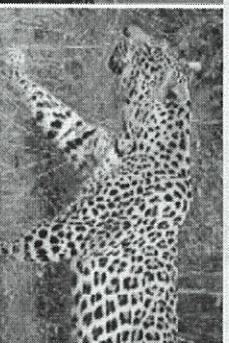


MARULENG LOCAL MUNICIPALITY



2017-18 MIDYEAR BUDGET AND PERFORMANCE ASSESSMENT

Rejoice Hare

TABLE OF CONTENTS

- 1. PART 1: FINANCIAL PERFORMANCE**
- 2. PART 2: NON-FINANCIAL PERFORMANCE**

Acronyms and Abbreviations

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 2017.

1. FINANCIAL PERFORMANCE

HALF-YEAR BUDGET STATEMENTS: 31 DECEMBER 2017

(JULY 2017- DECEMBER 2017 YEAR PERFORMANCE)

The municipality's total Budget amounts to R285, 792,618 of which R225, 791, 552 are cash budget and R60, 001,066 are non-cash items. The budget consists of operating budget of R189, 747,768 (R129, 746,702 are cash budget) and capital budget of R96, 044,850. No virements (budget transfers) were made for the period 01 July 2017 to 31 December 2017.

1.1. OPERATING EXPENDITURE

Total expenditure up to December 2017 amounts to R59, 851,689 or 32% of the total Operating Budget R189, 747,768. Expenditure, less than the pro-rata 50% is registered on and attributed to the following factors:

1. **Salaries and wages Budget** amounts to R66, 786, 699 and R26, 887, 118 (40%) has been spent, which is R6, 506,231 less than the pro-rata spending. The amount of R26, 887,699 includes bonuses paid out.
2. **Remuneration of Councillors** Budget amounts to R10, 045,112and R4, 641544 (46%) has been spent, which is R381, 012 less than the pro-rata spending.
3. **Repairs and maintenance** Budget amounts to R2, 452,000 and R684, 584 (28%) has been spent, which is R541, 416 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 8,332,015 and R3, 692,886 (44%) has been spent, which is R473, 122lessthan pro-rata spending.
5. **General expenses** Budget amounts to R44, 503,779 and R23, 920,392 (54%) has been spent, which is R1, 668,503 more than the pro-rata spending.
6. **Finance costs** budget amount to R79, 098 and R25, 165 (31%) has been spent, which is R14, 384 less than pro-rata spending.

1.2 OPERATING REVENUE

Total Operating revenue up to December 2017 amounts to R47, 955,028 or (64%) of the Total Operating revenue Budget of R73, 967,942 (excluding government grants and subsidies received) which is R10, 971,057 more than the pro-rata budget.

Included in the total operating revenue of R73, 967,942 earned to-date are the following revenue items—

1. **Rates and service charges** budget amounts to R54, 886, 186 and R37, 505, 986 (68%) has been billed, which is R10, 062, 893 more than the pro-rata revenue.
2. **Rental of facilities** budget amounts to R341, 270 and R138, 731 (41%) has been billed, which is R31, 904 less than the pro-rata revenue.
3. **Interest income** budget amounts to R5, 360, 744 and R3, 414, 075 (64%) has been earned, which is R734, 372 more than the pro-rata revenue.
4. **Other revenue** budget amounts to R13, 379,741 and R6, 896,236 (52%) has been earned, which is R206, 366 more than the pro-rata revenue.

Service Charges relates to refuse removal. ((Budgeted amount is R3, 607,170 and actual revenue billed amounted to R1, 527, 344 (42%), which is R276, 241 less than the pro-rata revenue.

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 (R1,258,048)
- Agency fees (R1,072,468)
- Traffic fines (R8,700))
- Sundry income (R4, 647,020)

Below is the six month income and expenditure report from July 2017 to Dec 2017:

REVENUE		
Revenue from exchange transactions		
Service charges		
Finance income		
Rental of facilities and equipment		
Licences and permits		
Agency fees		
Other revenue		
Total revenue from exchange transactions		
Revenue from non exchange transactions		
Taxation revenue		
Property rates		
Traffic fines		
Donation of heritage assets		
Transfer revenue		
Government grants and subsidies received - operating		
Government grants and subsidies received - capital		
Total revenue from non exchange transactions		
Total Revenue		
EXPENDITURE		
Employee related costs		
Remuneration of councillors		
Debts impairment		
Depreciation and amortisation expense		
Finance cost		
Lease rentals on operating lease		
Repairs and maintenance		
General expenses		
Contracted services		
Loss on disposal of assets		
Total Expenditure		
NET SURPLUS/(DEFICIT) FOR THE YEAR		

26 887 118	50 583 109
4 641 544	9 367 302
0	20 826 577
0	16 069 711
25 165	26 259
-	17 281
684 584	1 441 683
23 920 392	32 699 768
3 692 886	6 768 979
0	4 236 482
59 851 689	142 037 151
85 300 564	80 953 881

1.3 CAPITAL EXPENDITURE

The Capital Budget (2016/17) amounts to **R96, 044,850**. The 6 months expenditure stands at **R37, 861,764** which is **39%** of the total capital budget. It must be noted that some capital projects are either at bidding stages or designs. M/G spending alone is at **74%** 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	ACTUAL %	TARGET	VARIANCE %
Acquisitions: Outsourced FENCES FOR CEMETRIES AND LONDON LANDFILL SITE	1 500 000	763 576	51%	50%	1% OVER
Acquisitions: Outsourced BALLOON STREETS	999 996	-	0%	50%	-50% UNDER
Acquisitions: Outsourced BISMARCK	1 749 996	-	0%	50%	-50% UNDER
Acquisitions: Outsourced BUTSWANA ACCESS ROAD	999 996	-	0%	50%	-50% UNDER
Acquisitions: Outsourced FINALE ACCESS ROAD	12 745 200	9 749 610	76%	50%	26% OVER
Acquisitions: Outsourced HLOHLOKWE ACCESS ROAD PHASE 2	4 835 028	626 260	13%	50%	-37% UNDER
Acquisitions: Outsourced KANANA TO MAHLOMELENG ACCESS ROAD	12 793 932	4 526 682	35%	50%	-15% UNDER
Acquisitions: Outsourced LORRAINE BELLVILLE ROAD	13 189 368	4 289 756	33%	50%	-17% UNDER
Acquisitions: Outsourced MADEIRA ACCESS ROAD - Equitable Shares	750 000	-	0%	50%	-50% UNDER
Acquisitions: Outsourced MAKGAUNG ACCESS ROAD	15 443 376	8 628 828	56%	50%	6% OVER
Acquisitions: Outsourced MARULENG LOW LEVEL BRIDGES	3 500 004	3 377 909	97%	50%	47% OVER
Acquisitions: Outsourced METZ INTERNAL STREETS	4 849 212	3 951 266	81%	50%	31% OVER
Acquisitions: Outsourced NEW LINE GA-FANIE ACCESS ROAD	999 996	-	0%	50%	-50% UNDER
Acquisitions: Outsourced REHABILITATION OF KAMPERSUS	1 750 000	-	0%	50%	-50% UNDER
Acquisitions: Outsourced SANTENG GRAVEYARD ACCESS ROAD	1 500 000	-	0%	50%	-50% UNDER
Acquisitions: Outsourced STREET LIGHTS	999 996	-	0%	50%	-50% UNDER
Acquisitions: Outsourced THE OAKS INTERNAL STREET	750 000	-	0%	50%	-50% UNDER
Acquisitions: Outsourced WILLOWS ACCESS ROAD	999 996	-	0%	50%	-50% UNDER
Computer Software: Acquisitions SOFTWARE	600 000	-	0%	50%	-50% UNDER
Cost: Acquisitions ACCESS CONTROL	249 996	-	0%	50%	-50% UNDER
Cost: Acquisitions IT EQUIPMENT	453 000	87 707	19%	50%	-31% UNDER
Acquisitions: Outsourced WORCESTER	999 996	-	0%	50%	-50% UNDER
Own Account Construction: Materials and Supplies REHABILITATION OF GA-SEKORORO	1 749 996	-	0%	50%	-50% UNDER
Own Account Construction: Materials and Supplies ROAD TRAFFIC SIGNS	60 000	-	0%	50%	-50% UNDER
Cost: Acquisitions EQUIPMENTS	308 004	1 700	1%	50%	-49% UNDER
Cost: Acquisitions Office furniture	800 004	-	0%	50%	-50% UNDER
Cost: Acquisitions WATER COOLER	8 004	-	0%	50%	-50% UNDER
Own Account Construction: Materials and Supplies BOTSHABELO COMMUNITY HALL	1 700 004	706 118	42%	50%	-8% UNDER
Own Account Construction: Materials and Supplies MARULENG INDOOR SPORT CENTRE	8 759 748	1 152 352	13%	50%	-37% UNDER
Total	96 044 848	37 861 764	39%	50%	-11%

1.4 DEBTORS

The current outstanding Debtors for Maruleng Municipality stood at **R70 694 456**. This is broken down as follows:

Description		Budget Year 2017/18									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	
Debtors Age Analysis By Income Source											
Receivables from Non-exchange Transactions - Property Rates		5 473 276	4 207 268	3 858 299	3 606 291	3 433 443	3 343 833	4 704 077	37 095 418	66 721 906	
Receivables from Exchange Transactions - Waste Management		267 109	161 426	150 973	143 703	142 521	140 077	137 831	1 553 793	2 697 433	
Receivables from Exchange Transactions - Property Rental Debtors		18 674	15 718	14 053	7 373	6 325	4 832	4 184	137 686	208 845	
Interest on Arrear Debtor Accounts		530 397	503 761	474 650	-	407 067	378 959	48 479	742 380	3 086 693	
Other		-158 200	-227 013	-183 208	-94 858	-55 057	92 116	-120 763	-272 439	-1 019 421	
Total By Income Source		6 131 256	4 661 161	4 314 767	3 662 508	3 934 300	3 959 818	4 773 807	39 256 840	70 694 456	
Water and sewer											
Trade and Other Receivables from Exchange Transactions - Water		281 468	148 478	46 038	54 356	45 521	798 904	40 568	620 848	2 036 182	
Receivables from Exchange Transactions - Waste Water Management		29 633	16 893	13 077	10 539	9 135	7 802	6 451	121 372	214 902	
Total water and sewer		311 101	165 371	59 115	64 895	54 657	806 706	47 020	742 220	2 251 084	
Total By Income Source		6 442 356	4 826 532	4 373 882	3 727 403	3 988 956	4 766 523	4 820 827	39 999 060	72 945 539	
Debtors Age Analysis By Customer Group											
Organs of State		1 579 295	1 559 888	1 526 962	1 320 323	1 437 469	1 422 176	1 976 822	12 657 008	23 479 942	
Commercial		1 941 412	1 700 997	1 547 813	1 217 223	1 354 391	1 251 935	1 831 190	15 658 730	26 503 691	
Households		2 781 101	1 477 045	1 213 816	1 122 827	1 125 669	1 154 646	982 954	11 104 700	20 962 758	
Other		140 550	88 603	85 290	67 031	71 427	937 766	29 861	578 622	1 999 148	
Total By Customer Group		6 442 356	4 826 532	4 373 882	3 727 403	3 988 956	4 766 523	4 820 827	39 999 060	72 945 539	

The debtors' book, excluding water and sewerage, has grown by R10, 456, 769 (17%) from R60, 237,687 at 30 June 2017 to R70, 694,456 as at 31 December 2017. Based on service classification, the major contributor to the debt is property rates which constitutes R65, 721, 906 (93%), while, in terms of sector classification commercial debtors are the major contributor with a balance of R26, 503,691 (36%).

The total payment from rates and service charges from July 2017 to December 2017 is R21, 414,940, breakdown as follows:

DESCRIPTION	BILLING	REVENUE COLLECTED						
		JUL Y	AUG	SEPT	OCT	NOV	DEC	TOTAL
ADD REFUSE	1 527 344	44 152	116 660	103 355	183 287	105 607	127 856	680 916
RATES GENERAL	35 978 674	1 480 703	2 906 153	2 285 120	5 820 724	4 686 649	3 554 674	20 734 024
TOTAL	37 506 019	1 524 855	3 022 812	2 388 475	6 004 011	4 792 256	3 682 530	21 414 940
PERCENTAGE								57%

The total revenue received from rates and service charges represents 57% of the amounts billed or charged from July 2017 to December 2017

1.5 INVESTMENTS AND CASH AT DECEMBER 2017

As at 31 December 2017 Council had a positive Bank Balance of R157, 184,775, consisting of:

Current account	R52, 118, 533
Call deposit accounts	R105, 065, 531
Float	R710

MID-YEAR INSTITUTIONAL PERFORMANCE REPORT (JULY-DECEMBER 2017)

1. Purpose

The purpose of this report is to give feed-back regarding the institutional performance per Key Performance Area (KPA) scorecard for the Mid-year of 2017/18 financial year. The institutional scorecard is derived from the SDBIP. This report is based on information received from the municipal directorates until 19 January 2018 for mid-year assessment of performance ending December 2017.

2. Executive Summary

This report is an objective view of institutional performance based on the Service Delivery and Budget Implementation Plan (SDBIP) for Mid-year 2017/18.

This quarter **107** Key Performance Indicators were assessed, **73** Key Performance Indicators which constitute **68%** met their targets and **34** Key Performance Indicators which constitute **32%** did not meet targets. The breakdown per KPA is as follows:

- ❖ Spatial Rationale had 7 indicators and all indicators achieved targets.
- ❖ Basic Services had 25 indicators and 14 indicators achieved targets while 11 indicators failed to achieve their targets.
- ❖ Local Economic Development had 3 indicators and all indicators achieved targets.
- ❖ Financial Viability had 17 indicators and 12 achieved targets and 5 failed to achieve targets.
- ❖ Good Governance and Public Participation had 38 indicators and 26 indicators achieved targets and 12 failed to achieve targets
- ❖ Municipal Transformation and Organizational Development had 17 indicators and 11 indicators achieved targets and 6 failed to achieve target

KEY PERFORMANCE INDICATORS	TOTAL KPIS	ACHIEVED KPIS	NONE ACHIEVED KPIS
SPATIAL RATIONALE	7	7	0
BASIC SERVICES	25	14	11
LOCAL ECONOMIC DEVELOPMENT	3	3	0
FINANCIAL VIABILITY	17	12	5
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	38	26	12
MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT	17	11	6
TOTAL	107	73(68%)	34(32%)

NB: DETAILED SDBIP MID-YEAR REPORT ATTACHED.

2.1. 1 Detail Performance per KPA

Spatial Rationale

The following programmes met their targets,

- SDF implemented as targeted
- GIS updated as per targeted
- Land acquisition- amount set aside as targeted
- LUMS- Application approved as targeted
- LUMS-plans received and approved within 90 days as targeted
- SPLUMA campaigns as targeted
- LUMS campaigns as targeted

Basic Services and Infrastructure development

The following programmes met their targets,

- Hloholokwe access road- 10% construction(site establishment and box cutting completed
- Metz internal streets- 67% construction(layer works completed, paving and water channel underway)
- Lorraine-Bellville road-20% (1.7km box cutting and 1.5km road bed completed)
- Kanana to Mahlomelong access road-30% construction(site establishment, box cutting and earthworks)
- Finale access road- 35% construction (box cutting and earthworks in progress)
- Makagung access road- 15% construction (site establishment and box cutting completed)
- Maruleng low level bridge – contractor appointed as targeted
- Bochabelo community hall- project is at 80% complete against the targeted 96%
- Refuse removal- collection done at 6234 households and 52 business establishments against the targeted 2044 households and 50 business establishments
- Cemeteries fenced-Poles planted as targeted
- Maruleng indoor sports centre- 90% complete against the targeted 90%
- Maintenance of roads and bridges- 522.28km road maintained against the targeted 308km
- Maintenance of building- maintained as per target
- Maintenance of machines- maintained as targeted
- Maintenance of parks and gardens-maintained as per target

The following programmes did not achieve targets,

- Free basic electricity- 1288 households provided for against the targeted 3700 households-Low turnout of beneficiaries to register in the indigent register
- Electrical equipments maintained-incapacity to maintain the street lights due to unavailability of a cherry picker vehicle for heights
- IT Equipments purchased –No information provided
- Software upgraded- No information provided

Local Economic Development

The following programmes met their targets,

- EPWP- 165 jobs created through EPWP against the targeted 150 jobs
- LED Programmes (LED programmes)- 10 LED programmes supported against the target of 2
- K2C support- 3 K2C programmes supported

Financial Viability

The following programmes met their targets,

- SCM- 100% compliance to SCM regulations
- Asset and inventory management- 100% compliance as per target
- Supplementary valuation implementation- target met as per target
- Cost coverage-target met as per target
- MIG expenditure- 74% spent against 50%
- Assets update schedule-target met as per target
- MFEMA implementation- 3/3 S71 reports submitted, and 1/1 S52 reports submitted,
- SCM reports- 3 quarterly reports submitted to council as per target
- Fleet management reports- 1 quarterly reports submitted to council as per target
- Debt coverage - 0% of debt coverage ratio against target 0%

The following programmes did not achieve its target,

- Revenue collection- only 39 collection against 50% target
- MSCOA-95% compliance against 100% compliance
- Operation and maintenance budget expenditure- only 28% of the targeted 50%
- Personnel expenditure- only 40% of the targeted 50%
- Capital expenditure (own funding) - only 39% of the targeted 50%

Good Governance and Public Participation

The following programmes met their targets,

- External auditing-90% of the issues addressed for 2015/16 audit, the remainder is yearend disclosure
- % of AG queries resolved-90% of the issues addressed for 2015/16 audit, the remainder is yearend disclosure
- Risk Based internal Plan- 2 quarterly risk management reports developed and submitted as per target
- Number of PMS audits conducted-1 PMS PMS audit conducted
- Communication strategy- strategy adopted by council as per target
- Audit Committee-4 audit committee meeting held as per target
- Fraud and corruption- target met as per target
- Risk management-target met as per target
- Imbizo(Public participation) – 1 imbizo held as targeted
- Ward committees- all ward 14 wards are functional
- MPAC meeting- 1 meeting held as per target
- Council function and support – council meetings and its sub-structures met as per target
- Library awareness campaign- target met as per target
- Greening programme-target met as per target
- Maruleng youth programme- 1 activities held as per target
- Disability programme- target met as per target
- Disaster risk management awareness campaigns- 3 campaigns held as per target
- Disaster risk management plan reviewed- target met as per target
- Portfolio committee- target met as per target
- Cleanest village- target met as per target

The following programmes did not achieve their targets,

- Audit and performance committee resolutions implemented-target not met
- Risk management implementation-the actions to mitigation the risks were not all
- % implementation of identified risks mitigations-only 50% implementation of identified risks mitigations instead on 100%
- Number of institutional Risk Management Committee meetings held-no committee meeting held
- % internal audit findings resolved- 60% of the audit findings resolved will 40% still outstanding -the follow up report is updated as and when reports are issued, progress is monitored through management meetings
- % of Audit and Performance Committee resolutions implemented-75% resolutions implemented while 25% still outstanding-resolutions are updated quarterly and monitored in management meetings and subsequently audit committee management meetings
- % of complaints resolved-target not met
- Communication strategy- target not met
- Energy forum- target not met
- MPAC- only 50% MPAC resolutions implemented against 50% targeted
- Traditional leaders allowance- only 2 received allowance whilst the target was 2

Municipal Transformation and Organizational Development

The following programmes met their targets,

- IDP review- IDP/Budget adopted as per target
- Employment equity- 5 people with disability as per target
- PMS- 2 reports submitted as per target
- Payroll management- 100% accuracy as per target
- Overtime management-100% accuracy as per target
- Legal Services- target met
- Legal services- all 5 service providers have SLA as per target
- OHS-1 compliance reports as per target

The following programmes did not meet their targets,

- PMS – only 3 Senior managers have signed performance agreements whilst the target was 6-Director Corporate Service, Chief Financial Officer and Director Technical Services post are Vacant(Only for Senior Managers/Directors)
- Work skills plan- 4 employees capacitated instead of 20
- Local Labour Forum- target not met
- Employment Equity Plan- no employment made whilst the target was 1

Performance highlights of the General Indicators/ National KPA's

General Indicator	Performance
Service Delivery	<ul style="list-style-type: none"> • 16 662/24 700 households with access to water • 22 983 /24 700 households with access to sanitation • 22 167/ 28 890 households with access to electricity • 2102/24 700 households with access to basic refuse removal
Financial Viability	<ul style="list-style-type: none"> • 10% Capital budget spent (MIG – 74%& own funding- 39 %) • Cost coverage- 15% against the targeted 4% • Debt coverage (municipality has no debt)
Local Economic Development	<ul style="list-style-type: none"> • 164 Jobs created
Municipal Transformation and Organisational Development	<ul style="list-style-type: none"> • 49.2% of the budget allocated on the work skills plan spent (not reported)
Employment Equity	<ul style="list-style-type: none"> • 5 people with disability which translate to 7.6% which is above the national target of 2%. • 3 of the filled top management positions 2 are females (75%)

CONCLUSION

This comprehensive report was able to paint a clear picture on areas of strengths as well as weaknesses. It will be used as a yard stick to strengthen areas of achievements and improvements on areas of weaknesses for the Mid-Year report of the financial year and other reports.

RECOMMENDATIONS

Adherence in the Municipal Performance Management Framework.

NB: Attached is the detailed SDBIP

3. PROGRESS REPORT ON RESOLVING OUTSTANDING TARGETTS FOR FINANCIAL YEAR 2017/18

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 (2016/17) 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 2016/17. The Internal Audit Unit, Audit Committee will monitor the implementation of the management plan and report compliance or non-compliance to management and Council.

3.1 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 (KPI's) are owned and executed by the responsible Directorates.

Furthermore, the Audit Committee ensures that Council is involved in the auditing of Non-Financial Performance information. Notwithstanding the many challenges, the municipality met 68% (73KPI's out of 107 measured) which is an indication of the organisation's commitment towards services delivery in the community.

Attached as Annexure is the audited Top Layer SDBIP for the first half of the financial ending 31 December 2017 which measures the Municipality

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

Acronyms and Abbreviations

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
WSP	Work skills plan
#	Number
%	Percentage

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-

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

2. The above is the Mid-year Budget and Performance Assessment taking into account the stipulations of the MFMA, Section 72 (1) as at 31 December 2017.

Compiled by:	Approved by:
 The Municipal Manager Mr. S.J Lethole 25.01.18	 The Mayor Cllr. H.M Thobejane 25.01.18