



**MID-YEAR BUDGET AND PERFORMANCE
ASSESSMENT REPORT
31 DECEMBER 2015**

LAYOUT OF THE REPORT

This report is divided into the following two interrelated parts:

Part 1: This section covers the Mayor's Report, Resolutions, Executive Summary and the In-Year budget statement tables

Part 2: This section focuses on supporting documentation to the report, the supporting documentation to this particular report include debtors' analysis, creditors analysis, investment portfolio analysis, allocation and grant receipts and expenditure, councillor's allowances and employees benefits; material variances to the service delivery agreement and budget implementation plan, capital programme performance, Municipal Manager's quality certification

PART 1: IN-YEAR REPORT

1.1. Mayor's Report

In terms of section 72 (1) (a) and 52 (d) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report of such assessment must in terms of section 72 (1) (b) of the Local Government: Municipal Finance Management Act No. 56 of 2003 be submitted to the Executive Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the section 72 report, such a report must be submitted to council by the 31 January each year as required in terms of section 54 (f) of the Local Government: Municipal Finance Management Act No. 56 of 2003. The mid-year budget and performance assessment report and supporting tables of Ngwathe Local Municipality, was also prepared in accordance with the requirements of MFMA Circular No. 13 and the Municipal Budget and Reporting Regulations.

In order to achieve our goals as set out in our Integrated Development Plan we have to strive for institutional excellence through institutional re-engineering, effective leadership and effective long range development planning. Although there has been significant progress made towards realization of the set performance objectives for the period under review, there are however still a number of challenges that needs to be overcome and these include the following dominant challenges:

- Shortage of Staff;
- Undesirable Audit Opinions from the Auditor-General;
- Vacancies at senior management level;
- Revenue losses due to electricity theft, illegal connections and distribution losses.

All of these challenges invariably have a negative bearing on the overall performance of the municipality.

However, pro-active measures have already been instituted to effectively deal with these challenges. These include, amongst others, the filing of the vacancy of the Municipal Manager with effect from 1 March 2016, Implementation of effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored. We believe that having appointed the Municipal Manager will assist the administrative wing of the municipality in effectively exercising adequate oversight responsibility over financial management of the municipality, compliance with financial management norms and standards as well as other aspects of performance reporting.

Primary reasons for the recommendation to adopt an adjustments budget result from unforeseen capital funding amounting to R5 million from the Department of Treasury, R40 million from Department of water and sanitation being made available to the municipality, the realignment of

approved municipal capital programme and the realignment of sundry budgeting provisions in line with the approved Virement policy resulting from updated implementation programmes.

In conclusion, I am confident that the mid-term performance results as contained in this report sets a tone for overall improved institutional performance results for this financial year and based on these results and the outlook of the remaining term of this financial year, I hereby recommend adjustment of the entity's 2012/13 MTREF.

1.2 Resolutions

In line with regulation 5 of Schedule F of Municipal Budget and Reporting Regulations, 2009, a resolution is hereby presented that:

- a) Council received the Mid-term Assessment Report 2015/16 and the accompanying supporting documents;
- b) Council note the Mid-term Budget & Performance Assessment Report 2015/16 and that it be submitted to National and Provincial Treasury; and
- c) Based on this report, an adjustment budget be prepared and submitted for approval by the council.

1.3 Executive Summary

Purpose

The purpose of this report is to ensure legislative compliance and also to facilitate accountability to the Fezile Dabi District Municipal Council against the targets that we have set for ourselves for the period 2015/16.

This report is prepared in compliance with Section 72 of the Municipal Finance Management Act, 56 of 2003 (MFMA), the purpose of which is to facilitate accountability by the Municipal Manager and her Executive Management Team to the municipal council, over the performance of the municipality for the first six months of 2015/16 financial year.

Legislative Background

Section 72 (1) of the Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA) requires that the accounting officer of a municipality must by 25 January of each year; assess the performance of the municipality during the first half of the financial year. The act further prescribes that the assessment must take the following matters into account:

- The monthly statements referred to in section 71 for the first half of the financial year;
- The municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan; and

- The past year's annual, and progress on resolving problems identified in the annual report.

Furthermore, regulation 56 and 57 of Municipal Budget and Reporting Regulations, 2009 also provides guidelines on the format and tabling of the mid-year budget and performance assessment respectively.

In order to ensure accountability, the assessment report must be submitted to the municipal council and furthermore, the report must be made public in line with section 21A of Municipal Systems Act, 32 of 2000 (MSA) as amended.

General

Specific variances to previously estimated results and sundry budgetary amendments, whether previously individually approved or recommended for adoption in this report, are proposed for adoption into an Adjustments Budget, where applicable.

Matters proposed for incorporation into an Adjustment Operating and Capital budget, are listed below

Provision of basic services

The budget amendments will have no detrimental impact on the provision of basic services, other than the changes to the implementation timeframes of capital projects, however the financial year 1516 provision for basic services line items shows an elements of under budgeting in terms of year to date expenditure that compels an adjustment into those line items.

Adjustment highlights

Adjustments made to the Operating Budget

An addition of R 13 million to the employee related costs budget is proposed. The increase is partially correcting the under budgeted employee related costs provision for the 2015/16 financial year. Amendments made to the municipal operating budget relate to administrative transfers of budgetary provisions in respect of Sundry Expenditure items, which are proposed in accordance with Council's approved system of delegation and the Virement Policy. These transfers do not affect the total budget envelope.

Adjustments made to the Capital budget

Implementation progress achieved when measured against planned YTD expenditure for the respective funding sources at the end of the mid-year period (December 2015) is as follows:

- | | | |
|--------|---|-----|
| • MIG | - | 39% |
| • DME | - | 78% |
| • RBIG | - | 39% |
| • ASIP | - | 15% |

Based on the aforementioned implementation rate, fund shifts in relation to the capital programme for 2015/16 are as follows:

SOURCE OF FUNDING	APPROVED BUDGET FY15_16	PROPOSED ADJUSTMENT BUDGET FY15_16	INCREASE/ (DECREASE)
RBIG	0	R20m	R20m
ASIP	0	R20m	R20m

Major Increases/Decreases per funding source

National Grants

The proposed increase of R 40 million is due to the Department of Water and Sanitation making the money available to the municipality in respect of **RBIG** and **ASIP**, the amount was not part of the original budget adopted for 2015/16 budget.

Within the Municipal Infrastructure Grant implementation programme a number of adjustments are proposed, the adjustments are outlined as follows:

Upgrading of the Heilbron Waste Water Treatment Plant – MIG/FS0623/S/08/10

Expenditure incurred for the current year is R 1, 4 million. The project has been completed and is closed.

Upgrading of the Parys Waste Water Treatment Plant – MIG/0624/S/08/10

Expenditure incurred amounts to R1 million. Project is complete and expenditure incurred was on professional fees.

Refurbishment and upgrading of the Parys Water Purification Plant/ Compact Plant – MIG/FS0714/W/09/09

The amount spend is R3.9 million on the **Water Compact Plant**, the project is complete and closed, the plant operating very well.

Construction of the Heilbron sports complex – MIG/FS0952/CF/13/13

Phase 2 is completed

Paving of internal roads in Edenville – MIG/FS0954/R,ST/13/14

The amount spend is R183 500.00, the project is complete and closed.

Paving of internal roads in Koppies – MIG/FS0955/R,ST/13/14

The amount spend is R 300 000.00, the project is complete and closed.

Construction of a storm water channel in Koppies – MIG/FS1056/SW/14/16

The amount spend is R 8, 1 million on the project to date and the project is progressing well.

Heilbron Installation of Water Meters

The project incurred R 1, 2 million of expenditure, the project completed and closed

Installation of High Mast Lights (Parys, Vredefort, Koppies & Heilbron)

The project allocation is R1, 2 million per town. Total allocation of R 4, 8 million.

Mokwallo construction of Sewer Network

R850 000 has been used which relates to 36% of the project, the project is under way and it is nearing completion.

Solid waste disposal sites in Parys

Budget allocated amounts to R2, 5 million and the project has not started as yet.

Revenue (Internal)

In an effort to increase the municipality's revenue base and collection potential, an electrification programme to install smart electricity meters has been included in the internally funded capital programme. The programme was also partly funded by the Department of Treasury in a quest to support the municipality. The municipality has already seen results from installing split meters, in Koppies, revenue generated from the sale of electricity has increased by 200 per cent and subsequent to that results are starting to show evidence with the installed smart bulk business meters.

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Proposed changes to the internally funded capital programmes are as follows:

Vote	Department	Description	Budget	Movement	Balance	EXP %
O0000000000000	SEWERAGE	SPECIAL PROJECT - TOKOLOHO SPILLAGE	6 500 000,00	2 477 790,00	1 222 210,00	19%
1120/20/4/01/0025	SEWERAGE	SPECIAL PROJECT - MBEKI SPILLAGE	3 700 000,00	2 477 790,00	1 222 210,00	33%
1120/45/4/01/0045	ELECTRICITY	ELECTRICITY SPECIAL PROJECT KOPPIES	2 600 000,00	2 301 842,32	298 157,68	100%
			52 800 000,00	14 376 370,40	35 623 629,60	

Revenue amendments

The revenue adjustments are not changing the budget envelope approved by council, however it only apply Virement principle in moving monies within the votes.

Adjustment Budget Tables

The ten primary budget tables, as required in terms of Part 4 of the Municipal Budget and Reporting Regulations (MBRR), are presented on page 11 to page 27. These tables reflect the Municipality's 2015/16 adjustments budget proposals and MTREF to be approved by Council. Each table is accompanied by explanatory notes.

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Table 3 MBRR Table B1 - Adjustments Budget Summary

FS203 Ngwathe - Table B1 Adjustments Budget Summary -

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	56 633	-	-	-	-	-	-	-	56 633	59 918	63 094
Service charges	283 149	-	-	-	-	-	-	-	283 149	312 861	345 937
Investment revenue	1 858	-	-	-	-	-	-	-	1 858	1 966	2 070
Transfers recognised - operational	162 761	-	-	-	-	-	-	-	162 761	159 080	158 359
Other own revenue	26 410	-	-	-	-	-	-	-	26 410	27 942	29 428
Total Revenue (excluding capital transfers and contributions)	530 811	-	-	-	-	-	-	-	530 811	561 767	598 887
Employee costs	156 859	-	-	-	-	-	-	-	156 859	165 486	174 257
Remuneration of councillors	11 073	-	-	-	-	-	-	-	11 073	11 682	12 301
Depreciation & asset impairment	95 000	-	-	-	-	-	-	-	95 000	100 225	105 537
Finance charges	1 000	-	-	-	-	-	-	-	1 000	1 055	1 111
Materials and bulk purchases	258 114	-	-	-	-	-	-	-	258 114	292 168	330 822
Transfers and grants	43 637	-	-	-	-	-	-	-	43 637	46 175	48 480
Other expenditure	89 530	-	-	-	-	-	-	-	89 530	105 510	111 103
Total Expenditure	655 213	-	-	-	-	-	-	-	655 213	722 300	783 610
Surplus/(Deficit)	(124 401)	-	-	-	-	-	-	-	(124 401)	(160 533)	(184 723)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(124 401)	-	-	-	-	-	-	-	(124 401)	(160 533)	(184 723)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(124 401)	-	-	-	-	-	-	-	(124 401)	(160 533)	(184 723)
Capital expenditure & funds sources											
Capital expenditure	43 637	-	-	-	-	-	-	-	43 637	46 175	48 480
Transfers recognised - capital	43 637	-	-	-	-	-	-	-	43 637	46 175	48 480
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	43 637	-	-	-	-	-	-	-	43 637	46 175	48 480
Financial position											
Total current assets	942 843	7 990	7 990	-	-	-	-	7 990	15 980	-	-
Total non current assets	1 229 091	153 960	153 966	-	-	-	-	153 966	307 926	-	-
Total current liabilities	242 292	-	-	-	-	-	-	-	242 292	-	-
Total non current liabilities	40 052	-	-	-	-	-	-	-	40 052	-	-
Community wealth/Equity	1 162 770	-	-	-	-	-	-	-	1 162 770	-	-
Cash flows											
Net cash from (used) operating	(37 015)	-	-	-	-	-	-	-	(37 015)	(35 997)	(25 247)
Net cash from (used) investing	(50 647)	-	-	-	-	-	-	-	(50 647)	(22 175)	(24 480)
Net cash from (used) financing	(2 200)	-	-	-	-	-	-	-	(2 200)	(1 055)	(1 111)
Cash/cash equivalents at the year end	(54 077)	-	-	-	-	-	-	-	(54 077)	(59 227)	(50 838)
Cash backing/surplus reconciliation											
Cash and investments available	211 533	9 232	9 238	-	-	-	-	9 238	18 470	-	-
Application of cash and investments	99 444	-	-	-	-	-	-	-	99 444	-	-
Balance - surplus (shortfall)	112 089	9 232	9 238	-	-	-	-	9 238	(80 974)	-	-
Asset Management											
Asset register summary (WDV)	152 718	152 718	152 718	-	-	-	-	152 718	305 436	-	-
Depreciation & asset impairment	95 000	-	-	-	-	-	-	-	95 000	100 225	105 537
Renewal of Existing Assets	18 125	-	-	-	-	-	-	-	18 125	-	-
Repairs and Maintenance	14 300	-	-	-	-	-	-	-	14 300	-	-
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	44 879	-	-	-	-	-	-	-	44 879	47 347	49 857
Households below minimum service level											
Water:	1	-	-	-	-	-	-	-	1	-	-
Sanitation/sewerage:	2	-	-	-	-	-	-	-	2	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	1	-	-	-	-	-	-	-	1	-	-

Explanatory notes to MBRR Table B1 - Adjustments Budget Summary

- a) Table B1 represents a high-level summation of the Municipality's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.
- b) In essence it provides a synopsis of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance and the Municipality's commitment to eliminate basic service delivery backlogs.
- c) The importance of ensuring that a municipal budget is fully funded is stressed in the municipal financial management reforms. To test whether a municipality is funded it is required to collectively assess the financial performance, capital budget, financial position and cash flow budgets. The Municipality's key outcomes in this regard are as follows: a. The Municipality's financial performance shows deficit positions over the 2015/16 MTREF. This is attributed to certain expenditure items such as Depreciation and impairment, which are included in the financial performance, but is funded from accumulated surplus.
- d) The Municipality's cash backing/surplus reconciliation over the 2014/15 MTREF shows a positive trend, which is an indication that the Municipality will be able to afford its commitments over the next three years.
- e) The Municipality's persistent strive to eradicate infrastructure backlogs is evident in the annual increase of investment in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for sanitation, water and electricity services.

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Table 4 MBRR Table B2 - Adjustments Budget Financial Performance (standard classification)

FS203 Ngwathe - Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Standard												
<i>Governance and administration</i>		237 804	-	-	-	-	-	-	-	237 804	275 657	280 972
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		237 798	-	-	-	-	-	-	-	237 798	275 652	280 967
Corporate services		5	-	-	-	-	-	-	-	5	6	6
<i>Community and public safety</i>		4 081	-	-	-	-	-	-	-	4 081	4 318	4 552
Community and social services		884	-	-	-	-	-	-	-	884	935	984
Sport and recreation		2 096	-	-	-	-	-	-	-	2 096	2 218	2 335
Public safety		1 102	-	-	-	-	-	-	-	1 102	1 166	1 232
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		872	-	-	-	-	-	-	-	872	923	972
Planning and development		868	-	-	-	-	-	-	-	868	918	967
Road transport		4	-	-	-	-	-	-	-	4	4	5
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		288 035	-	-	-	-	-	-	-	288 035	318 031	351 380
Electricity		166 715	-	-	-	-	-	-	-	166 715	189 674	215 802
Water		42 754	-	-	-	-	-	-	-	42 754	45 234	47 637
Waste water management		41 380	-	-	-	-	-	-	-	41 380	43 780	46 317
Waste management		37 186	-	-	-	-	-	-	-	37 186	39 343	41 624
<i>Other</i>		20	-	-	-	-	-	-	-	20	21	22
Total Revenue - Standard	2	530 812	-	-	-	-	-	-	-	530 812	598 950	637 898
Expenditure - Standard												
<i>Governance and administration</i>		187 698	-	-	-	-	-	-	-	187 698	209 453	220 555
Executive and council		41 255	-	-	-	-	-	-	-	41 255	43 524	45 831
Budget and treasury office		129 823	-	-	-	-	-	-	-	129 823	148 395	156 260
Corporate services		16 620	-	-	-	-	-	-	-	16 620	17 534	18 463
<i>Community and public safety</i>		47 897	-	-	-	-	-	-	-	47 897	50 531	53 210
Community and social services		21 554	-	-	-	-	-	-	-	21 554	22 739	23 945
Sport and recreation		12 448	-	-	-	-	-	-	-	12 448	13 133	13 829
Public safety		12 478	-	-	-	-	-	-	-	12 478	13 164	13 862
Housing		1 417	-	-	-	-	-	-	-	1 417	1 495	1 574
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		120 575	-	-	-	-	-	-	-	120 575	127 206	133 948
Planning and development		1 660	-	-	-	-	-	-	-	1 660	1 751	1 844
Road transport		118 914	-	-	-	-	-	-	-	118 914	125 455	132 104
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		311 862	-	-	-	-	-	-	-	311 862	348 872	390 532
Electricity		244 859	-	-	-	-	-	-	-	244 859	278 183	316 097
Water		31 353	-	-	-	-	-	-	-	31 353	33 078	34 831
Waste water management		20 497	-	-	-	-	-	-	-	20 497	21 624	22 771
Waste management		15 153	-	-	-	-	-	-	-	15 153	15 986	16 833
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	668 031	-	-	-	-	-	-	-	668 031	736 063	798 244
Surplus/ (Deficit) for the year		(137 219)	-	-	-	-	-	-	-	(137 219)	(137 113)	(160 346)

**Explanatory notes to MBRR Table B2 - Adjustments Budget Financial Performance
(Standard classification)**

- a) Table B2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.
- b) A deficit of R187 219 for 2015/16 is reflected in this table as total Revenue.

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Table 5 MBRR Table B3 - Adjustments Budget Financial and expenditure by municipal vote)

FS203 Ngwathe - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		237 804	-	-	-	-	-	-	-	237 804	238 475	241 962
Vote 3 - Planning and Development		868	-	-	-	-	-	-	-	868	918	967
Vote 4 - Community and Social services		883	-	-	-	-	-	-	-	883	934	984
Vote 5 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1 102	-	-	-	-	-	-	-	1 102	1 166	1 232
Vote 7 - Sports and Recreation		2 096	-	-	-	-	-	-	-	2 096	2 218	2 335
Vote 8 - Waste Management		37 186	-	-	-	-	-	-	-	37 186	39 343	41 624
Vote 9 - Waste Water Management		41 380	-	-	-	-	-	-	-	41 380	43 780	46 317
Vote 10 - Road Transport		2	-	-	-	-	-	-	-	2	2	2
Vote 11 - Water		42 754	-	-	-	-	-	-	-	42 754	45 234	47 637
Vote 12 - Electricity		166 715	-	-	-	-	-	-	-	166 715	189 674	215 802
Vote 13 - Technical Services and PMU		2	-	-	-	-	-	-	-	2	2	2
Vote 14 - Airport		20	-	-	-	-	-	-	-	20	21	22
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	530 811	-	-	-	-	-	-	-	530 811	561 768	598 887
Expenditure by Vote	1											
Vote 1 - Executive and Council		41 255	-	-	-	-	-	-	-	41 255	43 524	45 831
Vote 2 - Finance and Admin		146 443	-	-	-	-	-	-	-	146 443	165 929	174 723
Vote 3 - Planning and Development		1 660	-	-	-	-	-	-	-	1 660	1 751	1 844
Vote 4 - Community and Social services		21 554	-	-	-	-	-	-	-	21 554	22 739	23 945
Vote 5 - Housing		1 417	-	-	-	-	-	-	-	1 417	1 495	1 574
Vote 6 - Public Safety		12 478	-	-	-	-	-	-	-	12 478	13 164	13 862
Vote 7 - Sports and Recreation		12 448	-	-	-	-	-	-	-	12 448	13 133	13 829
Vote 8 - Waste Management		15 153	-	-	-	-	-	-	-	15 153	15 986	16 833
Vote 9 - Waste Water Management		20 497	-	-	-	-	-	-	-	20 497	21 624	22 771
Vote 10 - Road Transport		103 239	-	-	-	-	-	-	-	103 239	108 917	114 689
Vote 11 - Water		31 353	-	-	-	-	-	-	-	31 353	33 078	34 831
Vote 12 - Electricity		244 859	-	-	-	-	-	-	-	244 859	278 183	316 097
Vote 13 - Technical Services and PMU		15 676	-	-	-	-	-	-	-	15 676	16 538	17 415
Vote 14 - Airport		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	668 031	-	-	-	-	-	-	-	668 031	736 062	798 244
Surplus/ (Deficit) for the year	2	(137 220)	-	-	-	-	-	-	-	(137 220)	(174 295)	(199 356)

Explanatory notes to MBRR Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

- Table B3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.

Table 6 MBRR Table B4 - Adjustments Budget Financial Performance (revenue and expenditure)

FS203 Ngwathe - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	56 633	-	-	-	-	-	-	-	56 633	59 918	63 094
Property rates - penalties & collection charges												
Service charges - electricity revenue	2	162 077	-	-	-	-	-	-	-	162 077	184 768	210 635
Service charges - water revenue	2	42 543	-	-	-	-	-	-	-	42 543	45 010	47 401
Service charges - sanitation revenue	2	41 343	-	-	-	-	-	-	-	41 343	43 741	46 276
Service charges - refuse revenue	2	37 186	-	-	-	-	-	-	-	37 186	39 343	41 624
Service charges - other												
Rental of facilities and equipment		2 477								2 477	2 621	2 760
Interest earned - external investments		1 858								1 858	1 966	2 070
Interest earned - outstanding debtors		12 645								12 645	13 378	14 087
Dividends received		7								7	8	8
Fines		3 846								3 846	4 069	4 290
Licences and permits		1								1	1	1
Agency services		-								-	-	-
Transfers recognised - operating		162 761								162 761	159 080	158 359
Other revenue	2	7 434	-	-	-	-	-	-	-	7 434	7 865	8 282
Gains on disposal of PPE												
Total Revenue (excluding capital transfers and contributions)		530 811	-	-	-	-	-	-	-	530 811	561 767	598 887
Expenditure By Type												
Employee related costs		156 859	-	-	-	-	-	-	-	156 859	165 486	174 257
Remuneration of councillors		11 073								11 073	11 682	12 301
Debt impairment		42 320								42 320	44 648	47 014
Depreciation & asset impairment		95 000	-	-	-	-	-	-	-	95 000	100 225	105 537
Finance charges		1 000								1 000	1 055	1 111
Bulk purchases		248 614	-	-	-	-	-	-	-	248 614	282 145	320 269
Other materials		9 500								9 500	10 023	10 554
Contracted services		16 260	-	-	-	-	-	-	-	16 260	17 154	18 063
Transfers and grants		43 637								43 637	46 175	48 480
Other expenditure		30 950	-	-	-	-	-	-	-	30 950	43 708	46 025
Loss on disposal of PPE												
Total Expenditure		655 213	-	-	-	-	-	-	-	655 213	722 300	783 610
Surplus/(Deficit)		(124 401)	-	-	-	-	-	-	-	(124 401)	(160 533)	(184 723)
Transfers recognised - capital												
Contributions recognised - capital												
Contributed assets												
Surplus/(Deficit) before taxation		(124 401)	-	-	-	-	-	-	-	(124 401)	(160 533)	(184 723)
Taxation												
Surplus/(Deficit) after taxation		(124 401)	-	-	-	-	-	-	-	(124 401)	(160 533)	(184 723)
Attributable to minorities												
Surplus/(Deficit) attributable to municipality		(124 401)	-	-	-	-	-	-	-	(124 401)	(160 533)	(184 723)
Share of surplus/ (deficit) of associate												
Surplus/ (Deficit) for the year		(124 401)	-	-	-	-	-	-	-	(124 401)	(160 533)	(184 723)

Explanatory notes to MBRR Table B4 - Adjustments Budget Financial Performance (revenue and expenditure)

Table B4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

1. An addition of R 13 million to the employee related costs budget is proposed. The increase is partially correcting the under budgeted employee related costs provision for the 2015/16 financial year.

-
2. Amendments made to the municipal operating budget relate to administrative transfers of budgetary provisions in respect of Sundry Expenditure items, which are proposed in accordance with Council's approved system of delegation and the Virement Policy. These transfers do not affect the total budget quantum.
 - 3.

Table 7 MBRR Table B5 - Adjustments Budget Capital Expenditure by vote, standard classification and funding source

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FS203 Ngwathe - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social services		-	-	-	-	-	-	-	-	-	23 552	13 948
Vote 5 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Sports and Recreation		13 837	-	-	-	-	-	-	-	13 837	850	17 000
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		3 999	-	-	-	-	-	-	-	3 999	1 263	-
Vote 10 - Road Transport		6 811	-	-	-	-	-	-	-	6 811	14 402	800
Vote 11 - Water		3 430	-	-	-	-	-	-	-	3 430	-	-
Vote 12 - Electricity		3 000	-	-	-	-	-	-	-	3 000	4 000	4 000
Vote 13 - Technical Services and PMU		2 032	-	-	-	-	-	-	-	2 032	2 109	2 224
Vote 14 - Airport		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	33 109	-	-	-	-	-	-	-	33 109	46 175	37 972
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	10 508
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social services		10 528	-	-	-	-	-	-	-	10 528	-	-
Vote 5 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Technical Services and PMU		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Airport		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		10 528	-	-	-	-	-	-	-	10 528	-	10 508
Total Capital Expenditure - Vote		43 637	-	-	-	-	-	-	-	43 637	46 175	48 480
Capital Expenditure - Standard												
Governance and administration		-	-	-	-	-	-	-	-	-	-	10 508
Executive and council		-	-	-	-	-	-	-	-	-	-	10 508
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		24 365	-	-	-	-	-	-	-	24 365	24 402	30 948
Community and social services		10 528	-	-	-	-	-	-	-	10 528	23 552	13 948
Sport and recreation		13 837	-	-	-	-	-	-	-	13 837	850	17 000
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		6 811	-	-	-	-	-	-	-	6 811	14 402	800
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		6 811	-	-	-	-	-	-	-	6 811	14 402	800
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		10 429	-	-	-	-	-	-	-	10 429	5 263	4 000
Electricity		3 000	-	-	-	-	-	-	-	3 000	4 000	4 000
Water		3 430	-	-	-	-	-	-	-	3 430	-	-
Waste water management		3 999	-	-	-	-	-	-	-	3 999	1 263	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		2 032	-	-	-	-	-	-	-	2 032	2 109	2 224
Total Capital Expenditure - Standard	3	43 637	-	-	-	-	-	-	-	43 637	46 175	48 480
Funded by:												
National Government		43 637	-	-	-	-	-	-	-	43 637	46 175	48 480
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Total Capital transfers recognised	4	43 637	-	-	-	-	-	-	-	43 637	46 175	48 480
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		43 637	-	-	-	-	-	-	-	43 637	46 175	48 480

Explanatory notes to Table B5 - Adjustments Budget Capital Expenditure by vote, standard classification and funding source

- a) Table B5 reflects the Municipality's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.
- b) The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
- c) The capital budget is funded by allocations made to the Municipality by National government in the form of grants and internally generated funds. Capital transfers from National Government grants amount to R 40.8m million (MIG), R 40m (DW&S), R 3m (DME) and Internally generated funds have been provided for amounting to R 12.8 million.

Table 8 MBRR Table B6 - Adjustments Budget Financial Position

FS203 Ngwathe - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash		7 990	7 990	7 990					7 990	15 980		
Call investment deposits	1	202 301	–	–	–	–	–	–	–	202 301	–	–
Consumer debtors	1	732 552	–	–	–	–	–	–	–	732 552	–	–
Other debtors									–	–		
Current portion of long-term receivables									–	–		
Inventory									–	–		
Total current assets		942 843	7 990	7 990	–	–	–	–	7 990	950 833	–	–
Non current assets												
Long-term receivables		–	–	–					–	–		
Investments		1 242	1 242	1 248					1 248	2 490		
Investment property		152 718	152 718	152 718					152 718	305 436		
Investment in Associate		–	–	–					–	–		
Property, plant and equipment	1	1 075 131	–	–	–	–	–	–	–	1 075 131	–	–
Agricultural									–	–		
Biological									–	–		
Intangible									–	–		
Other non-current assets									–	–		
Total non current assets		1 229 091	153 960	153 966	–	–	–	–	153 966	1 383 057	–	–
TOTAL ASSETS		2 171 934	161 950	161 956	–	–	–	–	161 956	2 333 890	–	–
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Borrowing		2 200	–	–	–	–	–	–	–	2 200	–	–
Consumer deposits									–	–		
Trade and other payables		240 092	–	–	–	–	–	–	–	240 092	–	–
Provisions									–	–		
Total current liabilities		242 292	–	–	–	–	–	–	–	242 292	–	–
Non current liabilities												
Borrowing	1	1 777	–	–	–	–	–	–	–	1 777	–	–
Provisions	1	38 275	–	–	–	–	–	–	–	38 275	–	–
Total non current liabilities		40 052	–	–	–	–	–	–	–	40 052	–	–
TOTAL LIABILITIES		282 344	–	–	–	–	–	–	–	282 344	–	–
NET ASSETS	2	1 889 590	161 950	161 956	–	–	–	–	161 956	2 051 547	–	–
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1 162 770	–	–	–	–	–	–	–	1 162 770	–	–
Reserves		–	–	–	–	–	–	–	–	–	–	–
Minorities' interests									–	–		
TOTAL COMMUNITY WEALTH/EQUITY		1 162 770	–	–	–	–	–	–	–	1 162 770	–	–

Explanatory notes to Table B6 - Adjustment Budget Financial Position

- The budgeted Statement of Financial Position of the Municipality has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
- The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash.
- Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the Municipality and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

Table 9 MBRR Table B7 - Adjustments Budget Cash Flow Statement

FS203 Ngwathe - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges		45 307							–	45 307	53 926	59 939
Service charges		206 811							–	206 811	232 950	261 478
Other revenue		11 823							–	11 823	12 509	13 176
Government - operating	1	162 761							–	162 761	159 080	158 359
Government - capital	1	43 637							–	43 637	46 175	48 480
Interest		4 371							–	4 371	4 625	4 870
Dividends		7							–	7	8	8
Payments												
Suppliers and employees		(469 971)							–	(469 971)	(501 212)	(525 164)
Finance charges		(1 000)							–	(1 000)	(1 055)	(1 111)
Transfers and Grants	1	(40 761)							–	(40 761)	(43 003)	(45 282)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(37 015)	–	–	–	–	–	–	–	(37 015)	(35 997)	(25 247)
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE									–	–		
Decrease (Increase) in non-current debtors		25 000							–	25 000	20 000	20 000
Decrease (increase) other non-current receivables									–	–		
Decrease (increase) in non-current investments									–	–		
Payments												
Capital assets		(75 647)							–	(75 647)	(42 175)	(44 480)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(50 647)	–	–	–	–	–	–	–	(50 647)	(22 175)	(24 480)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing									–	–		
Increase (decrease) in consumer deposits									–	–		
Payments												
Repayment of borrowing		(2 200)							–	(2 200)	(1 055)	(1 111)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2 200)	–	–	–	–	–	–	–	(2 200)	(1 055)	(1 111)
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2	35 785							–	35 785		
Cash/cash equivalents at the year end:	2	(54 077)	–	–	–	–	–	–	–	(54 077)	(59 227)	(50 838)

Explanatory notes to Table B7 - Adjustments budget Cash Flow Statement

- The table shows the cash and cash equivalents of the Municipality during the 2015/16 to 2017/18 MTREF.
- The Municipality has embarked on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality.
- For the 2015/16 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term, with cash levels anticipated to exceed R 2.2million by the end of 2015/16.

Table 10 MBRR Table B8 - Cash Backed Reserves/ Accumulated Surplus Reconciliation

FS203 Ngwathe - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	(54 077)	-	-	-	-	-	-	-	(54 077)	(59 227)	(50 838)
Other current investments > 90 days		264 369	7 990	7 990	-	-	-	-	7 990	15 980	59 227	50 838
Non current assets - Investments	1	1 242	1 242	1 248	-	-	-	-	1 248	2 490	-	-
Cash and investments available:		211 533	9 232	9 238	-	-	-	-	9 238	(35 607)	-	-
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing									-	-		
Statutory requirements									-	-		
Other working capital requirements	2	99 444	-					-	-	99 444	-	-
Other provisions									-	-		
Long term investments committed		-	-						-	-	-	-
Reserves to be backed by cash/investments		-	-						-	-	-	-
Total Application of cash and investments:		99 444	-	-	-	-	-	-	-	99 444	-	-
Surplus(shortfall)		112 089	9 232	9 238	-	-	-	-	9 238	(135 051)	-	-

Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

- a) The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 - Funding a Municipal Budget.
- b) In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- c) The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
- d) From the table it can be seen that for the Municipality remained in a deficit net cash flow position for the period ending 2015/16.
- e) Considering the requirements of section 18 of the MFMA, it can be concluded that the 2015/16 MTREF is not fully funded.
- f) As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF, the end objective of the medium-term framework is to ensure the budget is funded/aligned to section 18 of the MFMA.
- g) Table B8 reflects an inclining/positive term trend

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Table	11	MBRR	Table	B9	Asset	Management
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FS203 Ngwathe - Table B9 Asset Management -

Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
											+1 2016/17	+2 2017/18
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands												
CAPITAL EXPENDITURE												
<u>Total New Assets to be adjusted</u>	1	52 522	-	-	-	-	-	-	-	52 522	46 175	48 480
Infrastructure - Road transport		1 066	-	-	-	-	-	-	-	1 066	-	-
Infrastructure - Electricity		10 922	-	-	-	-	-	-	-	10 922	-	-
Infrastructure - Water		1 650	-	-	-	-	-	-	-	1 650	-	-
Infrastructure - Sanitation		7 900	-	-	-	-	-	-	-	7 900	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		21 537	-	-	-	-	-	-	-	21 537	-	-
Community		30 725	-	-	-	-	-	-	-	30 725	46 175	48 480
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	260	-	-	-	-	-	-	-	260	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets to be adjusted</u>	2	18 125	-	-	-	-	-	-	-	18 125	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		13 325	-	-	-	-	-	-	-	13 325	-	-
Infrastructure - Sanitation		4 800	-	-	-	-	-	-	-	4 800	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		18 125	-	-	-	-	-	-	-	18 125	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure to be adjusted</u>	4											
Infrastructure - Road transport		1 066	-	-	-	-	-	-	-	1 066	-	-
Infrastructure - Electricity		10 922	-	-	-	-	-	-	-	10 922	-	-
Infrastructure - Water		14 975	-	-	-	-	-	-	-	14 975	-	-
Infrastructure - Sanitation		12 700	-	-	-	-	-	-	-	12 700	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		39 662	-	-	-	-	-	-	-	39 662	-	-
Community		30 725	-	-	-	-	-	-	-	30 725	46 175	48 480
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		260	-	-	-	-	-	-	-	260	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	2	70 647	-	-	-	-	-	-	-	70 647	46 175	48 480
ASSET REGISTER SUMMARY - PPE (WDV)												
Infrastructure - Road transport	5								-	-		
Infrastructure - Electricity									-	-		
Infrastructure - Water									-	-		
Infrastructure - Sanitation									-	-		
Infrastructure - Other									-	-		
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community									-	-		
Heritage assets									-	-		
Investment properties		152 718	152 718	152 718	-	-	-	-	152 718	305 436	-	-
Other assets									-	-		
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	152 718	152 718	152 718	-	-	-	-	152 718	305 436	-	-
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>	3	95 000	-	-	-	-	-	-	-	95 000	100 225	105 537
<u>Repairs and Maintenance by asset class</u>		14 300	-	-	-	-	-	-	-	14 300	-	-
Infrastructure - Road transport		500	-	-	-	-	-	-	-	500	-	-
Infrastructure - Electricity		600	-	-	-	-	-	-	-	600	-	-
Infrastructure - Water		1 000	-	-	-	-	-	-	-	1 000	-	-
Infrastructure - Sanitation		600	-	-	-	-	-	-	-	600	-	-
Infrastructure - Other		650	-	-	-	-	-	-	-	650	-	-
Infrastructure		3 350	-	-	-	-	-	-	-	3 350	-	-
Community		500	-	-	-	-	-	-	-	500	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	10 450	-	-	-	-	-	-	-	10 450	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		109 300	-	-	-	-	-	-	-	109 300	100 225	105 537
Renewal of Existing Assets as % of total capex		25.7%	0.0%							25.7%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		19.1%	0.0%							19.1%	0.0%	0.0%
R&M as a % of PPE		9.4%	0.0%							4.7%	0.0%	0.0%
Renewal and R&M as a % of PPE		21.2%	0.0%							10.6%	0.0%	0.0%

Explanatory notes to Table B9 - Asset Management

- a) Table B9 provides an overview of municipal capital allocations for new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.

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Table 12 MBRR Table B10 - Basic Service Delivery Measurement

FS203 Ngwathe - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		31609							-	32	32741	32741
Piped water inside yard (but not in dwelling)		0							-	-	0	0
Using public tap (at least min.service level)	2	0							-	-	0	0
Other water supply (at least min.service level)		0							-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		32	-	-	-	-	-	-	-	32	33	33
Using public tap (< min.service level)	3	588							-	1		
Other water supply (< min.service level)	3,4	195							-	0		
No water supply		349							-	0		
<i>Below Minimum Service Level sub-total</i>		1	-	-	-	-	-	-	-	1	-	-
Total number of households	5	33	-	-	-	-	-	-	-	33	33	33
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		28873							-	28 873	30773	30773
Flush toilet (with septic tank)		460							-	460	460	460
Chemical toilet		0							-	-	0	0
Pit toilet (ventilated)		1718							-	1 718	1718	1718
Other toilet provisions (> min.service level)		0							-	-	0	0
<i>Minimum Service Level and Above sub-total</i>		31 051	-	-	-	-	-	-	-	31 051	32 951	32 951
Bucket toilet		1900							-	1 900		
Other toilet provisions (< min.service level)		0							-	-		
No toilet provisions		0							-	-		
<i>Below Minimum Service Level sub-total</i>		1 900	-	-	-	-	-	-	-	1 900	-	-
Total number of households	5	32 951	-	-	-	-	-	-	-	32 951	32 951	32 951
Energy:												
Electricity (at least min. service level)		36000							-	36 000	36000	40911
Electricity - prepaid (> min.service level)		4911							-	4 911	4911	0
<i>Minimum Service Level and Above sub-total</i>		40 911	-	-	-	-	-	-	-	40 911	40 911	40 911
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	40 911	-	-	-	-	-	-	-	40 911	40 911	40 911
Refuse:												
Removed at least once a week (min.service)		32153							-	32 153	32741	32741
<i>Minimum Service Level and Above sub-total</i>		32 153	-	-	-	-	-	-	-	32 153	32 741	32 741
Removed less frequently than once a week									-	-		
Using communal refuse dump									-	-		
Using own refuse dump									-	-		
Other rubbish disposal									-	-		
No rubbish disposal		588							-	588		
<i>Below Minimum Service Level sub-total</i>		588	-	-	-	-	-	-	-	588	-	-
Total number of households	5	32 741	-	-	-	-	-	-	-	32 741	32 741	32 741
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		16000							-	16 000	16000	16000
Sanitation (free minimum level service)		13000							-	13 000	13000	13000
Electricity/other energy (50kwh per household per month)		16000							-	16 000	16000	16000
Refuse (removed at least once a week)		13000							-	13 000	13000	13000
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)									-	-		
Sanitation (free sanitation service)									-	-		
Electricity/other energy (50kwh per household per month)									-	-		
Refuse (removed once a week)									-	-		
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-	-	-
Highest level of free service provided												
Property rates (R'000 value threshold)		30000							-	30 000	30000	30000
Water (kilolitres per household per month)		6							-	6	6	6
Sanitation (kilolitres per household per month)		6							-	6	6	6
Sanitation (Rand per household per month)		0							-	-	0	0
Electricity (kw per household per month)		50							-	50	50	50
Refuse (average litres per week)		0							-	-	0	0
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		3 996							-	3 996	4 216	4 439
Property rates (other exemptions, reductions and rebates)		-							-	-	-	-
Water		12 763							-	12 763	13 465	14 178
Sanitation		6 188							-	6 188	6 528	6 874
Electricity/other energy		10 341							-	10 341	10 909	11 488
Refuse		11 592							-	11 592	12 230	12 878
Municipal Housing - rental rebates		-							-	-	-	-
Housing - top structure subsidies	6	-							-	-	-	-
Other		-							-	-	-	-
Total revenue cost of free services provided (total services)		44 879	-	-	-	-	-	-	-	44 879	47 347	49 857

Explanatory notes to Table B10 - Basic Service Delivery Measurement

- b) Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. No adjustments to the service delivery levels were made in this adjustments budget.
- c) The Municipality is persistently striving to eradicate backlogs. The Municipality's backlog status is as follows: a. Water services - The majority of the Ngwathe Municipal area, both formal and informal settlements, receives potable water service levels that generally meet the National minimum standards as required by the Water Services Act 108 (of 1997). The backlog is as a result of the total informal population estimate increasing.
- d) Households receiving free basic services are generally expected to increase by an average of 5.9% over the 2015/16 MTREF for all services.
- e) The annual increase in households receiving free basic services consequently increases the cost for providing the services. The associated cost of providing the free basic services is projected to escalate from R 40.6 million in 2015/16 and R 42.8 million in 2016/17 etc.

Part 2 - Supporting Documentation

Adjustments to budget assumptions

The budget assumptions which underpinned compilation of the 2015/16 budget have largely materialised and no adjustments are required to those at this stage. In this regard, primary variables such as CPI, collection ratios, interest levels, wage awards, and expenditure levels on earmarked expenditure categories such as Repairs & Maintenance have realised as anticipated.

Adjustments to budget funding

Narrative summary of the impact of the adjustments budget on: Funding of operating and capital expenditure

The Capital expenditure remains fully funded from National grants, however the internally funded projects are expected to be funded from revenue collected by the appointed debt collectors, this essentially means that the internally funded projects will be undertaken in phases as per the collection rate of the appointed collection company.

Financial plans

The financial plan has been revisited considering the longer term effects of the adjustments. The impacts flowing from the adjusted budget will be incorporated in the compilation of the 2016/17 MTREF to ensure affordability and sustainability

Adjustments to collection levels estimated

No change.

Adjustments to monetary investments by type and maturity date

Decrease in anticipated interest income to be realised from investments.

Adjustments to contributions and donations in cash or in-kind

No change.

Adjustments related to the proceeds from the sale of assets

No change.

Adjustments related to the proceeds from the lease of assets, where the period of the lease is three years or more

No change.

Adjustments relating to the planned use of previous years' cash backed surplus

No change.

Adjustments related to proposed new loans to be raised in budget year

No change

Adjustments related to allocations and grants to the municipality

Details on adjustments are discussed in paragraph 3.3.2 (Adjustments to capital Budget).

Adjustments to expenditure on allocations and grant programmes

Details on adjustments are discussed in paragraph 3.3.2 (Adjustments to capital Budget).

Adjustments to allocations and grants made by the municipality

No change

Adjustments to councillors and board members allowances and employee benefits

An addition of R 13 million to the employee related costs budget is proposed. The increase is partially correcting the under budgeted employee related costs provision for the 2015/16 financial year.

No change to councillor's allowances of the upper limits circular by CoGTA, however looking at the trend up to end December 2015, the provision should be sufficient for the 2015/16 financial year. All other allowances remain the same only allowance changes.

Adjustments to service delivery and budget implementation plan (SDBIP)

No significant changes. Ref to revised SDBIP

Adjustments to capital expenditure

Full disclosure on adjustments to the Capital budget is provided in Annexure 1.1 and 1.

2.7. Material Variances Other Key Performance Measures and Indicators

Overview of performance: Other performance indicators

2.7.1. Performance Management System

Performance Management is prescribed by Chapter 6 of the Local Government: Municipal Systems Act No.32 of 2000 and the Local Government: Municipal Planning and Performance Management Regulations. 796 of August 2001.

Section 7 (1) of the aforementioned regulations state that “A municipality’s performance management system must entail a framework that describes and represent how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed including determining the responsibilities of the different role players”. This framework, *inter alia* reflects the linkage between Integrated Development Plan (IDP), Annual Budget, Service Delivery and Budget Implementation Plan (SDBIP) and Individual and Service Provider Performance.

2.7.2. Implementation of Performance Management System

The Integrated Development Plan (IDP) for the 2015/16 financial year was compiled and approved by Council on the 05 June 2015. Performance of the municipality is evaluated by means of a municipal score card (Top Layer Service Delivery and Budget Implementation Plan (SDBIP) at organisational level and through Departmental Service Delivery and Budget Implementation Plan (SDBIP) at Departmental level.

The SDBIP is a plan that converts the IDP and Annual Budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to a department to deliver the service in terms of the approved IDP and Annual Budget. Both SDBIP was prepared and the top layer SDBIP was approved by the Mayor on the 05 June 2015.

2.7.3. Performance Analysis

Although the Service Delivery and Budget Implementation Plan (SDBIP) was developed and distributed to the Municipal Manager and all Heads of Departments (Directors), together with a generic reporting tool aligned to the SDBIP for usage during all reporting interval as required in terms of the Ngwathe Local Municipality PMS Policy Framework. The culture of consistent reporting by all departments remains the biggest challenge facing the municipality. Poor reporting by all managers has led to the Accounting Officer not being in a better position to conduct a realistic assessment as required in terms of section 72 of the MFMA. Reports for the second quarter were received very late after intervention by the office of the Municipal Manager. The second biggest challenge which also led to no assessments being conducted was that, the reporting tool of the

municipality does not provide for the Internal Audit to audit performance reports. This will have to be corrected considering that performance audit is the primary function of internal audit as required by the MFMA. In summary the following are the challenges of the municipality in so far as implementation of Performance Management is concerned:

- Lack of internal institutional mechanisms to ensure effective implementation of PMS;
- Lack of dedicated office to drive implementation of Performance Management System at the Municipality (Monitoring and Evaluation);
- Existence of a Policy PMS Framework without clear roles and responsibilities for the all stakeholders e.g. The Mayor, Chairpersons of Portfolio Committees, The Municipal Manager, Directors etc.;
- Existence of Key Performance Indicators which are not SMART as required in terms of the Framework for Managing Programme Performance of 2007 issued by National Treasury and this was finding of the Auditor General in his report on audit performed on pre-determined objectives of 2013/14;
- 100% of Key Performance Indicators contained in the municipality SDBIP not simple, measurable, attainable, realistic and timeous;
- Lack of dedication from the side of executive management to report regularly, which goes against the signed performance agreements;
- Lack of standing operating procedures (PMS manual), Technical Indicator Descriptions and unavailability of a clear system description outlining the input, process followed and outputs with the reporting framework of the municipality (Key for the Auditor General when performing audit on pre-determined objectives; and
- Limited understating of the concept PMS by the executive management of the municipality and line managers, which has led to non-compliance to reporting requirements;

It must be noted that amid the challenges mentioned above the office of the Municipal Manager is on course to address those challenges, and the following are recommended solutions with clear time lines to address them:

Remedial Actions	Date
Establishment of dedicated PMS Unit	31 March 2016
Review of the current municipality PMS Policy Framework to be aligned to the Integrated Development Plan of the Municipality.	31 March 2016
Review of the current SDBIP to be aligned to the strategic objectives as contained in the Integrated Development Plan	31 March 2016
Development of a proper reporting tool for usage by the Executive Management for regular reporting to Management, Portfolio Committee, Internal Audit Committee, MPAC, EXCO and Council.	31 March 2016
Development of PMS Standing Operating Procedures, Technical Indicator Description and System Description to improve audit outcomes on pre-determined objectives.	31 May 2016
Training on PMS for all stakeholders namely the Mayor, Speaker, Chairpersons of Portfolio Committees, MPAC members, Senior Management Team, Departmental Secretaries, Internal Auditor and Line Managers.	29 February 2016

In order for the municipality to successfully meet the time lines as indicated above and also taking into consideration the nature of the work to be performed. The office of the Municipal Manager hereby recommends to council that, the service of a technically competent service provider in the field of Performance Management Systems be sourced to improve the current state of affairs at the municipality.

The following section of the report provides for a detailed second quarter performance report of the municipality. The report however, does not account for activities performed in the political offices due to non-reporting by the responsible officials.

2.7.4. Detailed Internally Audited Top Layer Second Quarter Performance Assessment Report

2.7.4.1. Office of the Municipal Manager

Name of Department: Municipal Manager								
Key Performance Area 2: Municipal Transformation and Institutional Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
	Sub Unit IDP and PMS							
1.	Review the IDP and develop sector plans	IDP	Compliant IDP processes.	IDP approved within time.	Process Plan Adopted. Final IDP was adopted on the 05 th June 2015. Both documents were submitted to COGTA.	Yes		
2.	Develop and implement the Performance Management System (PMS)	PMS	PMS Framework adopted	Performance Plans to be completed	PMS Framework	Yes	Contracts not signed on time	
		Credible report to be submitted.	Quarterly reports submitted on time.	Some Managers failing to honour the submission date.		Managers not submitting Reports on time.	All reports should be in MM's office by the 10 th of each quarter.	
3.	Ensure that functional systems are in place to ensure legislative compliance.	B2B	Credible report	All reports submitted	Two district meetings (B2B Forum) held and NLM represented.	Yes	B2B Action plan not finished on time.	FDDM/COGTA
Key Performance Area 5: Good Governance and Public Participation								
	Sub Unit Internal Audit							
4.	Improvement on Audit Outcome	Internal Audit	Review: 2014-15 AFS; Fixed Assets Register; Annual Report; Coordinate audit processes and To attend all the ASCM.	Improved audit opinion	Annual audit currently in progress. Coordinated audit processes 100%. Attended all ASCM 100%.	Internal Audit Report on review of AFS, RFI register and attendance registers.	Fixed Assets Register & Annual Reports were submitted late to the unit and were not audited before submission	Fezile Dabi District Municipality Auditors and Consultants assisted in the compilation of PMS annual report. Audit Committee was made aware of the matter.
5.	Improvement on Audit Outcome.	Internal Audit.	Audit on PMS first quarter and second quarter.	Improved audit opinion	First quarter 100% done and second quarter not yet done.	Internal Audit Report on PMS first quarter.	Quarterly PMS reports not generated & POE not available.	The matter was discussed with Acting MM & District to assist.
			Audit on Human Resource and Payroll.	Improved audit opinion and compliance with legislations	Completed the report and circulated it.	Audit report on Human	Management not responding.	Had a meeting with the CFO.

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Name of Department: Municipal Manager								
Key Performance Area 2: Municipal Transformation and Institutional Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
				and internal controls.		Resource and Payroll.		
6.	Improvement on Audit Outcome	Internal Audit	Audit on Expenditure	Improved audit opinion and compliance with legislations and internal controls	Report in final stage	Audit report on expenditure	Late response to RFI's	None
		Audit Committee	Functional audit committee established	Functional audit committee established	Meeting held	Minutes of the AC meeting held	None	None
	Sub Unit Risk Management							
7.	To ensure that risk management unit is fully functional.	Risk management.	Effective and efficient risk management.	To capacitate the Risk Management Unit by July 2015.	Request for two (2) additional risk officers was submitted for the consideration on the reviewed organisational structure.	N/A	The delay on the approval of the organisational structure.	Effective staff utilization be employed noting financial challenges.
				Appointment of risk management committee as per the charter.	Risk Management Committee was appointed.	Yes	Non- sitting of the committee.	Convene the meeting.
				To ensure that draft risk management strategy is approved by council.	Draft risk management strategy item was submitted for consideration by council.	Yes	Council referred the item to Municipal Public Accounts Committee.	Comments from council relating to items referred must be processed to responsible unit to avoid delays.
8.	To ensure proper risk management, Anti- corruption strategies and plans are in place			Ensure that risk registers were updated on the new treasury template.	Risk register of corporate services was updated.	Yes	Risk management activities were not incorporated in daily activities.	Daily activities should be in line with the identified risks in a unit.
		Fraud and Corruption.	A zero tolerance to fraud and corruption activities.	Ensure that fraud prevention plan is approved by council.	Draft fraud Prevention Plan final item was submitted for consideration by council.	Yes	Council referred the item to Municipal Public Accounts Committee.	Comments from council relating to items referred must be processed to responsible unit to avoid delays.
9.	To build a risk consciousness culture within the organisation.	Risk and fraud Management.	Effective and efficient implementation of risk and fraud mechanisms/strategies.	Encourage officials to incorporate risk management activities in their day to day operations of the organisation.	Conducted risk assessment.	Yes	Departments do not respond timeously.	Departments ensure that they respond timeously.

2.7.4.2. Office of the Chief Financial Officer

Name of Department: Finance Department								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
1.	Ensure timeous distribution of the bulk municipal accounts.	Revenue Management.	Monthly Billing.	Billing be done by 20 th of the month.	Billing is still done after the 20 th , monthly billing was as follows: July – 29 July 2015 Aug – 28 Aug 2015 Sep – 29 Sep 2015 Oct – 27 Oct 2015 Nov – 28 Nov 2015	Billing reports dates.	Meter readings management that are incorrect and do not correspond with the financial system which leads to wrong billing.	Put internal officials to capture meter readings, still awaiting the new Organogram to be finalised.
					Accounts were posted after 27 th of the month: July – 4 August 2015 Total accounts R39 999 Total cost for post R131 996.70 Aug – 2 Sep 2015 Total Accounts 37 302 Total cost for post R131 996.70 Sep – 10 Oct 2015 Total accounts 37 302 Total cost for post R123 096.60 Oct – 2 Nov 2015 Total accounts 31 539 Total cost for post R104 078.70 Nov -2 Dec 2015 Total accounts 38 752 Total cost for post R127 881.70 Dec – 29 Dec 2015	Post Office EBDN	Duplicated accounts which resulted in high cost for the post office. The slowness of the financial system as the result of the capacity of the server.	The debit order for the Post Office is still running accordingly. Due to implementation of data purification project for Sep 2015 the municipality has saved about R8 900. 10. Corporate IT in progress to enhance the capacity of the server. An amount of R150 000 for 2015/16 MSIG has been budgeted to procure back-up battery for emergency purposes.

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Name of Department: Finance Department								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
					Total accounts 38 000 Total cost for post R125 400.00			
			Ensure that accurate meter reading is managed.	Consistent and accurate monthly meter reading.	Monthly meter reading are been conducted, however these are 50% accurate.	Yes, metering books.	Meter reading that is incorrect and do not correspond with the financial system which leads to wrong and late billing. High number of faulty meters that need to be replaced.	30 bulk meters has been replaced. EPG has been appointed to install electricity meters for a period of three years. Allocation of meter readers to do data purification within duration of six months (up to Dec 2015).
2.	Ensure timeous distribution of the bulk municipal accounts.	Revenue Management	To effectively manage finances and improve financial sustainability.	The first 2015/16 supplementary valuation roll is implemented.	Implement monthly valuation reconciliation by comparing it with 2014-18 valuation roll within the financial system and all identified variances are cleared on a monthly basis. Supplementary valuation roll for 2015-16 was received on the 31 September 2015.	July 2015 to Sep 2015 rates reconciliation reports. First supplementary valuation for 2015/16. Rates compliance checklist, advertisement and issuing of notices to consumers.	Lack of capacity to perform physical verification on identified variances. None, late payments of the service provider which lead to non-submission of the required information on time to the municipality.	CFO to intervene.

Name of Department: Finance Department							
Key Performance Area 4: Financial Viability and Management							
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015							
NO	Strategic Objective	Area	Key Performance	Planned	Annual Output (s)/ Progress	Type of	Deviation From Targets

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			Indicator (KPI)	Output/Target		Evidence Attached (No)	Challenges	Interventions
1.	Revenue Management.		Rates, services charges and levies levied not later than the last day of the month.	2015/16 tariffs and rates policy to compiled and approved by council by the 29 May 2015.	The following policies were approved by council on the 30 May 2015 for budget implementation, tariff list, tariff policy, indigent policy, credit control policy, rate and taxes policy, bad debts policy, revenue enhancement strategy.	2015/16 approved policies.	None	The municipality has benchmarked with Mangaung Metro Municipality by utilising its policies as the base information. The 2015/16 revenue policies will be signed by the Municipal Manager and Speaker.
			NERSA application.	To prepare and submit to NERSA electricity tariff application and revised D forms on a yearly basis.	NERSA final tariff was approved by the 31 June 2015 and implemented by the 1 July 2015.	NERSA approval letter for 2015/16.	Tariff applied by the municipality was not approved by NERSA. The municipality entered into the engagements with NERSA and the final approved letter was submitted to the municipality by the 09 September 2015. Lack of managing the energy losses which was 37%. Slowness on the implementation on the action plan curbing the energy losses.	Draft ESKOM recovery and payment plan has been to be developed, which will have to include reduction of losses. Provincial Treasury is also on site to assist the municipality with the process plan.
			% increase in revenue from payable bills.	10% increase in revenue from payable bills.	The average increase is about 5% due to debt collection not being consistently implemented on a monthly basis in all towns.	Revenue report.	Lack of vehicles and ladders.	Technical department has requested SCM to procure additional vehicles for revenue management section and ladders as a temporary measure in order to implement of cut-offs.
			Reduction of debt older than 90 days as a percentage of total debt.		Letter were issued however not consistently to the total value of and payment to the amount of, cut off were implemented on a monthly basis with the following total amounts: July 2015 Business- 60 letters payment of R532 080, 131 cut off payment of R171 883.	Cut-off reports	Unable to collect on other services as a result of uncoordinated pre-paid system that is not compatible to E-Venus.	Get additional staff to increase the speed of circulation of demand letters.

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Name of Department: Finance Department								
Key Performance Area 4: Financial Viability and Management								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
					Aug 2015 Residential – 227 cut off and payment of R59 835 and 250 letters payment of 281 033. Sep 2015 134 cut off and payment of R362 226. Oct 2015 Business- letters 7 495 239.69 and payment of R506 029.41 including cut off 481 6011.90 and payment of R313 277.56 Nov 2015 Residential – 6223 924.26 cut offs and payment of R151 415.88, issued 459 378.90 and payment R1 194 527.35. Business- cut off of 149 908.87 and payment R12 950 579.60 and cut off 4 816 011.90 and payment 315 800.50.			
			Number of pay points increased and/or improved (incl. security thereof)	Increase pay points or vending stations for pre-paid selling at least one per town.	On line prepaid system has been phased in the following towns: Parys (partially); Heilbron (fully); Koppies (fully); Edenville (fully) and Vredefort (not implemented).	Landis and Gyr SLA.	Compatibility, short old meters cannot vend on the new system. Lack of network coverage in Vredefort.	One machine is set aside to can vend on old prepaid meters until those meters are installed. In progress of installing towers in Vredefort to improve network coverage.
		Data purification.	To purify data on all accounts.	Analyse the debt accounts.	Debt is analysed, consolidation of accounts is in progress, Government accounts in the progress of being analysed and claim has been submitted to the departments for the payments.	POE	Physical verification started late.	Allocation of accounts to billing officers for cleaning and collection. Bulk meter assessment by EPG is in progress
			Clearing of suspense	Clear suspense	Suspense accounts are not cleared on	Yes, lists of	Lack of capacity and lack	Assign official and provide

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PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
			accounts.	account on a monthly basis.	a monthly basis.	suspense accounts.	of monitoring and complex transactions.	training. Utilise the billing support consultation to investigate and clear suspense accounts.
2.	To ensure that Financial Statements are accurate and contain credible information.	Financial Management.	Submission of the AFS to Audit Committee and Council by August 2105.	Submission of AFS to Audit Committee by August 2015.	Draft AFS submitted to Audit committee on the 25 th September 2015.	Minutes of the meeting attached.	The AFS could not be submitted on time due to in-complete asset register.	Consultants and NLM officials.
				Ensure that a 2103/14 AFS are submitted to AGSA by the 31 August 2105.	AFS submitted to AGSA on the 30 th September 2015.	Set of AFS.	Asset register completed late.	CFO to closely monitor consultants appointed to compile AFS.
3.	To effectively manage finances and improve financial sustainability.	Expenditure	% of operating budget variance in terms SDBIP projections.	100% adherence to expenditure budget.	21% of the OPEX was utilised for quarter one. The trend remains positive and this reflects proper responsible spending and the SDBIP projection versus OPEX remains positive.	Yes, SA 27 schedule.	Lack of proper monitoring of the spending trends.	Enforce proper planning and monitoring of the expenditure trends on a monthly basis.
4.	Budget Control and Monitoring.	Budget	To have a smooth allocation of votes free from misallocations.	To allocate votes correctly. To avoid misallocation at all costs using Virement policy where necessary. Cancellation of orders hanging on the system, to release budget on votes.	Due to pressure on budget, unplanned projects were executed and misallocation incurred. Orders remain hanging on the system but only get to be cancelled on a monthly basis.	Yes, JNL File(Misallocation)	Executing unplanned and unbudgeted projects. Overspending on votes due to lack of proper planning. Lack of proper budget monitoring and reporting.	Disallow all unbudgeted and unplanned projects. Proper planning on spending and encourage services delivery prioritisation. Monitor and report consistently on the short comings and overspendings.
5.	Overtime Submission.	Payroll	Accurate calculation and capturing of overtime.	Receive all overtime documents timeously. Issue payslips seven days before transmission. Attend all queries.	It remains a challenge to receive documents on time. Due to the above it is difficult to issue payslips in seven days. Queries are resolved.	Yes	Delay of submitting the overtime documents to payroll. Changes of details late and during transmissions.	
6.	HR must avail information on time.	Payroll	Control on terminations and capturing of new	95% of work is being done, however it		Yes	Delay of supporting documents by HR.	

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Key Performance Area 4: Financial Viability and Management								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
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							Challenges	Interventions
			employees. Safekeeping of documents or records. Verification of employees.	remains a challenge at times to receive changes information on time.				
7.	Compliance and Reporting: Orders above R100 000 and Contract entered into/appointed.	Supply Chain Management.	To ensure that all project above R100 000 are compliant with the MFMA.	To ensure that monthly reports above R100 000 are send to FS Provincial Treasury.	100% of all orders above R100 000 have been compiled but not yet reported to FS Treasury.	Yes	Awaiting reporting template from FS Treasury.	None (follow up will be made in this regard).
			SCM reports submitted monthly to Provincial and National Treasury on all orders above R100 000 and contract entered into.					
8.	Register all construction projects adverts on the CIDB – tender/website.		To report to Chief Financial Officer all construction projects advertised on CIDB i- tender/website and tenders above 10 million.	To report all construction projects and tenders above R10 million to CIDB.	There was only one construction tender for this quarter and it was reported to CIDB.	Yes	The municipality does not have a relevant personnel and contact from dealing directly with the municipality.	None (follow up will be made in this regard).
9.	Irregular Expenditure (Deviation).		To report on deviations to FINCOM, National and Provincial Treasury/Fezile Dabi DM, Section 32 Committee, CoGTA on Back to Basics.	All deviations and irregular expenditure to reported quarterly.	All deviations and irregular expenditure that took place in the first quarter were reported to Section 32 Committee.	Yes	None	The Accounting Officer to encourage managers to plan in advance in order to avoid unnecessary deviations.
10.	Supply Chain Implementation report.		To report to the Accounting Officer and Hon. Mayor the Supply Chain Management implementation plan on quarterly basis.	To report to the Accounting Officer and Hon. Mayor the Supply Chain Management implementation plan on quarterly basis.	The report is finalised but not yet reported.	Yes	Incomplete information need to be submitted.	Awaiting Response from Director Technical.

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PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
11.	Weekly orders captured, cancelled and gifts given to the SCM personnel	Supply Chain Management	To report on weekly basis all orders captured and cancelled weekly and gift given to SCM personnel to the office of Chief Financial Officer on weekly basis.	To report all weekly captured and cancelled orders to the Chief Financial Officer on weekly basis.	All captured and cancelled orders have been reported.	Yes	None.	
12.	Tenders awarded during 2015/2016.		To report quarterly to FINCOM and Council all tenders appointed during 2015-2016 financial year.	To report all tenders awarded during the first quarter.	All tenders awarded have been reported for the first quarter.	Yes	None.	
13.	To effectively manage finances and improve financial sustainability	Stores Management	Security and stores management. To upgrade security and refurbish stores at Vredefort. Stock taking to be performed bi-annually.	To upgrade security at Vredefort stores for safety of inventory	An advert have already been placed and a service provider has already been appointed	Yes	None	
14.	Manage, Evaluate and Monitor fleet Section.	Fleet Management	To ensure compliance and strict management on fleet by implementing the following:					
			Regular maintenance and inspection on all vehicles and Fleet management and control	To ensure that all municipal vehicles are regularly maintained for service delivery purposes	The municipality has appointed a service provider for repairs and maintenance of municipal vehicles for a period of three years	Yes	None	
			Site training and screening of all drivers.	To screen all municipal drivers in order to ensure that they have valid and relevant	In the planning processes, the project will be implemented during December/January	Yes	F.S. Department of Police, Roads and Transport to be engaged.	

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Key Performance Area 4: Financial Viability and Management								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
				licenses e.g. driving a code 14 truck with a code 10, that they are fit to can drive .e.g. unclear eye site				
15.	Assets Management	Supply Chain Management						
		Assets Disposal	Identifying and Disposal of redundant municipal assets.	To ensure that all redundant assets possible for auction are identified.	All redundant assets possible for auction have already been identified.	Yes	None	
		Capturing of newly bought assets/additions.	Updating assets register on quarterly basis for all newly purchased assets	To continuously capture all newly bought assets in order to update municipality assets register.	All newly bought assets have been captured and bar coded.	Yes	None	
		Employee	To workshop all	To workshop all	A memo was sent to all managers and	Yes	All managers to assist	
		Capacitating in terms of assets management procedures.	Employee on assets management procedures (movable assets).	Employee on assets management procedures (movable assets).	Directors with a procedure document to workshop all employees reporting directly to them. The assets custodians per each unit and department have already been identified and workshoped on assets movement procedure and how to report to assets officers.		Assets unit by conducting a workshop all employees reporting directly to them on assets movement procedures.	
		Assets physical Verification.	To conduct physical verification of movable assets quarterly.	To ensure that verification of movable assets is conduct quarterly.	Physical Verification of assets has been conducted and will be conducted quarterly.	Yes	None	
		Insurance Claim, stolen and damaged assets 2015/2016.	To report quarterly all insurance claims, damaged and stolen assets.	To report progress and claims regarding insurance to the Chief Financial Officer.	All insurance claims have been reported to the Chief Financial Officer.	Yes	None	

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Name of Department: Finance Department								
Key Performance Area 5: Good Governance and Public Participation								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
1.	Indigent Support	Revenue Enhancement	Review the indigent policy and get a Council approval to exclude non indigents from the services.	Capturing of all outstanding indigent in the system and have a register per ward	Indigent register as at December 2015 was at 8 996	Yes, Indigent register.	Lack of capacity Non-renewal of indigents Households Indigent verification too slow and electricity free units not provided on time to qualifying indigents. Non recording of indigent expense	A dedicated official has been assigned to deal with the indigent matters from August 2015 to date. A zero based report on indigents has been implemented for 2015/16 Indigent campaigns for 2015/16 started in June 2015 to ensure that the municipality increase the indigent base to 15 000 by the end of the financial year in all the towns. Meter readers will assist in providing the key changes towards the indigent meters Quarterly Journals will be prepared until the end of the financial year.
2.	To procure goods and services through proper and transparent processes in line with the approved SCM Policy. Reviewing of SCM policy	Compliance in terms of Fleet, Assets and SCM Policy.	Monitor and co-ordinate adherence to policy and legislation as per the requirements of the MFMA, Section 116, by: Updating and review current supply chain policy in line with the	To update and review current supply chain policy in line with the new legislation and SCM model policy. Develop and compile an accredited SCM database and verify	SCM policy has been reviewed and is in line with the SCM Model Policy. A manual data base have been compiled, verification still taking place an currently is at 75%.	Yes Yes	None BCX to assist the SCM on finalization data base capturing process.	

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Name of Department: Finance Department								
Key Performance Area 5: Good Governance and Public Participation								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
			new legislation and SCM model policy.	information of service providers on municipal database.				
3.	Development of the Procurement Plan.		Plan and monitor procurement patterns and tendering processes.	To compile a bid committees (BSC, BEC, BAC) for evaluation and appointment of all tenders during 2015/2016 financial year	The bid committee members have been appointed and annual bid committee schedule have been compiled	No	None	
4.	Bid Committees and Bid Committee annual schedule.	To Establish Bid Committees in terms of SCM policy and Management and annual bid committee schedule.						

2.7.4.3. Office of the Director Corporate Services

Name of Department: Community Services								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
1.	To provide information & statistics on all Legal Claims brought against and on behalf of the municipality	Legal matters	To provide monthly statistics on legal claims brought against as well as on behalf of the municipality -updating of legal files on a continuous basis	To ensure that all legal claims against the municipality are attended to timeously and that no unnecessary penalties and interests are imposed on Council -Provision of legal opinions on technical legal matters	2 matters have been heard at the High court and closed on the 26 October 2015 and 09 December 2015 respectively. These matters involved the Uniting Reformed Church and ESKOM. 9 matters in the magistrate courts have been settled on the 02 November 2015 and they affected the following parties, Stenhardt ING BK, GC Van Zyl, Sethabela Lawrence, Corven, Gouveia, Roos, Stenhard and Van Niekerk.		Failure to pay suppliers for goods delivered & services rendered. Financial constraints encountered by the municipality. Failure to honour contractual obligations as a result of Financial constraints. Shortage of enough personnel to deal with legal matter.	Continuous liaising with Finance Dept. to check on payments of suppliers & Debtor Age Analysis -Urgent finalisation of Organogram & appointment of staff in Legal Dept.
2.	To provide information on outstanding disciplinary cases	Disciplinary Cases	Finalising DC matters within required three months period	Ensuring that DC matters are handled in accordance with prescribed procedures & efficiently.	1 DC hearing matter was handled and the employee was dismissed. The employee applied for the appeal and it was finalised on the 22 nd September 2015 and the outcome confirmed the dismissal.		Lack of trained and skilled personnel to deal with DC matters	Training of Managers and Assistant Managers and Supervisors on handling of Disciplinary cases
3.	To provide information on conciliation & arbitration matters that has been referred to Bargaining Council and Labour Court matters	Salgbc And Labour Court Matters	Finalising & dealing with all Bargaining Council and Labour Court matters amicably without resorting to bargaining council	Ensuring that all B/C cases are finalised in time as sat down by the Bargaining Council and Labour Court	1 matter of interpretation of the collective agreement was finalised in favour of the municipality during the National Bargaining Council matter that sat on the 19th October 2015 at Kimberly. 1 matter for conciliation and Condonation was postponed because the employee and his attorneys did not turn up for the hearing that was held at Kroonstad on the 26th August 2015.		Shortage of skilled personnel to assist with matters referred to bargaining council	Development of B/C and Labour Court matters schedules. Appointment of skilled professionals to assist with B/C matters. Continuous engagement with Labour.

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Name of Department: Community Services								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
					1 matter was set aside at the Labour Court in favour of the municipality			
4.	To fill in strategic critical positions in all departments and units within the municipality.	Recruitment	To advertise all critical vacant positions and ensure that appointments are done in line with applicable Council policies.	Appointment of PMU staff by the 01 November 2015. Advertisement of the vacant post of Municipal Manager in December 2015.	The interviews for Project Management Unit known as PMU were held in 08 – 09 October 2015 for the following positions. PMU Coordinator X 1 PMU Technicians X3 Data Capture X 1 Appointments were made and the appointed employees started working on the 01 November 2015. The position of the Municipal Manager was advertised in December and the closing date was 15 January 2016.			
5.	To train all employees in line with the approved Workplace skills plan.	Skills Development	Prepare the skills audit and the Workplace skills plan and submit such to the LGSETA for approval and funding	Train employees according to the needs analysis as determined by skills audit and in line with the approved Workplace skills plan by June 2016	Skills audit has been done and the WSP has been submitted to LGSETA. The following training interventions has taken place, National Certificate in Office Management Course 6 Learners, Water Process Control Learnership 42 Learners, LED 4 Learners, IDP 5 Learners, Minimum competency course Weinvest 32 Learners.		None	None
6.	Preparation of the schedule to ensure that Council and its committees sit as regulated.	Council, EXCO And Section 80 Committees	Prepare Council meetings on quarterly basis, EXCO and Section 80 Committees on monthly basis and ensure that minutes of these meeting are	Ensure that the agendas for the meetings are distributed in time to Councillors.	Council, EXCO and Section 80 Committees did take place during the period under review.		There are two committees that are not as legislated.	The matter has been reported to the office of the Speaker.

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PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
			taken.					
7.	Set computer and telephone systems that are compatible to the recent technology.	Information And Communication Technology	Connect all the users into the computer system and allocate different user codes functions per job title.	Ensure that the relevant employees are connected to the server for internet and intranet by 30 June 2016.	All relevant employees are connected to internet and intranet has just been established and the IT staff is been trained to install intranet.		Cash flow situation.	Cut off to be prepared to ensure that the municipality is financially viable.

2.7.4.4. Office the Director Community Services

Name of Department: Community Services								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
1.	To develop Sports, Arts, Culture and Recreation in Ngwathe	Development of Sports	Planning and co-ordination of the O.R. Tambo Games	O.R Tambo Game	District Games where played on the 17 th October 2015 at Kroonstad. Provincial where played on the 23 rd October 2015 at Welkom.	Yes		

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FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
2.	To promote sustainable human settlement	Housing	New Township establishment	Pegging of 5300 erven throughout NLM: Kwakwatsi 1764 Tumahole 890 Phiritona 1368 Mokwallo 327 Ngwathe 513	LMV was appointed to peg 5300 erven in Ngwathe. The pegging was completed in November 2015	Yes		
3.	To promote sustainable refuse removal	Refuse:	Purchase of new refuse removal trucks (Compactors)	To purchase 2 Compactors by June 2016	1 Compactor truck was purchased from Government Garage and it was delivered on 18 December 2015.	Yes		
	Spatial Development Framework							
4.	To ensure a coordinated developmental planning and implementation	Spatial Development Plan and Land use Management	SDF aligned with the IDP	Approved SDF	LMV was appointed to prepare SDF and the Draft SDF is completed and was handed to NLM on 21/10/2015	Yes		
			Establishment of Municipal Planning Tribunal (MPT)	Municipal Planning Tribunal	The Council has resolved in the Council meeting held on the 18 th December 2015 in Heilbron to establish MPT	Yes		
	Local Economic Development (LED)							
5.	SEDA, DESTEA and Ngwathe Local Municipality held work shop on the 13-15 October 2015	SMME's and Cooperatives	Organise work shop for SMME's and Co-operatives	SMME's and Co-operative to benefit on how to draft a business plan	Workshop took place on the 13-15 October 2015 at Thutong Library (Tumahole) and 73 candidates attended	Yes	Most of SMME's and Co-operatives did not have business plans and therefore and they are unable to access funding	LED Unit, SEDA and DESTEA urgently intervened

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FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
6.	SEFA organised breakfast session on the 22 October 2015	SMME's and Cooperatives	Access to funding	SMME's and Co-operative to benefit on how to access funding	The breakfast session took place on the 22 October 2015 at Dome Inn lodge Parys	Yes	None	None
7.	CoGTA organized LED workshop on the 28 October 2015	All LED officers and Department of Treasury and Environmental Affairs	To share information from different sectors/ departments/ role players on LED	To support and strengthen matters of LED strategies and partnership on the implementations of LED	The workshop took place at SALGA house in Bloemfontein on the 28 October 2015	Yes	Lack of attendance	Invitations will be forwarded directly to LED Unit
8.	DESTEA organize LED practitioners forum meeting on the 29 October 2015	All LED Directors, manager and District IDP Managers	To provide a structured mechanism and process for all municipalities, sectors and interested parties	To access and advice on the economic development in the Free State	The forum took place at SALGA house in Bloemfontein on the 29 October 2015	Yes	None	None
9.	DESTEA and Ngwathe Local Municipality held a meeting and site visit on the 11 November 2015	LED unit, CDO, Sports officer and ABI(coca -cola)	Operational requirements of kiosks (Fezile Dabi Stadium)	Operational support of street vendors (kiosks)	The meeting held at Fezile Dabi Stadium (Tumahole) on the 11 November 2015	Yes	None operation of the Stadium	Premiers office
10.	Meeting with auction pan beneficiary on the 28 October 2015	LED Unit, Department of Agriculture and Auction pan beneficiaries	To lease auction pan to the beneficiaries	To uplift the economy of Heilbron and creation of employment	The meeting held at municipal office (Heilbron) on the 28 October 2015	Yes	1. Lease agreement 2. Funding to rehabilitate the old damage structure of Auction pan	1. NLM 2. Department of Agriculture and Rural Development
11.	Department of Agriculture organized a training for beneficiaries of Auction pan on the 26 November 2015	LED unit and One god one nation	Train on cooperate Governance training by CoGTA.	To uplift the economy of Heilbron and creation of employment	The meeting held at municipal office (Heilbron) on the 26 November 2015	Yes	Heilbron Agri did not attend the training	The follow up training will be done by Department of Agriculture
12.	DESTEA and SEDA organized visit with the LED unit on the 30 November 2015	LED unit, SEDA and DESTEA	Dissatisfaction expressed by the SMME's in Kwakwatsi about the service they receive from government institution	To address issues raised by Kwakwatsi co-operatives	The meeting held at Kwakwatsi library on the 30 November 2015	Yes	Lease agreement	It was issued

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FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
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							Challenges	Interventions
13.	LED Officer organized a meeting with Vredefort Dome Tourism Association on the 07 October 2015	LED Unit and Vredefort Dome Tourism Association	To share ideas on how to utilise the open space in front of In town lodge (Parys)	To uplift the economy of Parys	The meeting held at Parys museum on the 07 October 2015	Yes	1. Unavailability of grater 2. Street kids occupying the space	1. The municipality 2. Fencing of the open museum with the assistance of the municipality
14.	SALGA organized the conference on inaugural small town on the 22-23 October 2015	All Municipalities	Small town regenerations and revitalising	To assist municipalities on how to revitalise the small towns	The conference was held on the 22-23 October 2015	Yes	Small towns being ignored	SALGA to institutionalise small towns development
15.	The meeting organized by Department of Treasury with LED unit on the 18 November 2015	LED unit and Treasury	Rehabilitation of Mimosa Gardens and Unifees Dam Heilbron	The Department of Treasury will conduct a visibility study	The meeting was held in the LED unit office and the visit was done to both resorts	Yes	Renovation of both places	Department of Treasury
	Municipal Transformation and Institutional Transformation							
16.	To ensure the effective handling of fire rescue and Disaster Management risk reduction	Fire and Rescue Services	To enforce effective response to all calls on time	To dispatch standby teams to attend complaint	All emergency call attended to.	Yes	Insufficient equipment for effective service delivery	Fire engine and water tanker had been budgeted for Awaiting tender processes.
				To dispatch standby teams to attend complaint.	EMERGENCY CALLS Grass Fire 25 Rescue 02 MVA 97		Shortage of personnel Renovation of Heilbron and Parys Fire station.	
					Vehicle Fire 04 House Fire 15 Marches 5 Section 4 meeting 5 Building plans 02.		Employee on standby took time to respond to their call out.	

Ngwathe Local Municipality Mid-Year Budget and Performance Assessment Report 31 December 2015

Name of Department: Community Services								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
					Control Room Calls After HOURS Water 165 Electricity 865 Sewerage 326 Building Plans 02		Standby personnel not responding on time	Relevant managers were engaged.
			Skills developed for Fire Officers.	Training of 10 Fire Officers on First aid by June 2016				
			Procurement of firefighting equipment	Purchase 1 Fire engine by June 2016				
17.	To manage and implement all legislation of the RTA To provide sustainable traffic management within Ngwathe Local Municipality	Traffic	To make sure that the conduct of motorists is within the requirements of the RTA by issuing summons.	Combat all traffic offences within NLM.	28 roadblocks. 108 MVA'S for Ngwathe five towns.	Yes	Lack of human capital to do effective law enforcement.	Organogram.
			To conduct more effective Speed Law Enforcement within the boundaries of Ngwathe Municipality. Parys, Heilbron, Vredefort	To respond to all emergency calls on time	499 tickets issued amounting to R311 050 for Ngwathe five towns.	Yes	Poor road signs and markings led to ineffective law enforcement in NLM.	Procurement of road marking paint and signs.
			Koppies & Edenville traffic		Notices were paid for the amount of R19 150 for traffic offences Section four meetings (5).		Lack of human capital doing warrants of arrest led to insufficient income of revenue. Traffic vehicles which is not serviced and repaired.	To have fully functional eNatis system. (PPP to collect fines) To develop vehicle maintenance schedule.
			Procurement of portable number plate recognition equipment	One by June 2016				
	Good Governance							

Ngwathe Local Municipality Mid-Year Budget and Performance Assessment Report 31 December 2015

Name of Department: Community Services								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
18.	Improvement on Audit Outcome		Less Audit queries	Disclaimer	Contribute towards clean audit	On-going		

2.7.4.5. Office of the Director Technical Services

Name of Department: Technical Services								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
1.	Basic Service Delivery	Basic Services	Number of households with access to basic services.	Basic services provided per town		Quarterly report (Ann 1)		
2.		Access to basic water.	33706 households with access to basic water.	Planned output for the FY: 1,283. Split as follows: Heilbron =1,283 Ward 1: 85 Ward 3: 1 Ward 4: 136 Ward 7: 1,064	Actual progress is as follows (Jan – Mar 15): - Ward 1: 0 - Ward 3: 0 - Ward 4: 0 - Ward 7: 0	Progress report (Annexure A)	Delays due to non-payment of Contractor by Department of Water Affairs, Human Settlements and COGTA. Volume of rock encountered (Heilbron) has also added to the delays. The contractor is off site due to non-payment. Contractor left site in December 2014.	Delays were owing to a shift of projects from Human Settlements to Water Affairs. Swift transfer will ensure delays are kept to a minimum. The problem has been forwarded to the political office for the intervention. Payment issue was partly resolved in mid-January 2015 and Contractor went back to site. Contractor has left site indefinitely.
3.				Backlogs for Edenville (Ngwathe): 200 HH. *No planned target for	None	Basic Water Services Backlog	Funding to eradicate backlogs.	Municipality and DWS exploring the viability of a water pipeline from Koppies.

Ngwathe Local Municipality Mid-Year Budget and Performance Assessment Report 31 December 2015

Name of Department: Technical Services								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
				the FY.		Eradication Master Plan – Baseline December 2013 (Annexure B)	Adequate raw water is also a challenge. Municipality currently utilising boreholes as a water source (Edenville).	

2.7.4.6. Office of the Area Manager Koppies

Name of Department: Area Manager Edenville								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
1.	To coordinate and monitor infrastructure development for provision and access to services.	Basic Services	Number of households with access to basic services	Basic services provided per	Sufficient supply of water to 4416 households.		Experienced 19 pipe burst. Periodical shortages of water especially during summer seasons.	Continuous replacement of asbestos with PVC pipes with cascade clamps. Telemetry system has been installed in to the main water plant to indicate levels of water all the times.
		Infrastructure Development	Capacity of bulk infrastructure developed to secure access to basic services	Infrastructure Projects implemented			Ageing infrastructure.	Upgrading of electrical project around town is currently under construction.
2.	To keep a clean and healthy environment at all times.	Refuse Removal.	All sections to be collected once a week.	Ensure every household is collected weekly.	4416 households including businesses are collected every week.	Yes	Only one refi- tip tractor in town. Landfill site not properly maintained, fenced and licensed.	Opened trailer is used to collect refuse only in town. CWP is currently assisting to clean landfill

Ngwathe Local Municipality Mid-Year Budget and Performance Assessment Report 31 December 2015

Name of Department: Area Manager Edenville								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
								site.
3	To provide sanitation services to all households at all times.	Sanitation.	Smooth collection and healthy community.	Ensure no spillages to every households and blockages at the community.	All complains received attended within two days. 33 sewer blockages attended.	Yes	Continuous blockages due to unnecessary material. Major sewer pipe broken underneath the ground in the 19 th section N/L.	Continuous unblocking. Installation of extra pump in the manhole to divert the sewer.
4.	Fill critical vacancies by June 2015	Institutional arrangements and Staff Development.	Number of critical posts filled	Fill critical vacancies by June 2015	Only 70 employees are working at the Unit.	Yes.	Shortage of qualified and skilled personnel.	Organogram in process to address the situation.
5.	Upgrade and Cleaning, Greening.	Parks and Cemeteries	Clean and Maintained Parks and Cemeteries	Ensure all parks and cemeteries are maintained. Decent funerals.	Weekly digging of graves, Parks not developed and all 2 cemeteries are clean	No	Numbering of graves.	Requisition to procure numbering of graves still to be submitted to SCM.
6.	Increase the level revenue collection.	Revenue Enhancement.	All non -indigent accounts are paid monthly.	All accounts reach residents at all times. Notices should be given to all households monthly. 100% pay rate of services.	Only minimal number of non -indigents are paying services.	Yes	Incorrect billing and late arrival of accounts.	Matters referred to relevant section. Currently we are implementing cut offs.
7.	Maintain all streets and roads.	Roads and Storm water.	Clean and trafficable roads at all times.	Ensure all streets and roads are cleaned.	Gravelling of roads and streets. Patching of potholes.		Incomplete paving in Tladi street. Continuous potholes around town.	Project suggested to Technical Dept. for completion. Using gravel to fix potholes.
				Road signs and markings are installed.	Markings and Signs are very few.		Ageing vandalised road signs.	Requisitions of road signs and markings still to be submitted to the relevant department
				Storm water channels are cleaned and unblocked all times.	70% of channels are cleaned and unblocked.	N/A	Storm water drainage in Ipateleng section.	Major storm water drainage project is currently under construction to address the water challenge during raining season in Ipateleng section.
8.	Provision of	Electricity	Electrical supply to all	Ensure uninterrupted	90% supply of electricity to 4416	Yes	Most street lights are not	Request sent to Ben Ben

Ngwathe Local Municipality Mid-Year Budget and Performance Assessment Report 31 December 2015

Name of Department: Area Manager Edenville								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
	uninterrupted electricity at all times.		households at all times.	supply to all households and community at all times.	households.		working due to stolen copper lines.	to fix those lights. (No progress)
9.	Upgrading and maintain sports facility around the unit.	Sports and Recreational Facilities.	Playable and suitable facilities.	Ensure all grounds are maintained and playable.	Dilapidated and without proper facilities.	Yes	Not fenced and suitable for playing. Town hall need to fenced and refurbished. Kwakwatsi hall.	Project submitted to IDP and PMU. Exploration for funding fencing and refurbishing town hall need to be made. Exploration for funding to be made to refurbish the hall.

2.7.4.7. Office of the Area Manager Vredefort

Name of Department: Area Manager Edenville								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
1.	To coordinate and monitor infrastructure development for provision and access to services	Basic Services	Number of households with access to basic services	Basic services provided	Technical Service 4613 households have access to water.	Quarterly report (July-September 2015)	We experienced frequent pipe (Asbestos) burst	Water –Network Team are repairing and replacing this asbestos pipe with PVC pipes.
					3 samples taken per week at Water Treatment Plant.		We experienced a shortage in water due to the raising demand Bucket Eradication and night-soil removal	DTS together with the DWA are busy with a possibility of resuscitating the old boreholes.

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Name of Department: Area Manager Edenville								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
					Providing sanitation service to 3563 households and removing night-soil regularly to 1040 with a backlog of two day's target.		Appointed contractors have not connected sewerage to the main line but already community members are using those toilets causing blockages of sewer.	Night-Soil Team with the assistant of EPWP is still removing buckets. This matter has been referred to the attention of the Office of Director Technical Service for their intervention.
					The plant is being operated manually not automatically as required since it needs service.		None functioning of the plant. Increasing number of Tampered Meter boxes and unverified meter boxes.	Project is at its final stage. Verifying and resealing of meter boxes is still continuing. Service provider has been appointed for installation of new boxes.
					4613 households and businesses get electricity.		None functioning of Street Lights around Town.	A Service Provider was appointed and half of the Streets Lights has been repaired accordingly. Necessary Supply Chain procedures were followed to hire a Compact Truck. Therefore refuse is being removed as per our weekly target.
2.					Community Service Refuse is removed from all households and businesses.		Early March our Compact Truck broke and eventually it was scrapped.	We are getting assistance from CWP to remove refuse and they closed on 11 Dec till 05 Jan 2016. We managed to hire a front loader to maintain our landfill.

Ngwathe Local Municipality Mid-Year Budget and Performance Assessment Report 31 December 2015

Name of Department: Area Manager Edenville								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
					Mondays – Town & Businesses Tuesdays – Vredeshop& Old Location Wednesdays – Phahameng, Chris-Hani & Mandela Sec Thursdays – Tambo Sec Fridays – Mapetla sec & Businesses.		Shortage of staff. Maintaining Landfill Site. No staff at landfill site. Frequent removal of Dumping Sites. Removing garden refuse. Tractor we are using is not roadworthy as it doesn't have a disc.	Matter has been referred to Director. Through assistance of the Province, we are able to remove dumping sites. With the assistance of CWP we are able to remove garden refuse as per our target.
					Landfill is maintained 2 times per week, Dumping Sites are removed frequently& Garden refuse is removed on daily basis.		Maintaining cemeteries and developing parks. Shortage of staff due to retirement, death and transfer of employees	With the assistance of CWP and EPWP we are able to maintain our cemeteries & develop undeveloped parks. There is an urgent need to appoint more staff in this department.
					4 cemeteries are maintained and all parks are cleaned. Grave digging is done weekly on Wednesdays and Thursdays.		Applications of Indigent for new Financial Year 2015/16.	Indigent Campaign was done for the Weekends of June and during the week At least we have managed to register 1 656 beneficiaries.
					Finance Service Indigent register is updated daily and FBS is provided to beneficiaries.		One employee (Mr. Van Der Linde) passed away in mid-June 2015 and he was a plumber.	Currently we only have one plumber and there's an urgent need to appoint a plumber.
					R500 000.00 to be collected every month. Below is the collected revenue: July – 793,231.90 August – 789,149.69 Sep =848,083.29		Unskilled staff especially Customer Care Officers & Process Controllers. Our electricians don't have necessary skills to connect HT cable.	Urgent need for these employees to be trained. Urgent need for these electricians to attend HT Cable Joint Training.
					Corporate Service 72 Permanent staff employed.		Shortage of staff.	Urgent need to employ young energetic staff.

Ngwathe Local Municipality Mid-Year Budget and Performance Assessment Report 31 December 2015

Name of Department: Area Manager Edenville								
Key Performance Area 1: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
3.		Infrastructure Development	Capacity of bulk infrastructure developed to secure access to basic services	Infrastructure Projects implemented	Bucket Eradication Project @ Mapetla Sec.		Bucket eradication at Mapetla Sec.	Project in progress

2.7.4.8. Office of the Area Manager Edenville

Name of Department: Area Manager Edenville								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
1.	To provide effective and regular refuse removal service to all households in urban areas.	Refuse Removal	Every households refuse removed once a week	To ensure that every household's refuse has been removed weekly.	Every household's refuse removal is removed weekly.	Yes.	Aged vehicles that need continuous repair. Shortage of refuse bins(350)	Request was made to supply chain. Request made.
2.	To maintain all landfill and waste dumping sites according to legal and health requirements.		All landfill sites are maintained on weekly basis.	Maintenance of landfill sites weekly.	Unable to maintain the land fill.	TLB from Mashinini is used in this regard.	Uncontrolled dumping by community members and unavailability of landfill based Employees. Heavy equipment to can work on the landfill.	Request was made to HR Manager for staff. Request was made to supply chain.
3.	To ensure the sustainable bulk provision of adequate safe and quality	Water Provision	All households receiving water with the exception of Extension 4.	Adequate supply of water to every household daily.	97% of provisional supply of drinkable water to all households daily supplied by 04 communal taps.	Yes	Old pipes burst and meter leaks. Leakage of Res 2 & Res 4 that needs to be sealed. 200 sites need stand	To replace old pipes and requisition of materials has been sent to SCM. Included in IDP- request

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Name of Department: Area Manager Edenville								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
	drinking water to all communities at all times. Building of new reservoir and erection of 12 boreholes.						pipes. Shortage of water due to the Mamohato pumps that are not working	done for Jojo tanks as a temporary measure. Senior Technician has been informed.
4.	To ensure the sustainable bulk provision of adequate safe and quality drinking water to all communities at all times.	Water Quality	All households receiving quality water.	Adequate supply of water to every household daily.	All households received drinkable water.	Yes	Boreholes that needs to be cleaned.	Request sent to S.C.M
5.	To provide continuous maintenance and upgrading of all tar, gravel and unsurfaced roads and storm water networks to keep them in a trafficable condition.	Street and Storm Water.	Upgrading of streets.	Maintaining the existing roads.	Maintaining the existing roads.	Yes	Lack of heavy equipment to maintain roads. Shortage of equipment.	Exchange of heavy equipment with other regions. Continuous refilling of potholes, Not yet achieved. Requisition made to Director Technical.
6.	To provide road signs, street names, marking and route allocation to all urban and rural streets in the region.	Street and storm water	Road signs markings, street name plates and route allocation in place.	Road signs, markings, street name plates and route allocation in place.	To provide visible road signs.	Yes	Aged and damaged road signs. Incomplete paving in the main street of Mandela Park.	Request with dept. of public safety. Still in discussion with Director Technical; 1km to be done on 2013-2014 financial year, Not yet achieved.
7.	To ensure the effective handling and transportation of all bulk sewer systems and its functional operation at all times. To eradicate 250 buckets in	Sanitation	Sanitation services rendered to households.	To service every household once a week.	Every house hold serviced once a week.	Yes	Shortage of tractors and aged vehicles. No proper infrastructure.	Requisition sent to Procurement. Night soil done on weekly basis.

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Name of Department: Area Manager Edenville								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
	Extension 4.							
8.	To ensure that all households and businesses are provided with sufficient electricity at all times.	Electricity	Provision of electricity without interruptions in all households and businesses	Provision of electricity without interruptions in all households and businesses	Service Provider found and is busy with Ready boards and cable purchased, except meters. Meters not yet supplied. Supply Chain to pay for the job proceeds. no transfers made in December No solution reached. Consumers charged in January. No Solution and No infrastructure	Yes	Carry picker truck which has been in repair for the past 4months. Electrification of 15 houses. 19 Faulty meters in the field. 03 broken high mast lights in Ngwathe. Shortage of tools and materials. 500 Prepaid meters needed. 89 meters to be Transferred. 106 Plessey meters are unable to be registered on the System. 73 meters rejecting tokens. There is only one bakkie in electrical department and is in very poor conditions (not roadworthy). 33 Number of power failure	Liaise with Manager to find Service Provider Requisition of materials. Service Provider to supply at least 250 prepaid meters, so that some can be reserved for emergencies. 1000m of cable purchased in May last year but now is finished and so many transfers need to be done. Service Provider which supplied the computer to assist. Cashiers to issue tokens with correct tariff indexes. Liaise with Manager to request a 4x4 bakkie. Where attended to.
10.	To upgrade and maintain cemeteries to be aesthetically attractive and to provide proper infrastructure.	Parks and Cemetery	Decent burials and well maintained cemeteries and parks.	Weekly grave digging and Maintenance of 4 cemeteries per month, Maintenance of parks.	Weekly grave digging and Maintenance of 4 cemeteries per month.	Yes	Shortage of working equipment for parks and personnel.	Requests were forwarded to supply chain.
11.	To upgrade and maintain all existing sport and recreational facilities to be accessible to all users and to be utilized optimally.	Sports, Arts, Culture and Recreation.	Acceptable conditions.	Cleaning of halls, sport grounds.	General maintenance and cleaning of halls and sports ground are kept as such.	Yes	Upgrading and refurbishment of halls. No security.	Requisition with motivations to be submitted SCM.
12.	Provision of FBS to	Free Basic Services	Services rendered	Services rendered		Yes	Late arrival of accounts to	Engaged Post Office to

Ngwathe Local Municipality Mid-Year Budget and Performance Assessment Report 31 December 2015

Name of Department: Area Manager Edenville								
Key Performance Area 2: Basic Service Delivery and Infrastructure Development								
PERFORMANCE OBJECTIVES AND INDICATORS					ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2015 – 31 December 2015								
NO	Strategic Objective	Area	Key Performance Indicator (KPI)	Planned Output/Target	Annual Output (s)/ Progress	Type of Evidence Attached (No)	Deviation From Targets	
							Challenges	Interventions
	beneficiaries.		correctly.	correctly.			customers.	speedily deliver consumers accounts.
13.	HR issues attended to.	Human Resource Management.	All posts filled	Maintaining discipline of employees Management of leave records.	Maintaining discipline of employees Management of leave records.	Yes	Appointment of Supervisors and skilled personnel is still a challenge. Shortage of Staff	Request of appointment of all vacant post were submitted to the office of Director Corporate Services. 57 in place

2.8. Municipal Manager's Quality Certificate

I, **P Tsekedi** the Acting Municipal Manager of **Ngwathe Local Municipality**, hereby certify that:

Mid-year budget and performance assessment for the period of 1 July 2015 to 31 December 2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

P Tsekedi

A/Municipal Manager

Signature: _____

Date: _____

