint in the next quarter
Skills Development	Number of employees and councillors capacitated in terms of Workplace skills plan	40	14	26	Delay by directorates to submit their training needs	Training program already consolidated
Workplace skills plan	Amount actual spent (1% of the salary bill on implementing workplace skills plan	R 750,000	182 357.09	567 642.91	Delay by directorates to submit their training needs	Training program already consolidated
Employment Equity	number of staff	5	4	1	One employee	Targeted in terms of

Plan	compliment with disability				resigned	employment equity plan
	Number of people from employment equity target group employed in the three highest levels of the municipality	2	0	1	delay in recruitment processes	To be implemented in the quarter
Team Building Ethics	Number of team building sessions held	1	0	1	No suitable date	team building to be held in the quarter
Legal services	Number of labour grievances resulting in a lawsuit against the municipality	0	3 law suits against municipality, Civic warriors of maruleng//maruleng LM, Intedict on appointment of 2 positions, Banareng ba sekororo// Commissioner of land claims & others, interdict on development of a mall, Hoedspruit township developers//Maruleng LM, refund of deposits.	3	parties were unable to reach consensus hence the lawsuits	It is advisable for the parties to reach agreement, to avoid litigation and legal costs.
	Number of service providers with signed service level agreement	All service providers	10 contractors appointed under the quarter review. 1 Maruleng indoor sport centre, 2 Metz internal street, 3 Hlohlokwe access road, 4. Lorraine access road, 5. Finale access road,	3	Delay by service providers in signing SLA	All SLA to be concluded by 31 January 2019

Labour Forum	Number of Labour Forum meetings held	2	6.(ANAKA GROUP)Printers,7. Security	0	Members of the committee don't form quorum	Most of the management are not available	to ensure all members are available
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2. PROGRESS REPORT ON RESOLVING OUTSTANDING TARGETTS FOR FINANCIAL YEAR 2018/19

As prescribed in Section 72 (1) (a) (iii) of the MFMA, the municipality must indicate actions taken on problems identified in the past annual report (2017/18) or indicate what system/s or processes will be taken to address such matters. The municipality has developed a management plan in resolving issues raised by the A-G's report of 2017/18. The Internal Audit Unit, Audit Committee will monitor the implementation of the Management plan and report compliance or non-compliance to management and Council.

3. SUMMARY AND CHALLENGES

Maruleng Municipality is continuously ensuring that a culture of performance management is institutionalised. Therefore, performance agreements with senior management were concluded. This process ensures that Integrated Development Planning objectives and key performance indicators (KPIs) are owned and executed by the responsible Directorates. Furthermore, the Performance Audit Committee ensures that Council is involved in the auditing of Non-Financial Performance information. However, the main challenge remains the high vacancy rate in the senior management position with a lot of acting personnel who are unable to account. Notwithstanding the many challenges, the municipality met 63% (71 KPI's out of 113 measured) which is an indication of the organisation's Commitments towards services delivery in the community.

NB. Attached as Annexure is the audited Top Layer SDBIP for the first half of the financial ending 31 December 2018 which measures the municipality's performance.

RECOMMENDATIONS

In terms of section 72(3)(a)(b) the accounting officer makes the following recommendations:

1. That Council takes note of the mid- year Assessment and financial health and performance indicators.
2. That Council takes note that an Adjustment Budget is necessary



Mid- year budget and performance assessment


MACHUBENE M.C
ACTING MUNICIPAL MANAGER

25/07/2019
Date

ABBREVIATIONS AND ACCRONYMS

Acronyms/Abbreviations	Definition
A-G	Auditor General
DLRD	Department of Land and Rural Development
DRM	Disaster Risk Management
FBW	Free Basic Water
GIS	Geographic Information System
GRAP	General Reporting Acceptable Practice
HR	Human Resource
IDP	Integrated Development Plan
IT	Information Technology
K2C	Kruger to Canyon
LED	Local Economic Development
LUMS	Land Use Management System
MDM	Mopani District Municipality
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MTAS	Municipal Turnaround Strategy
OHS	Occupational Healthy Safety
PMS	Performance Management System
SCM	Supply Chain Management
SPED	Spatial and Economic Development
SLA	Service Level Agreement
SMME	Small Medium Macro Enterprise
TOR	Terms of reference
Variance	The difference between the target and actual performance (achieved)
WSP	Work skills plan
#	Number
%	Percentage