

**NGWATHE LOCAL MUNICIPALITY**  
**FS203**



**MID-YEAR BUDGET AND PERFORMANCE**  
**ASSESSMENT REPORT**  
**31 DECEMBER 2018**

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## Legislative Framework

This report has been prepared in terms of the following enabling legislation:

### Municipal Finance Management Act, No. 56 of 2003

#### Section 72: Mid-year budget and performance assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—

(a) assess the performance of the municipality during the first half of the financial year, taking into account—

- (i) the monthly statements referred to in section 71 for the first half of the financial year;
- (ii) 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;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to—

- (i) the mayor of the municipality;
- (ii) the National Treasury; and
- (iii) the relevant provincial treasury.

72. (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

72. (3) The accounting officer must, as part of the review—

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

#### Section 54: Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

- (a) consider the statement or report;
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) issue any appropriate instructions to the accounting officer to ensure—
  - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
  - (ii) that spending of funds and revenue collection proceed in accordance with the budget;

- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
  - (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must—
- (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—
    - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
    - (ii) the tabling of an adjustments budget; or
    - (iii) steps in terms of Chapter 13; and
  - (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

**Municipal Finance Management Act, No. 56 of 2003**  
**Municipal Budgeting and Reporting Regulation Notice 393 of 2009**

**Section 33: Format of a mid-year budget and performance assessment**

33. A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

**Section 34: Publication of mid-year budget and performance assessments**

34. (1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.

34. (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including –

- (a) Summaries in alternate languages predominant in the community; and
- (b) Information relevant to each ward in the municipality

**Section 35: Submission of mid-year budget and performance assessments**

35. The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form –

- (a) the mid-year budget and performance assessment by 25 January of each year, and
- (b) any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.

## **PART 1: Mid-Year Budget and Performance Assessment**

This report has been prepared in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003: Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 April 2009.

### **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 and the Municipal Budget and Reporting Regulations.

In order to achieve our goals as set out in both Integrated Development Plan and Budget 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:

- Cash flow deficiency to ensure sustainable service delivery;
- Critical vacancies that exist in different departments;
- Undesirable Audit Opinions from the Auditor-General;
- Revenue losses due to electricity theft, illegal connections and distribution losses;
- Institutional transformation (National Treasury Reforms)

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 includes, revenue protection, meter audit and installation under the vending system project.

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 filled all senior managers position will assist the administrative wing of the municipality in effectively exercising adequate and sound financial management of the municipality, compliance with financial management norms and standards as well as other aspects of performance reporting.

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 the following to Council:

- That the Mid-Year Budget and Performance Assessment report be noted and accepted,
- That the Medium Term Revenue and Expenditure Framework Budget Adjustment in terms of MFMA Section 28 to be submitted to Council for consideration,
- That the Service Delivery and Budget Implementation Plan to be submitted to Council for consideration,

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Councilor J Mochela  
Executive Mayor

## Section 2: Executive Summary

### 2.1. Purpose

The purpose of this report is to ensure legislative compliance and also to facilitate accountability to the Ngwathe Local Municipality Council against the targets that we have set for ourselves for the period 2018/19.

This report is prepared in compliance with Section 72 the Municipal Finance Management Act, 56 of 2003 (MFMFA), the purpose of which is to facilitate accountability by the Municipal Manager and his Executive Management Team to the municipal council, over the performance of the municipality for the first six months of 2018/19 financial year.

It must be noted that in all instance where the tables contained within this report include the audit outcomes for 2017/18 that these results are based on the audited annual financial statements that were audited by the Auditor General in accordance with section 126(3) of the Municipal Finance Management Act.

## Section 3: In-Year Budget Tables

### 3.2. Financial Performance (Revenue)

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Term Performance Report										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD actual	YTD actual	YTD budget	YTD variance	YTD variance
R thousands					First Quarter	Second Quarter	Mid-Year Outcome			%
<b>Revenue By Source</b>										
Property rates		83 018	87 335		20 029	19 130	39 159	43 668	-4 509	-10%
Service charges - electricity revenue		175 405	204 732		52 780	26 253	79 033	102 366	-23 333	-23%
Service charges - water revenue		65 137	69 424		61 923	-24 925	36 998	34 712	2 286	7%
Service charges - sanitation revenue		38 165	45 205		10 327	8 748	19 075	22 603	-3 528	-16%
Service charges - refuse revenue		34 504	39 064		9 460	7 806	17 266	19 532	-2 266	-12%
Rental of facilities and equipment		3 170	3 440		90	1052	1 142	1 720	-578	-34%
Interest earned - external investments		1 400	1 473		510	370	880	737	144	19%
Interest earned - outstanding debtors		48 611	51 138		11 739	12 374	24 113	25 569	-1 456	-6%
Fines, penalties and forfeits		1 000	1 052		139	118	257	526	-269	-51%
Transfers and subsidies		169 751	194 555		94 303	33 949	128 252	97 278	30 975	32%
Other revenue		4 630	5 655		312	255	567	2 828	-2 261	-80%
Gains on disposal of PPE									-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>624 791</b>	<b>703 073</b>	<b>0</b>	<b>261 612</b>	<b>85 130</b>	<b>346 742</b>	<b>351 537</b>	<b>-4 795</b>	<b>-173%</b>

### 3.1.1. Operating Revenue Analysis

The year to date total revenue as at the end of December 2018, amounts to R351,537 million, which is R4,795 million below the projected budget for this period, this translates to an overall negative variance of about 1%.

The following budget line items performed below the 10% variance and explanatory notes on differences between approved budget and actual amount are provided hereto:

- Variation of 23% on service charges – electricity revenue is due to  
xxxxxxxxxxxxxxxxxxxxxx,
- Variation of 16% on service charges – sanitation revenue is due to  
xxxxxxxxxxxxxxxxxxxxxx,
- Variation of 12% on service charges – refuse revenue is due to  
xxxxxxxxxxxxxxxxxxxxxx,
- Variation of 34% on rental facility is due to the appalling conditions of property investment of Council (Mimosa) and/or lack of legal contracts for housing stock leased to community,
- Variation of 51% on fines and penalties, the budgetary provision for fines and penalties are made based on uncertain future events such as transgression of by-laws of council etc.
- Variation of 80% on other revenue, the budgetary provision for other revenue are made based on uncertain future events such as sales of bid documents etc.



### 3.1.2. Financial Performance (Expenditure)

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Term Performance Report										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD actual	YTD actual	YTD budget	YTD variance	YTD variance
R thousands					First Quarter	Second Quarter	Mid-Year Outcome			%
<b>Expenditure By Type</b>										
Employee related costs		204 626	218 950		53 539	54 309	107 848	109 475	-1 627	-1%
Remuneration of councillors		13 300	15 239		3 553	3 566	7 119	7 620	-501	-7%
Debt impairment		68 191	71 737		-	-	-	35 869	-35 869	-100%
Depreciation & asset impairment		65 550	68 959		-	-	-	34 480	-34 480	-100%
Finance charges		200	210		-	-	-	105	-105	-100%
Bulk purchases		162 900	247 597		44 378	45 066	89 444	123 799	-34 355	-28%
Other materials		26 186	27 848		18 480	18 000	36 480	13 924	22 556	162%
Contracted services		20 233	31 628		7 121	5 907	13 028	15 814	-2 786	-18%
Transfers and subsidies		-	-		-	-	-	-	-	0%
Other expenditure		137 289	153 538		12 867	17 447	30 314	76 769	-46 455	-61%
Loss on disposal of PPE					-		-		-	0%
<b>Total Expenditure</b>		<b>698 475</b>	<b>835 706</b>	<b>0</b>	<b>139 938</b>	<b>144 295</b>	<b>284 233</b>	<b>417 853</b>	<b>-133 620</b>	<b>-33%</b>

### 3.1.3. Operating Expenditure Analysis

The year to date total expenditure as at the end of December 2018, amounts to R325,655 million, which is R92,198 million below the projected budget for this period, this translates to an overall negative variance of about 22%.

Explanatory notes on material differences between approved budget and actual amounts, reasons are provided for variance of more than 10%:

- Variation of 100% on debt impairment, the analysis for debt impairment is performed at year-end and subject to council consideration, therefore, the expenditure is only recorded at year-end.
- Variation of 100% on depreciation and assets impairment, the provision and accounting for depreciation on a monthly basis is not linked to the main financial management system. The assets register is still maintained and updated outside the financial management system, therefore, the expenditure is recorded at year-end.
- Variation of 100% on finance charges, interest paid on borrowing and use of credit facilities was less than the projection provided in the budget.
- Variation of 28% on bulk material, the settlement agreement on Eskom account is less than the budgetary provision and therefore, the difference is accumulating on trade payable (debtors).

- Variation of 162% on other material, insufficient cash resulted a maintenance of municipal assets / procurement of water chemicals on credit, therefore, once equitable share is received these liabilities are settled, hence, an over spending on the budget line item.
- Variation of 61% on other expenditure, insufficient cash results goods / services been procured or committed on credit, therefore, the expenditure on line item will reflect underspending variance. the effect of the credit procurement is that trade payables increase.

## PART 2 – Supporting Documentation

### Section 4: Cash Flow (Table C7)

FS203 Ngwathe - Table C7 Monthly Budget Statement - Cash Flow - M06 December

0200 Ngwane - Table 07: Monthly Budget Statement - Cash Flow - 1990 December											
Description	Ref	2017/18	Budget Year 2018/19								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates			58 743		1 902	20 928	29 372	(8 443)	-29%	58 743	
Service charges			223 183		10 173	86 713	111 592	(24 878)	-22%	223 183	
Other revenue			32 440		7 284	19 287	16 220	3 067	19%	32 440	
Government - operating			194 555		45 395	128 252	97 278	30 975	32%	194 555	
Government - capital			102 164		2 064	75 010	51 082	23 928	47%	102 164	
Interest			6 142		318	2 706	3 071	(365)	-12%	6 142	
Dividends			-					-		-	
Payments											
Suppliers and employees			(582 811)		(56 740)	(272 302)	(291 406)	(19 104)	7%	(582 811)	
Finance charges			(631)		-	(13)	(316)	(302)	96%	(631)	
Transfers and Grants			-					-		-	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	33 785	-	10 396	60 581	16 893	(43 689)	-259%	33 785
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE								-			
Decrease (increase) in non-current debtors								-			
Decrease (increase) other non-current receivables								-			
Decrease (increase) in non-current investments								-			
Payments											
Capital assets			(102 164)		(6 373)	(46 139)	(51 082)	(4 943)	10%	(102 164)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(102 164)	-	(6 373)	(46 139)	(51 082)	(4 943)	10%	(102 164)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans								-			
Borrowing long term/refinancing								-			
Increase (decrease) in consumer deposits								-			
Payments											
Repayment of borrowing			-					-		-	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-		-	
NET INCREASE/ (DECREASE) IN CASH HELD											
			-	(68 379)	-	4 022	14 442	(34 189)		(68 379)	
Cash/cash equivalents at beginning:			1 565	1 565		4 182	1 565			4 182	
Cash/cash equivalents at month/year end:			-	(66 813)	1 565	18 624	(32 624)			(64 197)	

### Cash Flow Analysis

The budgeted cash inflow expectation for the period ended 31 December 2018, amounted to R308,614 million, the actual cash received for the same period amounted to R332,896 million which is R24,242 million above the budgeted cash flow projection.

Although, the cash inflow (receipt) is above the budgeted projection, but, the related cash received on service charges and rates and taxes are below by R33,322 million which represent 24%.

The projected budget cash outflow for the period ended 31 December 2018, amounted to R291,721 million, the actual cash outflow for the same period amounted to R272,315 million which is R19,406 million below the expected cash outflow.

The Municipality needs to ensure that payments made are in line with the approved IDP, Budget and SDBIP.

## Section 5: Debtor's Analysis (Table SC3)

FS203 Ngwathe - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December								
Description	Budget Year 2018/19							
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands								
<b>Debtors Age Analysis By Income Source</b>								
Trade and Other Receivables from Exchange Transactions - Water	19 468	13 608	151 988		185 064	-		
Trade and Other Receivables from Exchange Transactions - Electricity	13 361	16 657	87 452		117 470	-		
Receivables from Non-exchange Transactions - Property Rates	9 037	3 201	103 670		115 908	-		
Receivables from Exchange Transactions - Waste Water Management	6 092	2 568	103 016		111 676	-		
Receivables from Exchange Transactions - Waste Management	5 346	2 390	76 570		84 306	-		
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-		-	-		
Interest on Arrear Debtor Accounts	8 682	4 130	141 662		154 475	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-		-	-		
Other	72	26	(28 032)		(27 934)	-		
<b>Total By Income Source</b>	<b>62 058</b>	<b>42 579</b>	<b>636 326</b>	<b>-</b>	<b>740 964</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017/18 - totals only</b>					-	-		
<b>Debtors Age Analysis By Customer Group</b>								
Organs of State	4 808	3 466	50 275		58 549	-		
Commercial	17 542	8 102	111 805		137 450	-		
Households	42 779	30 679	507 877		581 334	-		
Other	(3 071)	333	(33 630)		(36 369)	-		
<b>Total By Customer Group</b>	<b>62 058</b>	<b>42 579</b>	<b>636 326</b>	<b>-</b>	<b>740 964</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Debtors ages analysis

The Debtors report has been prepared on the basis of the format required to be lodged electronically with National Treasury. This format provides an extended aged analysis, as well as an aged analysis by debtor type.

The total outstanding debtors for the quarter amounted to R740,964 million, out of which 78% of this total debt is owed by Household consumer's. This outstanding debt might also be defined or fall within the classification of prescribed debt.

The drastic increase in debtor account is a huge concern as it results in cash flow problems for the municipality with specific reference to service charges and rates and taxes, control measure has to be implemented to ensure maximum revenue is collected to sustain the operations.

## Section 6: Creditor's Analysis (Table SC4)

FS203 Ngwathe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December							
Description	NT Code	Budget Year 2018/19					Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total	
R thousands							
<b>Creditors Age Analysis By Customer Type</b>							
Bulk Electricity	0100	16 762	–	17 172	1 044 491	1 078 425	
Bulk Water	0200	2 561	1 753	–	–	4 314	
PAYE deductions	0300	5 933	2 999	–	31	8 964	
VAT (output less input)	0400	–	–	–	–	–	
Pensions / Retirement deductions	0500	–	–	–	–	–	
Loan repayments	0600	–	–	–	–	–	
Trade Creditors	0700	15 547	6 809	2 780	8 904	34 040	
Auditor General	0800	–	1 639	997	1 137	3 773	
Other	0900	–	198	819	35 910	36 928	
<b>Total By Customer Type</b>	<b>1000</b>	<b>40 803</b>	<b>13 398</b>	<b>21 769</b>	<b>1 090 473</b>	<b>1 166 443</b>	–

### Creditors analysis

The Creditors report has been prepared on the basis of the format required to be lodged electronically with National Treasury. This format provides an extended aged analysis, as well as an aged analysis by creditor type.

The outstanding creditor for Ngwathe Local Municipality as at 31 December 2019, amounted to R1,166 billion, an increase of R25.9 million when compared to the R1.1 billion reported in the first quarter.

As shown in the chart below the top creditor for Ngwathe Municipality is Bulk Electricity (Eskom) with an amount of R 1.078 billion of total creditors, which represent 92% of the total outstanding.

From the above table it is evident that the municipality is not able to pay its creditors consistently after 30 days' receipt of invoice, therefore, failing to adhere to the requirement of MFMA Sec. 65.

## Section 7: Investment Portfolio Analysis (Table SC5)

FS203 Ngwathe - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
<b>Municipality</b>									
Parys-First National Bank - 71037431386&7138146801			Fixed deposit	n/a		5,1% and 5,0%	73	(19)	54
Heilbron Sanlam policy - 040571573X1			Policy	n/a		4-6%	445	-	445
Sanlam shares - U0063385252/U0059209593			Shares	n/a		0.0%	474	-	474
ABSA [Equitable Share]		1 Month	Call Investment	n/a			604	3 900	4 504
MIG		1 Month	call Investment	n/a			786	5 606	6 392
ELECTRIC INCOME		1 Month	Call Investment				1	0	1
DOE,FMG,MSIG,OLD ACCOUNT		1 Month	Call Investment	n/a			609	2 920	3 529
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>-</b>		<b>2 992</b>	<b>12 407</b>	<b>15 399</b>

### Investment analysis

At the end of the second quarter the municipality showed bank balance of R 15,399 million on all investments accounts including the share option held.

The municipality has invested the above fund with the institution registered with South African Reserve Bank as required by the MFMA.

The municipality also has shares and life policies in its portfolio of investments; these were taken up before amalgamation and before the promulgation of the Municipal Finance Management Act no 56 of 2003

In terms of regulation 13 of the Municipal Investment Regulations, “there is nothing that compels a municipality or a municipal entity to liquidate an investment which existed when the regulations took effect merely because such investment does not comply with a provision of these regulations.”

## Section 8: Allocation and grants receipts and expenditure (Table SC6)

FS203 Ngwathe - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									%	
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		-	176 555	176 555	45 395	120 252	88 278	30 867	35.0%	176 555
Local Government Equitable Share			174 340	174 340	45 395	118 037	87 170	30 867	35.4%	174 340
Finance Management			2 215	2 215	-	2 215	1 108			2 215
Other transfers and grants [insert description]								-		
Provincial Government:		-	18 000	18 000	-	8 000	9 000	(1 000)	-11.1%	18 000
Sewerage Subsidy			18 000	18 000	-	8 000	9 000	(1 000)	-11.1%	18 000
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
<b>Total Operating Transfers and Grants</b>	5	-	194 555	194 555	45 395	128 252	97 278	29 867	30.7%	194 555
<b>Capital Transfers and Grants</b>										
National Government:		-	102 164	102 164	2 064	75 010	51 082	23 928	46.8%	102 164
Municipal Infrastructure Grant (MIG)			41 164	41 164	2 064	25 510	20 582	4 928	23.9%	41 164
Department of water affairs			20 000	20 000	-	15 000	10 000	5 000	50.0%	20 000
Regional bulk infrastructure grant			38 000	38 000	-	33 000	19 000	14 000	73.7%	38 000
INEG			3 000	3 000	-	1 500	1 500	-		3 000
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
Sewerage subsidy			-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
<b>Total Capital Transfers and Grants</b>	5	-	102 164	102 164	2 064	75 010	51 082	23 928	46.8%	102 164
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	296 719	296 719	47 459	203 262	148 360	53 795	36.3%	296 719

### Grants analysis

According to the Division of Revenue Act, 2017 (Act No 3 of 2017) an amount of R176.6 million of operational grants will be transferred to Ngwathe Municipality for the financial period 2018/19, National Treasury also published payment schedule which indicated that by the end of December 2018, Ngwathe Local Municipal should have received an amount of R130,755 million.

The total operational grant received to date amounted to R120.3 million, which is R10,5 million below the projected income. The actual amount is below the expected grants income, because, National Treasury withheld an amount of R10.5 million relating to unspent conditional grant for the period 2017/18, these grants were allocation for WSIG and RBIG, these roll-over funds were not approved.

According to the Division of Revenue Act, 2017 (Act No 3 of 2017) an amount of R102,2 million of capital conditional grants will be transferred to Ngwathe Municipality for the financial period 2018/19, National Treasury also published payment schedule which indicated that by the end of December 2018, Ngwathe Local Municipal should have received an amount of R75,010 million.

The total capital conditional grant received to date amounted to R75,010 million, which is equivalent to the projected / expected grants income.

## Section 9: Capital expenditure report (Table C5)

FS203 Ngwathe - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December									
Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
<b>Capital Expenditure - Functional Classification</b>									
<i>Governance and administration</i>	-	-	-	-	-	-	-		-
Executive and council						-	-		
Finance and administration							-		
<i>Community and public safety</i>	-	370	370	2 028	21 296	185	21 111	11413%	370
Sport and recreation		370	370	2 028	21 296	185	21 111	11413%	370
<i>Economic and environmental services</i>	-	22 591	22 591	-	575	11 295	(10 720)	-95%	22 591
Planning and development							-		
Road transport		22 591	22 591	-	575	11 295	(10 720)	-95%	22 591
Environmental protection							-		
<i>Trading services</i>	-	77 145	77 145	3 524	14 621	38 573	(23 951)	-62%	77 145
Energy sources		3 000	3 000	688	688	1 500	(812)	-54%	3 000
Water management		72 745	72 745	2 759	13 196	36 373	(23 177)	-64%	72 745
Waste water management		1 400	1 400	77	737	700	37	5%	1 400
<i>Other</i>		2 058	2 058	26	105	1 029	(924)	-90%	2 058
<b>Total Capital Expenditure - Functional Classification</b>	-	102 164	102 164	5 578	36 597	51 082	(14 485)	-28%	102 164
<b>Funded by:</b>									
National Government		102 164	102 164	5 578	36 597	51 082	(14 485)	-28%	102 164
Provincial Government							-		
Transfers recognised - capital	-	102 164	102 164	5 578	36 597	51 082	(14 485)	-28%	102 164
Internally generated funds							-		
<b>Total Capital Funding</b>	-	102 164	102 164	5 578	36 597	51 082	(14 485)	-28%	102 164

### Capital expenditure analysis

The table above indicates that the municipality budgeted an amount of R102.2 million for capital expenditure and the spending to date amount to R36.6 million of its capital projects budget during the first semester of 2018/19 financial year, this translate to 49% as compare to the actual grants income of R75,010 million.

## **Section 10: Material variances**

### **10.1 Material Variances Other Key Performance Measures and Indicators**

#### **Overview of performance: Other performance indicators**

##### **10.1.1. 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.

##### **10.1.2. Implementation of Performance Management System**

The Integrated Development Plan (IDP) for the 2018/19 financial year was compiled and approved by Council on the 31 May 2018. 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.

##### **10.1.3. Performance Analysis**

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:

## OFFICE OF THE MAYOR

IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP 001	Municipal Transformation	Celebrate national and local days of importance / commemoration; Human Right's Day, Worker's / May Day, Youth Day, Flower Festival, Mandela Day	Number of national and local days of commemoration celebrated	8	3	2	2	2				Programs/ Invitations & Attendance Registers
IDP 002	Radical Social and Economic Development	Create HIV and AIDS Awareness - Planning and launching of Ward/Local /District HIV and AIDS Councils / Launch Men's Dialogue program	Number of awareness programs launched	4	1	3	1	2				Programs/ Invitations & Attendance Registers
IDP 003	Good governance and Public Participation	Communicate municipal information with public by conducting radio and newspaper interviews	Number of Radio and Newspaper interviews conducted by Mayor	12	3	3	3	3				Interview Schedule

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<b>IDP 004</b>	Radical Social and Economic Development	Initiate quarterly social support programs to poverty stricken communities; Bursary support, food parcels and rural sports programs	Number of social support programs launched to address poverty in identified communities	<b>4</b>	<b>1</b>	2	1	1				Programs/ Invitations & Attendance Registers
<b>IDP 005</b>	Municipal Transformation and Organisation Development	Initiate Women and Children's Rights programs	Number of Women and Children Rights programs launched	<b>2</b>	<b>1</b>	1	N/A	N/A				Programs/ Invitations & Attendance Registers
<b>IDP 006</b>	Radical Economic Transformation	Initiate Youth development and Empowerment programs in Ngwathe	Number of Youth Empowerment programs launched	<b>4</b>	<b>1</b>	1	1	0				Programs/ Invitations & Attendance Registers
<b>IDP 007</b>	Municipal Transformation and Organisation Development	Initiate Disabled Indaba	Number of Disabled Indabas launched	<b>1</b>	<b>1</b>	0	N/A	N/A				Programs/ Invitations & Attendance Registers

**\*N/A** – Not Applicable – Meaning there is no target set for the quarter

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OFFICE OF THE SPEAKER												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End September 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP 008	Good governance & Public Participation	Facilitate regular meetings for All stakeholders i.e. Civics, NGOs, CBOs	Number of stakeholder meetings held for all wards	216	54	54	54	54				Programs/ Invitations & Attendance Registers
IDP 009	Good governance & Public Participation	Facilitate workshop to assist with development of ward plans for all Ward Committees	Number of workshops held	1	1	0	N/A	N/A				Programs/ Invitations & Attendance Registers
IDP 010	Good governance & Public Participation	Schedule and facilitate monthly Ward meetings in all Wards	Number of ward meetings held	216	54	54	54	54				Programs/ Invitations & Attendance Registers

**\*N/A** – Not Applicable – Meaning there is no target set for the quarter

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OFFICE OF THE MUNICIPAL MANAGER												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP 012	Good Governance	Audit Committee recommendations accepted by Council	% of Audit Committee recommendations and adopted by Council	100%	100%	80%	100%	100%		No recommendations were referred to Council for consideration		Council Agenda/ Council Minutes
IDP 013	Good Governance	Monitor the implementation of all Council and MAYCO resolutions	Number of Council and MAYCO resolutions reported	100%	100%	100%	100%	100%				Register of Council Resolutions
IDP 014	Putting People First	Monitor formal public complaints attended to by departments	100% of complaints attended to by departments within 30 days of receipt	100%	100%	100%	100%	50%				Complaints Register
IDP 015	Good Governance	Investigation of all formally reported fraud, theft and corruption cases	% of formally reported fraud, theft and corruption investigations initiated within 30 days after receipt	100%	100%	0%	100%	N/A		No cases of fraud, theft or corruption were reported		Incidents Register

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OFFICE OF THE MUNICIPAL MANAGER												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP 017	Good Governance	Compile and submit Communication Strategy to MAYCO for approval by end September 2018	Communication Strategy submitted to MAYCO for approval by end September 2018	1	1	0	N/A	N/A				MAYCO Minutes
IDP 018	Sound Financial Management	Spend Operating budget revenue as per approved budget	% of total operating budget expenditure spent by 30 June	95%	20%	20%	60%	39%				Report
IDP 019	Sound Financial Management	Spend at least 95% of approved Capital Budget for the Municipality by 30 June (MFMA S10©)	95% of Approved Capital Budget spent by Municipality by 30 June 2019	95%	20%	23%	60%	28%				Section Report
IDP 020	Institutional Development & Build Capacity	Submit Mid-Year S72 report to the Mayor	Number of Mid-Year reports submitted to the Mayor by 25 January 2019	1	N/a	0	1	1				

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OFFICE OF THE MUNICIPAL MANAGER												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP 021	Sound Financial Management	Raise/Collect operating budget revenue as per approved budget	90% of total operating budget revenue raised / received by 30 June 2019	90%	25%	25%	50%	49%				Section 71 Report
IDP 022	Institutional Development & Build Capacity	Performance management Assessment held	Number of performance assessments held by 30 June	2	N/A	N/A	1	1		Performance Assessment scheduled for 29 January 2019		Copy of Performance Assessment Reports
IDP026	Good Governance	External and Internal Newsletters compiled and issued	Number of external and internal newsletters issued (12 external and 12 internal) by 30 June 2019	24	6	0	6	0				Copies of Newsletters issued
IDP027	Good Governance	Submit the IDP/ Budget Schedule to Council by 31 August 2018	IDP/Budget Schedule submitted to Council for approval by 31 August 2018	1	1	1	N/A	N/A				Council Minutes

CORPORATE SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP 023	Good Governance	Implement all MAYCO and Council Resolution	100% implementation of MAYCO and Council resolution in accordance with due dates	100%	100%	100%	100%	100%		Ongoing		Register of Council Resolutions
IDP 024	Institutional Development & Building Capacity	Review policies and by-laws	100% of policies and by-laws reviewed by 30 June 2019	100%	100%	10%	100%	100%		A number of by-laws to be processed for public comments and review to be increased in next quarter	More support and attention to be given to this target in the next quarter	Register of policies reviewed
IDP 025	Good Governance	Participation in formal District and Provincial meetings	100% of attendance of formal District and Provincial meetings by 30 June 2019	100%	100%	100%	100%	100%		Ongoing		Attendance registers
IDP 029	Institutional Development & Building Capacity	Number of people from EE target groups employed in three highest	Report on number of people from employment equity groups employed in three highest	1	N/A	N/A	N/A	N/A		Recruitment process to prioritise BEE targets	Recruitment drive to be embarked on soon to improve	



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		levels of management in compliance with municipality's approved EE Plan	levels of management submitted to OMM 30 June								the targets	
<b>IDP030</b>	Putting People First	Spent Training budget to develop skills of staff	85% of training budget spent by 30 June 2019	85%	20%	20%	40%	40%		To spend more on training as when the training funds are received	Seek more funds to implement WSP and training plan	Report
<b>IDP033</b>	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2018	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2018	5	5	0	N/A	N/A		A project team is placed to develop all key processes in the directorate	Directorate to develop reminder of SOP in this quarter	Minutes of Management & Portfolio Committee meetings

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FINANCIAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP041	Sound Financial Management	Collect all Billed Revenue to ensure sufficient cash is generated to meet Ngwathe Debt and Operating commitments	Net Debtors Days Ration (Gross Debtors=Bad Debt Provision)/Billed Revenue)) x 365	4	50	0	50	0				Section 71 Report
IDP043	Sound Financial Management	Annual Financial Statements submitted by 31 August 2018	AFS submitted by 31 August 2018	1	1	1	N/A	N/A				Acknowledgement of receipt of AFS by AG
IDP047	Sound Financial Management	Update Indigent Register	99% of all qualifying indigent applications processed by 30 June 2019	99%	99%	100%	99%	10%				Annual Financial Statements
IDP048	Sound Financial Management	Provision of Free Basic Services	Report by 30 June on % of HH earning less than 2Xsocial grants plus 25% per month with	12	3	3	3	3				Billing Report

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FINANCIAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
			access to free basic services									
IDP053	Good Governance	Achieve Improved Audit Opinion for 2017/18 FY	Improved Audit Opinion achieved for 2017/18 Financial Year	1	1	0	N/A	N/A				Audit Outcome Letter
IDP056	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2018	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2018	1	1	0	N/A	N/A				Minutes of Management & Portfolio Committee meetings
IDP060	Sound Financial Management	Number of formal residential properties that receive piped water, electricity (excluding Eskom	Number of formal residential properties which are billed for	37 102	37 102	37102	37102	37102				Billing Report

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FINANCIAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
		areas), waste water sanitation/sewerage, (credit and pre-paid water) that is connected to municipal water, electricity infrastructure network, including refuse removal once per week and billed for service as at 30 June	water or have pre-paid meters as at 30 June 2019									
<b>IDP064</b>	Sound Financial Management	Provide free basic services; water, electricity, sanitation and refuse removal to indigent households	Report on % of HH earning less than 2Xsocial grant plus 25% per month with access to FBS	12	3	3	3	3				Billing Report

**\*N/A** – Not Applicable – Meaning there is no target set for the quarter

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COMMUNITY SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP054	Institutional Development & Building Capacity	Review the Spatial Development Framework and submit to council by 30 September 2018	Reviewed Spatial Development Framework submitted to Council by 30 September 2018	1	1	0	N/A	N/A				Council Minutes
IDP055	Institutional Development & Building Capacity	Develop and submit Integrated Human Settlement Plan to Council for approval by 30 September 2018	Developed and submitted Integrated Human Settlement Plan to Council for approval 30 September	1	1	0	N/A	N/A				Council Minutes
IDP056	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30	1	1	0	N/A	N/A				Minutes of Management & Portfolio Committee meetings

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COMMUNITY SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
		September 2018	September 2018									
IDP057	Deliver Basic Services	Conduct scheduled refuse removal services to all formal and informal housing areas throughout Ngwathe at least once per week	Number of formal and informal Households whose refuse was removed at least once per week	37102	37102	37102	37102	37102				Work Schedules of Refuse Removal Sections signed-off

TECHNICAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP051	Basic Services and Infrastructure	Spend 96% of capital budget for fleet/equipment by 30 June	96% of Capital Budget Spent by 30 June 2019	96%	20%	0%	40%	0%		*Please note that the items need financial budget for them to happen and there was no		Report

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TECHNICAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
										budget for them. Please note that we had one fencing of waste infrastructure was completed in the first quarter of the financial year. That is before the end of September 2018.		
IDP052	Basic Services and Infrastructure	Limit Electricity losses to less than 10% annually (preceding 11months+reporting month's units purchased)	% Average electricity losses by 30 June 2019	10%	10%	5%	<10%	0%		*Please note that the items need financial budget for them to happen and there was no budget for them. Please note that we had one fencing of waste		Report

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TECHNICAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
										infrastructure was completed in the first quarter of the financial year. That is before the end of September 2018.		
IDP053	Basic Services and Infrastructure	Implement all electricity capital projects measured quarterly in terms of approved Electricity Capital Budget spent	96% of approved Capital Budget spent by 30 June 2019	96%	20%	10%	40%	40%				Report
IDP054	Basic Services and Infrastructure	Implement all Roads, Storm water infrastructure capital projects measured quarterly in terms of approved Capital	96% of approved Capital Budget spent by 30 June 2019	96%	20%	23%	40%	90%				Report



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TECHNICAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
		Budget spent										
IDP055	Basic Services and Infrastructure	Spend 96% of approved Capital Budget on resealing of streets (Actual expenditure and commitments divided by approved Capital Budget)	96% of approved Capital Budget spent by 30 June 2019	96%	20%	0%	40%	0%		*Please note that the items in red needs financial budget for them to happen and there was no budget for them. Please note that we had one fencing of waste infrastructure was completed in the first quarter of the financial year. That is before the end of September 2018.		Report
IDP056	Basic Services and	Implement all Water Services	96% of approved Capital Budget	96%	20%	15%	40%	50%				Report

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TECHNICAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
	Infrastructure	Infrastructure capital projects measured quarterly in terms of approved Capital Budget Spent	spent by 30 June 2019									
<b>IDP057</b>	Basic Services and Infrastructure	Implement all Waste Water Services infrastructure capital projects measured quarterly in terms of approved Capital Budget Spent	96% of capital budget spent by 30 June 2019	96%	20%	10%	40%	65%				Report


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TECHNICAL SERVICES												
IDP/REF NO	KPA Key Focus Area	Indicator (Activity/Project/ Key actions)	Unit of Measurement	Annual Target 2018/19	Year to Date as at End December 2018							
					Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Proof of Evidence
IDP058	Institutional Development & Building Capacity	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2018	Develop and submit department Standard Operating Procedures to Management & Portfolio Committee for approval by 30 September 2018	1	1	0	N/A	N/A		*Please note that the item needs financial budget for them to happen and there was no budget for them. Please note that we had one fencing of waste infrastructure was completed in the first quarter of the financial year. That is before the end of September 2018.		Minutes of Management & Portfolio Committee meetings
IDP059	Basic Services and Infrastructure	Implement all solid waste infrastructure capital projects measured quarterly in terms of approved capital budget spent	96% of capital budget spent by 30 June 2019	96%	20%	0%	40%	0%				Report


**Departmental Performance against Set SDBIP Targets Mid-Term, December 2019**

DEPARTMENT	QUARTER 1 TARGET	KPI MET	PERCENTAGE	KPI NOT MET	PERCENTAGE	KPI PARTLY MET	PERCENTAGE
OFFICE OF MAYOR	7	5	71.4%	1	14,2%	1	20%
OFFICE OF SPEAKER	3	2	67%	1	33.3%	0	0%
OFFICE OF MUNICIPAL MANAGER	10	6	60%	3	30%	1	10%
CORPORATE SERVICES	5	3	60%	1	20%	1	20%
FINANCIAL SERVICES	8	5	63%	3	38%	0	0%
COMMUNITY SERVICES	4	1	25%	3	75%	0	0%
TECHNICAL SERVICES	9	1	11%	4	44.4%	4	44.4%
<b>TOTALS</b>	<b>46</b>	<b>23</b>	<b>50%</b>	<b>16</b>	<b>35%</b>	<b>7</b>	<b>44%</b>

NOTE!! Colour description –  Green represents targets met,

 Blue represents targets well met,


 Red represents targets not met,

 Orange represents target almost met.


**Departmental Performance against Set SDBIP Targets Mid-Term, December 2019**

DEPARTMENT	QUARTER 2 TARGET	KPI MET	PERCENTAGE	KPI NOT MET	PERCENTAGE	NOT APPLICABLE	PERCENTAGE	KPI PARTLY MET	PERCENTAGE
OFFICE OF MAYOR	7	4	57.14%	1	14,28%	2	28%	0	20%
OFFICE OF SPEAKER	3	2	66%	0	0%	1	33%	0	0%
OFFICE OF MUNICIPAL MANAGER	12	4	33%	1	1%	3	25%	3	25%
CORPORATE SERVICES*	6	4	67%	0	0%	2	33.3%	0	0%
FINANCIAL SERVICES	8	3	38%	1	12%	3	38%	1	13%
COMMUNITY SERVICES	4	1	25%	0	0%	3	75%	0	0%
TECHNICAL SERVICES	9	4	44%	3	33.3%	1	11%	0	0%
<b>TOTALS</b>	<b>49</b>	<b>22</b>	<b>45%</b>	<b>6</b>	<b>12%</b>	<b>15</b>	<b>31%</b>	<b>4</b>	<b>8%</b>

NOTE!! Colour description –  Green represents targets met,

 Blue represents targets well met,

 Red represents targets not met,

 Orange represents target almost met.

**Section 11: Performance Plan evaluation on SDBIP**

**Section 12: Municipal Manager's Quality Certificate**

I, **BW Kannemeyer** the Municipal Manager of **Ngwathe Local Municipality**, hereby certify that:

Mid-Year Budget and Performance Assessment for the period of 1 July 2018 to 31 December 2018 has been prepared in accordance with the Municipal Finance Management Act, No. 56 of 2003 and Municipal Budget and Reporting Regulations Notice 393 of 2009.

\_\_\_\_\_  
**BW KANNEMEYER**  
**Municipal Manager**

**Date:** \_\_\_\_\_