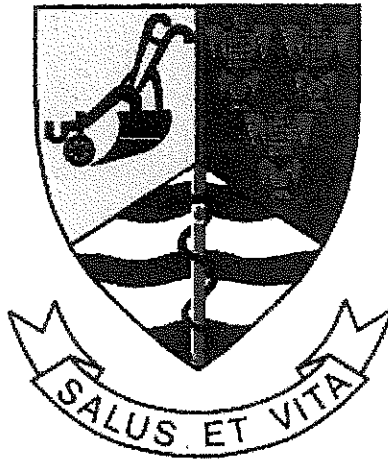


# **BELA – BELA LOCAL MUNICIPALITY**



---

## **MID YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2016/2017**

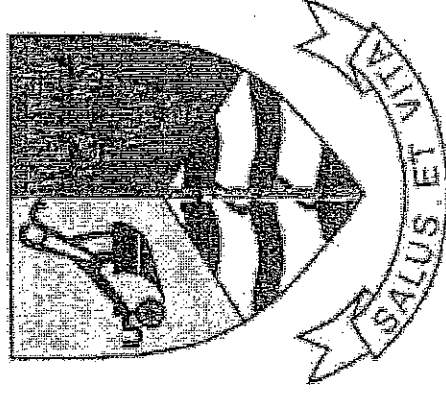
**FOR THE PERIOD**

**1 JULY 2016 TO 31 DECEMBER 2016**

---

**January 2017**

# **BELA-BELA LOCAL MUNICIPALITY**



## **2016/2017 ORGANIZATIONAL MID-YEAR SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN PERFORMANCE REPORT**

**1|2016/2017 MID- YEAR SDBIP PERFORMANCE REPORT**

## CONTENTS

1.	INTRODUCTION.....	3
2.	ACRONYMS AND TERMS.....	4
3.	RATING OF ORGANIZATIONAL PERFORMANCE PER KEY PERFORMANCE INDICATORS.....	5
4.	PLANNED TARGETS VERSUS THE 2016/2017 MID YEAR ACTUAL PERFORMANCE AS ALIGNED TO THE NATIONAL KEY PERFORMANCE AREAS.....	5
5.	EXPLANATION ON CALCULATING OF THE 2016/2017 MID YEAR ACTUAL PERFORMANCE.....	5
6.	KEY PERFORMANCE INDICATORS.....	6
7.	2016/2017 PROJECTS.....	31
8.	ANALYSIS OF THE ORGANIZATIONAL PERFORMANCE.....	39
9.	CONCLUSION.....	39

## 1. INTRODUCTION

As required by Section 34 of the Local Government Municipal Systems Act (MSA) the Municipality approved the 2016/2017 Integrated Development Plan (IDP), approved the 2016/2017 Annual Budget and the Service Delivery and Budget Implementation Plan (SDBIP) in terms of Section 53 of the Local Government Municipal Finance Management Act (MFMA). The purpose of the aforementioned documents is to provide strategic guidance on the objectives to be implemented by the municipality during the financial year. The documents also present the budget available for the implementation of the said objectives, and set out the targets on when the implementation will take place. As part of regular reporting the Administration is expected to compile reports on the performance of the municipality.

Furthermore, Section 52 (d) of the Local Government Municipal Finance Management Act, (MFMA) No 56 of 2003 requires the Mayor of the Municipality to submit a report to the Municipal Council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of the quarter. Section 72 of the MFMA further requires the Municipal Manager to

- a) *assess the performance of the municipality during the first half of the financial year taking into account the following:*
  - 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. \_\_\_\_\_
  - iv. \_\_\_\_\_and
- b) *submit a report on such assessment to*
  - i. *the Mayor of the municipality*
  - ii. *the National Treasury*
  - iii. *the relevant Provincial Treasury*

Therefore, in order to comply with the above legislative requirements the municipality compiled the report reflecting the actual performance of the municipality as measured against the performance indicators and targets set out in its 2016/2017 Integrated Development Plan (IDP), Annual Budget and Service Delivery and Budget Implementation Plan (SDBIP) from the 1<sup>st</sup> of July to 31 December 2016 which makes the first half of the 2016/2017 Financial Year.

The performance reflected in the report is in terms of the five (5) National Government's Strategic key Performance Areas for local government, which are as follows:

- Basic Service Delivery;
- Local Economic Development;
- Municipal Institutional Transformation and Development;
- Municipal Financial Viability and Management;
- Good Governance and Public Participation, and
- Spatial Rationale

The report will further reflect the performance of the municipality on the implementation of the Key Projects/Programmes as reflected in the approved 2016/2017 IDP and SDBIP.

## 2. ACRONYMS AND TERMS

The report contains information which is at times presented in abbreviations and terms, therefore for the purpose of this report the terms and acronyms below bears the following meaning:

MFMA	Municipal Finance Management Act No 56 of 2003
MSA	Municipal System Act No 32 of 2000
SDBIP	Service Delivery and Budget Implementation Plan
IDP	Integrated Development Plan
PMS	Performance Management System
KPA	Key Performance Areas
KPI	Key Performance Indicators
BBLM	Bela-Bela Local Municipality
LED	Local Economic Development
VIP	Ventilated Improved Pit
SDF	Spatial Development Framework
AG	Auditor General
MPAC	Municipal Public Account Committee
AFS	Annual Financial Statements
CoGTA	Cooperative Governance and Traditional Affairs
LGSETA	Local Government Sector Education Training Authority
WSP	Workplace Skills Plan
HRM	Human Resource Management
HRD	Human Resource Development
SPLUMA	Spatial Planning and Land Use Management Act No16 of 2013
OHS	Occupational Health Safety
LFF	Local Labour Forum
IGR	Intergovernmental Relations
ICT	Information Communication Technology
IT	Information Technology
MIG	Municipal Infrastructure Grant
MWIG	Municipal Water Infrastructure Grant
TB	Tuberculosis
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome

FY	Financial Year
INEP	Integrated National Electrification Programme
WCDM	Water Conversation Demand Management

### 3. RATING OF ORGANIZATIONAL PERFORMANCE PER KEY PERFORMANCE INDICATORS

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the approved 2016/2017 SDBIP will be assessed and the feedback will be reflected in the report in a form of a colour legend. Hence the table below exemplify the assessment methodology to be utilised.

Colour Legend	Category	Explanation
	KPI Not Applicable	KPIs with no Targets or Actual results for the selected period
	KPI Not Met	Actual vs Target Less than 75%
	KPI Almost Met	Actual vs Target between 75% and 100%
	KPI Met	Actual vs Target 100% Achieved
	KPI Met Well	Actual vs Target More Than 100% and Less Than 150% Achieved
	KPI Extremely Met Well	Actual vs Target More Than 150%

### 4. PLANNED TARGETS VERSUS THE 2016/2017 MID YEAR ACTUAL PERFORMANCE AS ALIGNED TO THE NATIONAL KEY PERFORMANCE AREAS

This section of the 2016/2017 Mid-Year Performance Report will report on the Municipality's actual performance against the planned targets as derived from the Municipality's IDP. Due to the fact that the Municipality has aligned its KPAs to the Six (6) National KPA's the Bela-Bela Local Municipality will report as such.

### 5. EXPLANATION ON CALCULATING OF THE 2016/2017 MID YEAR ACTUAL PERFORMANCE

The calculations were done in accordance with the following six (6) Departments within the Municipality, viz:

- a) Office of the Municipal Manager;
  - Internal Audit Unit;
  - Risk Management Unit and
  - Communications and Public Participation
- b) Budget and Treasury;
- c) Corporate Services; Social and Community Services;
- d) Planning and Economic Development; and
- e) Technical Services

All the percentages under the column on 2016/2017 actual performance were added together per Department and divided by the number of indicator planned to be performed by that particular Department.

In instances where the 2016/2017 Mid-Year Target was any figure other than 100%, the figure indicated as achievement under the column for Actual Performance was then divided by that under the 2016/2017 Mid-Year Target Column and then multiplied by 100 to get the actual percentage achieved, which is indicated in a bracket in most instances.

The totals from all the Departments were then averaged to arrive at the Organizational Scorecard.

# 6. KEY PERFORMANCE INDICATORS

Key Performance Area	Strategic Objective	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Mid-year Target	Actual Performance by 31 December 2016	Reason for Variance	Corrective Measure	Internal Audit Review	Evidence	Department
Basic Service Delivery	Promote the welfare of the community	Waste Management and Cleaning	KPI 1	Percentage of households with access to basic level of Solid Waste Removal (kerbside collection once a week)	%	100% (16000) were provided with access to basic level of Solid Waste Removal	100% (16 000)	100% (16 000)	100% (16 000)				Council Approved Schedule of Collection	Social & Community Services
Basic Service Delivery	Promote the welfare of the community	Waste Management and Cleaning	KPI 2	Number of Integrated Waste Management Plan recommendations implemented through establishment of Waste minimization initiative	#	2x Waste minimization initiatives were established	2x Waste minimization initiatives	1x project initiative	100% (16 000)	100% (16 000)			Attendance Registers and Reports	Social & Community Services

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016/2017 Annual Target	Mid-year Target	Actual Performance 2016/2017	Comments	Corrective Measure	Internal Audit Review	Evidence	Department
Basic Service Delivery	Promote the welfare of the community	Waste Management and Cleaning	KPI 3	Number of Waste Management awareness campaigns conducted by 30 June 2017	#	10 x Waste Management awareness campaigns held	10 x Waste Management awareness campaigns	4x Waste Management awareness campaign	Not achieved 75% 3x Waste Management awareness campaigns were conducted as follows: 21 September 2016 at Ward 1, 2, 3 20, 26 at Ward 4, 5, 2, 3 September 2016 at Ward 5 and 25 August 2016 at Ward 2. (75%)	The fourth Waste Awareness Campaign couldn't be held due to poor attendance of community members hence the awareness campaign was postponed.	The campaign will be held during the third quarter		Schedule of campaigns, Attendance Registers, Reports with Council Resolutions	Social & Community Services
Basic Service Delivery	Promote the welfare of the community	Waste Management and Cleaning	KPI 4	Number of reports on the maintenance of the landfill site compiled and tabled to Council by 30 June 2017	#	4X Reports	4X Reports	2x Report		The second quarter landfill audit couldn't be conducted due to the unavailability of some members of the landfill site Audit Committee, hence the delays in compiling the second quarter report.	The second quarter report will be compiled and tabled to Council during the third quarter.		Reports with Council Resolutions	Social & Community Services



Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-17 Annual Target	Mid-Year Target	Actual Performance (by 31 December 2016)	Reason for Variance	Corrective Measure	Internal Audit Review	Evidence	Department
• Please discuss Basic Service Delivery	Promote the welfare of the community	Protection and Emergency Services	KPI 5	Number of Firearms with accessories for Traffic Officers purchased by 30 June 2017	#	4x Firearms	6X Firearms with accessories	6x firearms with accessories purchased	Project withdrawn due to financial constraints				Advert, Appointment of the Service Provider and the Delivery Note	Social & Community Services
Basic Service Delivery	Promote the welfare of the community	Protection and Emergency Services	KPI 6	Number of reports on activities of the Division sent to the Department of Transport by the 7 <sup>th</sup> of each month	#	48 x Reports	48 x Reports	24x Reports	Not achieved 22 x Reports sent to the Department of Transport by the 7 <sup>th</sup> of each month				Reports and the proof of submissions	Social & Community Services
Basic Service Delivery	Promote the welfare of the community	Protection and Emergency Services	KPI 7	Number of Roadblocks held by 30 June 2017	#	96 Roadblocks were conducted	60 X Roadblocks to be conducted	30x Roadblocks	Not achieved 29 x Roadblocks conducted				Staff signed attendance Registers and Reports	Social & Community Services
Basic Service Delivery	Promote the welfare of the community	Community facilities	KPI 8	Number of cemeteries maintained by 30 June 2017	#	3x Cemeteries were maintained	3x Cemeteries to be maintained	3x Cemeteries	Not achieved 2 x Cemeteries maintained				Maintenance Schedule /Register	Social & Community Services
Basic Service Delivery	Promote the welfare of the community	Community facilities	KPI 9	Number of Municipal Parks maintained by June 2017	#	7x Parks were maintained	6x Parks to be maintained	6x Parks	Not achieved 6 x Parks were maintained				Maintenance Register/ schedule	Social & Community Services
Basic Service Delivery	To resource management of	Electricity	KPI 10	Number of households with access to basic	#	14504 HH were provided	14504 HH will be provided with access to	14504 HH provided with access	Not achieved 144489	Disconnections due to	Enforce by-laws for consumers to		Billing Information	Technical Services

Key Performance Area	Strategic Objective	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016/2017 Annual Target	Mid-year Target	Standard Performance by 31 December 2016	non-payment	Corrective Measure	Internal Audits	Evidence	Department
	infrastructure and services			level of electricity by 30 June 2017		with access to basic level of Electricity	basic level of Electricity	to basic level of Electricity	100% supplied by BSE by 30 June 2017	pay for service.				
Basic Service Delivery	To resource management of infrastructure and services	Electricity	KPI 11	Number of Electricity Meter Audit conducted by 30 June 2017	#	1x Electricity Meter Audit conducted by 30 June 2017	2x Electricity Meter Audit to be conducted	1x Electricity Meter Audit	100% supplied by BSE by 30 June 2017				Reports with Council Resolution	Technical Services
Basic Service Delivery	To resource management of infrastructure and services	Roads and Storm water	KPI 12	Number of Kilometres of roads constructed by 30 June 2017	#	0	3.5 KM of roads constructed by June 2017	Not applicable	Not applicable for the term under review				Appointment letters and Completion Certificate	Technical Services
Basic Service Delivery	To resource management of infrastructure and services	Roads and Storm water	KPI 13	Number of KM of stormwater constructed by 30 June 2017	#	1KM	0.7KM of road constructed by 30 June 2017	Not applicable	Not applicable for the term under review				Appointment letters and Completion Certificate	Technical Services
Basic Service Delivery	To resource management of infrastructure and services	Water	KPI 14	Number of households with access to basic level of water by 30 June 2017	#	18068 HH were provided with basic level of water	18068 HH	18068 HH	100% supplied by BSE by 30 June 2017				Billing Report	Technical Services
Basic Service Delivery	To resource management of infrastructure and services	Water	KPI 15	Number of boreholes	#	6 Boreholes	Development of 9 boreholes as	Not applicable	Not applicable				Appointment letters of the	Technical Services

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicators	Unit of Measure	Baseline	2016-2017 Annual Target	Mid-year Target	Actual Performance by 31 December 2016	Corrective Measure	Integrity Assurance	Evidence	Department
	to infrastructure and services			developed by 30 June 2017			per MWIG Business Plan		for the term under review			service providers completion Certificates	
Basic Service Delivery	To resource management of infrastructure and services	Water	KPI 16	Number of Quarterly Water Meter Audit Conducted by 30 June 2017	#	1 Water Meter Audit	4X Water Meter Audit	2x Water Meter Audit	10 Meter Water Audit conducted (30/6/17)			Quarterly Reports	Technical Services
Basic Service Delivery	To resource management of infrastructure and services	Water & Sanitation	KPI 17	Number of Quarterly Water and Waste Water Treatment Plant performance conducted by 30 June 2017	#	4 Quarterly Assessment Reports	4 Quarterly assessments reports	2x Assessment report	4 Quarterly Assessment Reports completed (30/6/17)			Quarterly reports with Council Resolutions	Technical Services
Basic Service Delivery	To resource management of infrastructure and services	Water & Sanitation	KPI 18	Number of Quarterly reports on Water and Waste Water Quality compiled by 30 June 2017	#	4 quarterly Reports	4 Quarterly Water and Waste Water quality reports	2x Water and Waste Water quality report	4 Quarterly Water and Waste Water quality reports compiled (30/6/17)			Quarterly reports with Council Resolutions	Technical Services
Basic Service Delivery	To resource management of infrastructure and services	Sanitation	KPI 19	Number of households with access to basic level of Sanitation by 30 June 2017	#	14928HH	14928HH provided with access to basic level of Sanitation	14928HH provided with access to basic level of Sanitation	Achieved 14928HH serviced by 30 June 2017			Billing information or GIS information	Technical Services

Key Performance Area	Strategic Objective	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Midyear Target	Actual Performance by 31 December 2016	Corrective Measure	Interventive Indicators	Evidence	Department
Basic Service Delivery	To resource management of infrastructure and services	Sanitation	KPI 20	Number of Household provided with VIP toilets by 30 June 2017	#	45 Households were provided with VIP's Toilets in Tsakane	50 Households to be provided with VIP's	Not applicable	Not applicable for the term under review			Completion Certificates	Technical Services
Local Economic Development	To promote and encourage sustainable economic environment	Local Economic Development	KPI 21	Number of LED Strategy reviewed by 30 June 2017.	#	None	1x LED Strategy reviewed	1x LED Strategy reviewed		The Municipality will no longer develop the Strategy only, however, it will develop the long-term Plan in which will include the LED Strategy.		Approved LED Strategy and the Council Resolutions	Planning & Economic Development
Local Economic Development	To promote and encourage sustainable economic environment	Local Economic Development	KPI 22	Number of LED Forum established by 30 September 2016	#	None	1x LED Forum launched	1x LED Forum launched		The Launch of the LED Forum awaits the finalization of all the relevant strategic sectors (Youth, Women, Tourism, Small Business) and other Stakeholders from the Community.		Attendance Registers, Report on the establishment of the Forum	Planning & Economic Development
Local Economic Development	To promote and encourage	Local Economic Development	KPI 23	Number of LED Forum meetings	#	None	4x LED Forum	2x LED Forum meeting		The first meeting of the Forum		Attendance Registers	Planning & Economic Development

(a) Performance Area	Strategic Objective	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016/2017 Annual Target	Mid-year Target	Actual Performance to 30 December 2016	Comments	Corrective Measure	Internal Audit Review	Expenditure	Department
	sustainable economic environment			held by 30 June 2017						is dependent on the conclusion of the establishment of the identification of the Strategic Sectoral Stakeholders.	be held by March 2017.			
Local Economic Development	To promote and encourage sustainable economic environment	Local Economic Development	KPI 24	Number of reports on jobs created through municipal LED initiatives including capital projects compiled and tabled to Council by 30 June 2017	#	2x Reports	4x reports on number of jobs created and report quarterly to Council	2x report on jobs created	4x reports on number of jobs created and report quarterly to Council				Reports with Council Resolutions	Planning & Economic Development
Local Economic Development	To promote and encourage sustainable economic environment	Local Economic Development	KPI 25	Number of LED initiatives established by 30 June 2017	#	None	2x LED initiatives established	Not applicable	Not applicable for the term under review				Report	Planning & Economic Development
Municipal Financial Viability and Management	To improve financial viability	Budgeting & Reporting	KPI 26	Number of MFMA Section 71 Reports submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month	#	12 Monthly Section 71 Reports for 2013/14 FY	12 Monthly Financial Reports	6x Monthly Financial Reports	6x Monthly Financial Reports				Section 71 Reports, Council Resolutions and proof of Submission to the Provincial and National Treasury	Budget & Treasury

Key Performance Area	Strategic Objectives	Reporting Area	KPI Code	Key Performance Indication	Unit of Measure	Baseline	Annual Target	Mid-Year Target	Actual Performance by 31 December 2016	Corrective Measure	Internal Audit Review	Evidence	Department
Municipal Financial Viability and Management	To improve financial viability	Budgeting & Reporting	KPI 27	Number of MFMA Section 72(1)(a)(i)(ii) Mid-Year Budget and Performance Assessment Report tabled to Council, National & Provincial Treasury by 25 January 2017	#	Approved 2014/2015 Section MFMA (1)(a)(i)(ii) Mid-Year Budget and Performance Assessment Report	1 MFMA Section 72 (1)(a)(i)(ii) Mid-Year Budget and Performance Assessment Report	Not applicable	Not applicable for the term under review			Council Approved Section 72 (1)(a)(i)(ii) Mid-Year Budget and Performance Assessment Report with Council Resolution and Submission letters to National & Provincial Treasury	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Budgeting & Reporting	KPI 28	Number of Annual Financial Statement compiled and submitted to Auditor General by 30 August 2016	#	1x AFS (2014/2015)	1x AFS (2015/2016)	1x AFS for 2015/16 Financial Year compiled and submitted to Auditor General.	1x AFS for 2015/16 Financial Year compiled and submitted to Auditor General.			AFS and Proof of Submission to AG	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Budgeting & Reporting	KPI 29	Number of 2017/18 Budget compiled and approved by Council by 30 May 2017	#	2016/17 approved Budget	2017/18 approved Budget	Not applicable	Not applicable for the term under review			Copy of the 2017/2018 Draft adopted Budget and the 2017/2018 approved	Budget & Treasury

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016/2017 Annual Target	Mid-year Target	Actual Performance by 31 December 2016	Corrective Measure	Interim Auditors' Comments	Evidence	Department
Municipal Financial Viability and Management	To improve financial viability	Budget & Treasury	KPI 30	Number of Budget related policies reviewed by 30 June 2017	#	14x Budget related Policies reviewed and approved	14x Budget related Policies to be reviewed and approved	Not applicable	Not applicable for the term under review			Budget with Council Resolutions Reviewed and approved Budget policies with Council Resolutions	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Supply Chain Management	KPI 31	Number of reports on the implementation of SCM Policy compiled and tabled to Council by 30 June 2017	#	4x SCM reports	4x SCM Reports	2x SCM Reports	2x SCM Reports			Reports with Council Resolutions	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Supply chain Management	KPI 32	Number of reports on Unauthorized Irregular and Fruitless Expenditure submitted to Council and National Treasury by 30 March 2017	#	1x Unauthorized Irregular and Fruitless expenditure report for 2014/2015	1x Unauthorized Irregular and Fruitless expenditure report for 2015/2016	Not applicable	Not applicable for the term under review			Report and the proof of submission	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Budgeting & Reporting	KPI 33	Maintain Unqualified Audit Outcome from AG for the 2015/2016 by 31 December 2016	Audit opinion for the 2015/2016 FY	2014/2015 Unqualified Audit Outcome	Unqualified Audit Outcome for 2015/2016 FY	Unqualified Audit Outcome for 2015/2016 FY	Unqualified Audit Outcome for 2015/2016 FY			2015/2016 Unqualified Audit Report	Office of the Municipal Manager

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016/2017 Annual Target	2016/2017 Actual Performance by 31 December 2016	Corrective Measure	Intergal Audit Review	Evidence	Department
Municipal Financial Viability and Management	To improve financial viability	Accounting Services	KPI 34	Number of Action Plan for 2015/2016 AG Audit Queries developed and submitted to Council by 30 January 2017	#	1x 2014/2015 Action Plan	1x Action Plan for 2015/2016 AG Audit Queries	Not applicable for the term under review	Not applicable		2015/2016 Action Plan with Council Resolution	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Accounting Services	KPI 35	Percentage of AG queries resolved as per the Action Plan by 30 June 2017	%	95%	95%	95%	Amending the SDBIP targets to be in line with the audit cycle	SDBIP targets not aligned to the audit cycle	Progress Report on the implementation of the Action Plan	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Asset Management	KPI 36	Number of quarterly asset verification reports compiled - movables (sampling) compiled by 30 June 2017	#	4x quarterly asset verification reports for 2015/16 FY	4x quarterly asset verification reports	2x report			Quarterly asset verification reports	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Budget and Reporting	KPI 37	Number of Indigent Register compiled and approved by 30 June 2017	#	2015/2016 Indigent Register	1x 2016/2017 Indigent Register	1x 2016/2017 Indigent Register			2016/2017 Indigent Register	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Budget and Reporting	KPI 38	Percentage of Registered Households earning less than 2860	%	100%	100%	100%			Billing Report	Budget & Treasury



Key Performance Area	Strategic Objective	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Mid-year Target	Actual Performance by 31 December 2016	Intervention	Corrective Measure	Evidence	Department
				with access to Free Basic Services					100% (100%)				
Municipal Financial Viability and Management	To improve financial viability	Budget and Reporting	KPI 39	Percentage capital budget actually spent on budgeted capital projects identified for 2016/2017 financial year i.e. IDP	%	To be finalised by the end of 2015/2016 FY	100%	100%	100%	Lower than anticipated spending on MWIG and MIG roll over projects	Accelerate spending on MWIG and MIG rollover projects	Report	Budget & Treasury
Municipal Financial Viability and Management	To improve financial viability	Budget and Reporting	KPI 40	Percentage MIG spent on MIG grants approved projects by 30 June 2017	%	To be finalised by the end of the FY	100%	50%	100%			Report	Budget & Treasury & Technical Services
Municipal Financial Viability and Management	To improve financial viability	Budget and Reporting	KPI 41	Percentage MWIG spent on approved projects by 30 June 2017	%	To be finalised by the end of the FY	100%	50%	Not achieved 42% of MIG grant spent by 31 December 2016 (84%)	Procurement of service providers took longer than anticipated	Appoint service providers before the beginning of the financial year to fast-track the project implementation	Report	Budget & Treasury & Technical Services
Municipal Financial Viability and Management	To improve financial viability	Revenue Management	KPI 42	Percentage Reduction of Service Debtors Revenue to below	%	48%	45%	47%	Not achieved 48%	Lower than anticipated debtors collection	Intensify debt collection in the third quarter.	Monthly Reports	Budget & Treasury

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Baseline	2016-2017 Annual Target	Mayar Target	Actual Performance by 31 December 2016	Revisions	Corrective Measure	Interventions	Evidence	Department
				50% (R-value total outstanding service debtors divided by R-value annual revenue actually received for services) by 30 June 2017				1102%		Establish debtors writing off committee to write off irrecoverable debts			
Municipal Financial Viability and Management	To Improve Financial Viability	Revenue Management	KPI 43	Number of Revenue Enhancement Strategy reviewed and approved by 30 September 2016	Draft Revenue Strategy	1x Approved Revenue Enhancement Strategy	1x Approved Revenue Enhancement Strategy	Project withdrawn due to financial constraints	Project withdrawn due to financial constraints	Project withdrawn due to financial constraints		Approved Enhancement Strategy with Council Resolution	Budget & Treasury
Municipal Institutional Development and Transformation	To improve, attract, develop and retain human capital	Human Resources	KPI 44	Number of people from Employment Equity Groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by 30 June 2017	2x African males appointed during the 2015/2016 FY	15x Officials to be appointed	5x Officials		The selection process has been put on hold due to financial constraints.	The selection processes anticipated to continue during the fourth quarter.		Appointment letters and the Employment Equity Plan	Corporate Services
Municipal Institutional Development and Transformation	To improve, attract, develop and retain human capital	Human Resources	KPI 45	Number of Employment Equity Report compiled and submitted to Department of Labour by 30 January 2017	2015/2016 Employment Equity Report	1x Employment Equity Report	Not applicable	Not applicable for the term under review				Copy of the Report and the Proof of Submission	Corporate Services
Municipal Institutional Development	To improve, attract, develop and	Human Resources	KPI 46	Number of Organizational Structure	2016/17 Approved	1x 2017/18 Approved	Not applicable	Not applicable				2017/18 Approved Organization	Corporate Services

Key Performance Area	Strategic Objectives	Project/Initiative	KPI Code	As per performance measure	Unit of Measure	Baseline	2016/2017 Annual Target	Mid-term Target	Actual Performance by 31 December 2016	Intervention	Corrective Measure	Intervention	Evidence	Department
and Transformation	retain human capital			reviewed and approved by Council by 30 May 2017		Organizational Structure	Organizational Structure		For the terms under review				at Structure with Council Resolution	Corporate Services
Municipal Institutional Development and Transformation	To improve, attract, develop and retain human capital	Human Resources	KPI 47	Number of HRM & HRD Strategy developed and approved by Council by 30 June 2017	#	None	LX Council approved HRM & HRD Strategy	Advertise for the appointment of the consultant	Project withdrawn due to financial constraints	The project was withdrawn due to financial constraints.			Advert, appointment letter for the Consultant and the approved HRM&HRD Strategy with Council Resolution	Corporate Services
Municipal Institutional Development and Transformation	To improve, attract, develop and retain human capital	Human Resources (Training & Development)	KPI 48	Percentage of municipality's budget actually spent on implementing its Workplace Skills Plan (WSP) by 30 June 2016	%	79% (1 299 150 Spent from 1 650 000)	100% (900 000)	50%	Not achieved 36% (319 756 22 spent from 900 000 00) (22%)	Learning Intervention s advertised, Procurement of services took longer than anticipated			Approved WSP, Service level Agreements and invoices	Corporate Services
Municipal Institutional Development and Transformation	To improve, attract, develop and retain human capital	Human Resources (Training & Development)	KPI 49	Number of Workplace Skills Plan (WSP) submitted to LGSETA by 30 April 2017	#	2016/2017 WSP	1x 2017/2018 WSP to be submitted to LGSETA by 30 April 2017	Not applicable	Not applicable for the term under review				Workplace Skills Plan and Proof of Submission to LGSETA	Corporate Services
Municipal Institutional Development and Transformation	To improve, attract, develop and retain human capital	Human Resources (Training & Development)	KPI 50	Number of Officials and Councilors trained 30 June 2017	#	96 Officials and Councilors trained (85 employees and 11 Councilors)	285 Officials and Councilors to be trained during the 2016/2017 FY	Sourcing of the services of the Service Provider		Financial Constraints	It is anticipated that the remaining officials may be trained during the fourth quarter.		Services Level Agreement and Invoices	Corporate Services

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Mid-year Target	Actual Performance by 31 December 2016	Corrective Measure	Annual Audit Rating	Evidence	Department
Good Governance and Public Participation	To plan for the future	Integrated Development Plan	KPI 51	Number of 2017/2018 IDP reviewed and approved by Council by 30 May 2017	#	2016/2010 IDP	1x Approved 2017/2018 approved IDP	Not applicable	Not applicable for the year under review			2017/2018 approved IDP	Planning & Economic Development
Good Governance and Public Participation	To plan for the future	Integrated Development Plan	KPI 52	Number of IDP Representatives forum meetings held by 30 June 2017	#	1/4x Rep Forums meetings during 2015/16 FY	4x Rep Forums meetings	2x Rep Forum meeting		The first quarter IDP Representative Forum couldn't be convened due to the inauguration of new Council and induction of Councillors as they form part of the IDP Representative Forum.		Signed Attendance Registers	Planning & Economic Development
Good Governance and Public Participation	To plan for the future	Integrated Development Plan	KPI 53	Number of 2017/2018 IDP, Budget & PMS Review Process Plan approved by 30 May 2017	#	Approved 2016/2017 IDP, Budget & PMS Process Plan	2017/2018 IDP, Budget & PMS Review Process Plan approved	Not applicable	Not applicable for the year under review			Copy of the Approved 2017/2018 IDP, Budget & PMS	Planning & Economic Development
Good Governance and Public Participation	To plan for the future	Integrated Development Plan	KPI 54	Number of 2017/2018 SDBIP approved by the Mayor 28 days after the approval of the Budget by 30 June 2017	#	2016/2017 SDBIP	1x 2017/2018 SDBIP	Not applicable	Not applicable for the year under review			2017/2018 Approved SDBIP	Planning & Economic Development
Good Governance and Public Participation	To improve administrative and governance capacity	Performance Management	KPI 55	Number of 2016/2017 Performance Agreements signed by the Municipal	#	4x 2015/2016 Performance Agreements signed	4x 2016/2017 Performance Agreements signed	4x Signed 2016/2017 Performance Agreements				Signed Performance Agreements	Planning & Economic Development

Key Performance Area	Strategic Objectives	Programme	KPI Goal	Key Performance Indicator	Unit of Measure	Baseline	2016/2017 Annual Target	Mid-Year Target	Actual Performance by 31 December 2016	Corrective Measure	Interim Review	Evidence	Department
				Manager and Senior Managers by 30 July 2016					30 July 2016				
Good Governance and Public Participation	To improve administrative and governance capacity	Performance Management	KPI 56	Number of Performance Reviews for Senior Managers conducted by 30 June 2017	#	2x Performance Reviews	2x Performance Reviews conducted	1x Performance Reviews	1x Performance Reviews	The Annual Performance Reviews will be conducted during February 2017		Assessment Reports and the signed attendance registers	Planning & Economic Development
Good Governance and Public Participation	To improve administrative and governance capacity	Compliance	KPI 57	Number of Annual Performance Report compiled in terms of Section 46 of MSA and submitted to Auditor General by 30 August 2017	#	1x 2014/2015 Annual Performance Report	1x 2015/2016 Annual Performance Report	1x 2015/2016 Annual Performance Report	1x 2015/2016 Annual Performance Report			Copy of the 2015/2016 Annual Performance Report	Planning & Economic Development
Good Governance and Public Participation	To improve administrative and governance capacity	Compliance	KPI 58	Number of Annual Reports compiled in terms of Section 127 of the MFMA and tabled to Council by 31 March 2017	#	1 (2014/2015 Annual Report)	1 (2015/2016 Annual Report)	2015/2016 First Draft Annual Report submitted to Auditor General by 30 August 2015	2015/2016 First Draft Annual Report submitted to Auditor General by 30 August 2015			2015/2016 Annual Report with Council Resolution	Planning & Economic Development

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicators	Unit of Measure	Baseline	2016-2017 Annual Target	Planned Target	Actual Performance by 31 December 2016	Corrective Measure	Qualitative Assessment	Evidence	Department
Good Governance and Public Participation	To improve administrative and governance capacity	Compliance	KPI 59	Number of Oversight Report compiled in terms of Section 129 of the MFMA and tabled to Council by 30 March 2017	#	1 (2014-2015) Oversight Report	1X (2015-2016) Oversight Report	Manager by 30 November 2016 and to Council by 30 January 2017	Not applicable for the term under review			2015/2016 Oversight Report with Council Resolution	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	Compliance	KPI 60	Number of quarterly SDBIP performance reports compiled in terms of Section 52 (d) of the MFMA and tabled to Council by 30 June 2017	#	4x Quarterly SDBIP Reports	4x Quarterly SDBIP Reports	4 <sup>th</sup> Quarterly SDBIP Report for 2015/2016 1 <sup>st</sup> Quarterly SDBIP Report for 2016/2017 FY	Not applicable for the term under review			Quarterly Reports with Council Resolutions	Planning & Economic Development
Good Governance and Public Participation	To improve administrative and governance capacity	Compliance	KPI 61	Number of Back to Basics Reports and the Action Plan compiled and submitted to CoGTA by 30 June 2017	#	12 Back to Basics Reports and the Action Plan	12 Back to Basics Reports and the Action Plan submitted to CoGTA	6 Back to Basics Reports and the Action Plan submitted to CoGTA	Not applicable for the term under review			Reports and the Proof of Submission	Planning & Economic Development

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Midyear Target	Actual Performance by 31 December 2016	Outcomes	Corrective Measure	Internal Audit Review	Evidence	Department
Good Governance and Public Participation	To improve administrative and governance capacity	Council Administration	KPI 62	Number of Council meetings held by 30 June 2017	#	8x Council meetings (4 Ordinary & 4 Special council meetings held)	4x Council Meetings	2x Council Meeting	Achieved 2x Council meetings were held as follows: 18 May 2016 and 15 September 2016				Signed Attendance Registers	Corporate Services
Good Governance and Public Participation	To improve administrative and governance capacity	Council Administration	KPI 63	Number of Section 79 Committee meetings held by 30 June 2017	#	18x Section 79 Committee meetings held	24x Section 79 Committee Meetings	9x Section 79 Committee meetings		The other three Section 79 meetings couldn't be convened due to the inauguration of new Council and induction of Councillors.			Signed Attendance Registers	Corporate Services

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016/17 Annual Target	Mid Year Target	Actual Performance by 31 December 2016	Corrective Measure	Interventive Action	Evidence	Department
Good Governance and Public Participation	To improve administrative and governance capacity	Council Administration	KPI 64	Number of MPAC meetings held by 30 June 2017	#	5x MPAC meetings held	4x MPAC meetings	2x MPAC meeting	4 meetings held by 30 June 2017			Signed Attendance Registers	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	MPAC	KPI 65	Percentage of MPAC resolutions implemented by 30 June 2017	%	100%	100%	100%	100% of MPAC resolutions were implemented			MPAC Resolution Register, Report and Council Resolution	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	Audit	KPI 66	Percentage of Internal Audit findings resolved by 30 June 2017	%	95%	96%	48%				Progress Report on the Implementation of Internal Audit findings	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	Audit Committee	KPI 67	Number of Audit Committee Reports submitted to Council by 30 June 2017	#	4x Audit Committee Reports for 2015/2016 FY	4x Audit Committee Reports for 2016/2017 FY	2x Audit Committee Reports		The report to be tabled to the next Council Meeting.	Council Meeting did not take place during the	Reports with Council Resolutions	Office of the Municipal Manager



Key Performance Area	Strategic Objectives	Performance Indicator	KPI Code	Key Performance Indicator	Baseline	2016-2017 Annual Target	Mid-year Target	Actual Performance by 31 December 2016	Completion Status	Corrective Measure	Internal Audit Review	Evidence	Department
									second quarter.				
Good Governance and Public Participation	To improve administrative and governance capacity	Number of Risk Management Committee Reports submitted to Audit Committee	KPI 68	#	4x Risk Management Committee Reports for 2015/2016 FY	4x Risk Management Committee Reports submitted to Audit Committee	2x Risk Management Committee Report submitted to Audit Committee	4x Risk Management Committee Reports submitted to Audit Committee				Reports and Audit Committee Resolutions	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	Number of Audit Committee meetings held by 30 June 2017	KPI 69	#	4x Audit Committee meetings	4x Audit Committee meetings	2x Audit Committee meeting	4x Audit Committee meetings				Signed Attendee Registers	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	Number of Performance Audit Committee meetings held by 30 June 2017	KPI 70	#	2x Performance Audit Committee meeting	2x performance Audit Committee meetings	1x Performance Audit Committee meeting	2x performance Audit Committee meetings				Signed Attendee Registers	Office of the Municipal Manager

Key Performance Area	Strategic Objective	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Mid-Year Target	Actual Performance (b) (5)	Corrective Measure	Internal Audit Review	Evidence	Department
Good Governance and Public Participation	To improve administrative and governance capacity	Audit Committee	KPI71	Number of Audit and Performance Committees resolutions implemented by 30 June 2017	#	60%	96%	48%	Committee meeting held on the 15 <sup>th</sup> of August 2016 100% achieved 100% of administrative recommendations implemented Audit Committee meeting held on the 15 <sup>th</sup> of August 2016 and all 6 recommendations implemented 100%			Performance and Audit Committee Resolutions Register with Council Resolutions	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	Risk Management	KPI72	Number of Risk Management Meetings held by 30 June 2017	#	4x Risk Management meeting	4x Risk Management Meetings	2x Risk Management meeting	4x Risk Management Meetings held on the 15 <sup>th</sup> of August 2016, 15 <sup>th</sup> of September 2016 and 15 <sup>th</sup> of October 2016 100%			Signed Attendance Registers	Office of the Municipal Manager

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016/2017 Annual Target	Mid Year Target	Annual Performance by 31 December 2016	Corrective Measure	Interventions and Review	Evidence	Department
Good Governance and Public Participation	To improve administrative and governance capacity	Risk Management	KPI 73	Number of 2017/2018 Strategic Risk Register compiled and approved by Council by 31 May 2017	#	1x 2016/2017 Strategic Risk Register held	1x 2017/2018 Strategic Risk Register	Not applicable	Not applicable for the term under review			2017/2018 Strategic Risk Register with Council Resolution	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	LLF	KPI 74	Number of Local Labour Forum meetings held by 30 June 2017	#	5x LLF meetings held	8x LLF meetings	4LLF meeting	One LLF meeting held on 11 May 2017			Signed Attendance Registers	Corporate Services
Good Governance and Public Participation	To improve administrative and governance capacity	OHS	KPI 75	Number of OHS Committee meetings held by 30 June 2017	#	6x OHS meetings held	4x OHS meetings	2x OHS meeting	Meeting held on 27 June 2017			Signed Attendance Registers	Corporate Services
Good Governance and Public Participation	To improve administrative and governance capacity	ICT	KPI 76	Number of ICT policies reviewed and approved by Council by 30 June 2017	#	15 ICT Policies	2x ICT Policies Reviewed	2x ICT Policies reviewed (Information Security Policy and ICT Usage Policies)	15 ICT Policies approved by Council by 30 June 2017			The reviewed 2 ICT Policies with Council Resolutions	Corporate Services

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Min Year Target	Actual Performance by 31 December 2016	Impact	Corrective Measure	Evidence	Department
Good Governance and Public Participation	To improve administrative and governance capacity	Legal Services	KPI 177	Number of by-laws reviewed and promulgated by 30 June 2017	#	Draft SPLUMA	1x SPLUMA by-law gazetted	SPLUMA by-law gazetted	Project Management 100%	Financial constraints	The gazetting is anticipated to be concluded during the fourth quarter.	SPLUMA By-law with the Gazette Number	Corporate Services
Good Governance and Public Participation	To improve administrative and governance capacity	Legal Services	KPI 178	Number of litigations reports compiled and tabled to Council by 30 June 2017	#	6x litigations reports	4x litigations reports	2x litigations report	2x litigations report	2x litigations report		Reports with Council Resolutions	Corporate Services
Good Governance and Public Participation	To improve administrative and governance capacity	ICT	KPI 179	Number of ICT Steering Committee meetings held by 30 June 2017	#	3x Steering Committee meetings	4x Steering Committee meetings	2x ICT Steering Committee meeting	10 meetings	10 meetings		Signed Attendance Registers	Corporate Services

Key Performance Area	Strategic Objective	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016/17 Annual Target	Mid-year Target	Actual Performance by 31 December 2016	Corrective Measure	Intervention	Evidence	Department
Good Governance and Public Participation	To improve administrative and governance capacity	Communications	KPI 80	Number of Communications Strategy reviewed and approved by Council by 30 September 2016	#	None	1X Communication Strategy Reviewed	1X Communication Strategy Reviewed		The Communication Strategy will be tabled to the next Council sitting for final approval		Council Approved Communication Strategy with Council Resolution	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	Communications	KPI 81	Number of Community Feedback meetings held by 30 June 2017	#	2x Community feedback meeting held per Ward	2x Community Feedback meetings per Ward 2	Not applicable	Not applicable			Signed attendance registers	Office of the Municipal Manager
Good Governance and Public Participation	To improve administrative and governance capacity	Customer Care	KPI 82	Number of Customer Care Policy and Procedure Manual developed and approved by Council by 30 September 2016	#	Draft Customer Care Policy	1X Customer Care Policy by 30 September 2016	1X Customer Care Policy		The Customer Care Policy will be tabled to the next Council sitting for final approval		Approved Policy with Council Resolution	Office of the Municipal Manager

Key Performance Area	Strategic Objective	Programme	KPI Code	Key performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Midyear Target	Actual Performance to 31 December 2016	Corrective Measure	Timeline	Evidence	Department
Good Governance and Public Participation	To improve administrative and governance capacity	Ward Committees	KPI 83	Number of Ward Committee meetings held by 30 June 2017	#	Average of 7 meetings were held by all the Wards in 2015/16	12 Ward Committee Meetings held and report to the Office of the Speaker by 30 June 2017	6x Ward Committee Meetings and reports		The process of establishing the Ward Committees will probably be finalised by December 2016, hence Ward Committee meetings and reporting will commence during January 2017.		Signed attendance registers and reports	Office of the Municipal Manager
Good Governance and Public Participation	Promote the welfare of the community	Special Programmes	KPI 84	Number of Special Programmes Initiatives to be held by 30 June 2017 (2x HIV/Aids and TB awareness campaigns, 1x Youth Programme )	#	1 HIV/Aids Awareness Campaign held and 1x Youth Programme	2 X HIV/Aids and TB Awareness Campaigns held and 1x Youth Programme	1 X HIV/Aids Awareness Campaign held				Attendance Registers and Invitations	Office of the Municipal Manager

Key Performance Area	Strategic Objectives	Programme	KPI Code	Key Performance Indicator	Unit of Measure	Baseline	2016-2017 Annual Target	Mid-year Target	Actual Performance by 31 December 2016	Corrective Measures	Supporting Evidence	Department
Spatial Rationale	To plan for the future	Housing	KPI 85	Number of Informal Settlements formalised by 30 June 2017	#	None	1 X Informal Settlement formalised	Not applicable	Not applicable for the term under review		Report on the Formalization of Informal Settlement	Planning & Economic Development
Spatial Rationale	To plan for the future	Building Control	KPI 86	Number of Awareness Campaigns on requirements and procedures for having buildings plans approved held by 30 June 2017	#	2X Awareness Campaigns were held	4x Awareness Campaigns	2x Awareness Campaign		Due to the shortage of staff, the campaigns will be held together with the IDP Roadshows	Notice, Attendance Registers	Planning & Economic Development
Spatial Rationale	To plan for the future	Building Control	KPI 87	Percentage of building plans meeting all requirements approved within 30 days by 30 June 2017	%	90%	100%	100%			Register of the received and approved plans	Planning & Economic Development

7. 2016/2017 PROJECTS

Number	Programme	Project Description	Allocated Budget	Source	% of Completion	Actual Performance by 31 December 2016	Reasons for Variation if any	Concrete Measure	Internal Audit Review	Evidence Required	Department
1.	Roads	Bela Bela: Road paving X's 2, 7 & 8 (Phase 4)	5 809 825.00	MIG	Procurement and appointment of a Contractor 40% Construction progress	Achieved Contractor procured and appointed. Construction progress is 85% (Total length of road to construct is 2.4km 1.2km is 100% completed Earthworks for the remainder is completed and paving is under construction)				Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services
2.	Sanitation	Bela Bela: Bulk Sewer X9	812 130.00	MIG	100% completion of the sewer line and pump station	Achieved Construction progress is 100% sewer line and pump station complete				Completion certificate	Technical Services
3.	Sports	Bela Bela: Upgrade sport facilities stand 752	2 850 000.00	MIG	Procurement and appointment of a Contractor 40% Construction progress	Achieved Contractor procured and appointed. Construction progress is 47% (All foundations are casted. All steel work were manufactured. Outstanding work is only the erection of the structure)				Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services



Number	Programme	Project Description	Allocated Budget	Source	Actual Performance by 31 December 2016	Reasons for Variation if any	Compliance Rating	Integrity Audit Rating	Evidence Required	Department
4.	Sports	Bela Bela: Upgrade SUNFA stadium	1 992 250.00	MIG	Procurement and appointment of a Contractor 40% Construction progress	Achieved. Contractor procured and appointed. Construction progress is 50% (Earthworks for the pitch is at 30% Excavations for foundations are at 100% All steel works are 100% manufactured and on site)			Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services
5.	Roads & Stormwater	Bela Bela: Stormwater Limpopo street	2 600 000.00	MIG	Procurement and progress appointment of a Contractor 40% Construction progress	Achieved. Contractor procured and appointed. Construction progress is 60% (Project entails 460m channel in Limpopo street and 170m in Mfile street Earthworks in Limpopo street is at 100% and concrete work at 90%)			Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services
6.	Roads	Bela Bela: Upgrade streets - Spa Park	4 797 500.00	MIG	Procurement and appointment of a Contractor 40% Construction progress	Achieved Contractor procured and appointed. Construction progress is 85%			Appointment letters of the Contractor, quarterly progress reports and	Technical Services

Number	Programme	Project Description	Allocated Budget	Source	Actual Performance by 30 December 2016	Reasons for Variation if any	Contracting Method	Interruption/Amendment	Evidence Required	Department
7.	Cemeteries	Bela Bela: Pave access road and fence graveyard	2 581 245.00	MIG	(1858km of street 100% paved) Achieved. Contractor procured and appointed. Construction progress is 85% (100% of earth works completed 30% of paving completed)				completion certificates Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services
<b>Own Source Capital Project</b>										
8.	Emergency and Protection services	Fire Arms including Ammunition and Holsters	110 000.00	BBLM	Project withdrawn due to financial constraints.	Project withdrawn due to financial constraints	The procurement of the Firearms will be finalised in the 2017/2018 Financial Year		Advert. Appointment of the Service Provider and the Delivery Note	Social and Community Services
9.	Community facilities	Furniture - Multipurpose	1 200 000.00	BBLM	Achieved Service provider was appointed and the furniture was delivered on the by the 26th of September 2016				Advert. Appointment letters and the delivery notes	Social and Community Services
<b>INEP</b>										
10.	Electricity	10MVA Substation	28 000.00	INEP	Achieved. Eskom connection fees paid. Advert for manufacturing and supply of the HV electrical equipment closed on 09 December 2016				Proof of payment to Eskom, Approval of Designs, Tender Advert and appointment letter of Contractor	Technical Services

Number	Programme	Project Description	Allocated Budget	Source	Actual Performance by December 2016	Reasons for Variation if any	Contractual Milestone	Quantity/Value Received	Evidence Required	Department
<b>Roll Over Projects due to the additional allocation of Municipal Infrastructure Grant (MIG)</b>										
11.	Roads	Bela Bela: Road paving X's 2, 4 & 6 (Multi-year)	9 255 520.00	MIG	Achieved Consultant appointed, contractor procured and appointed.				Appointment letters of the contractor and the consultant and the quarterly progress reports	Technical Services
12.	Roads	Bela Bela: Paving Bus Route - Rapotobwane	5 617 950.00	MIG	Achieved Designs approved and tender advertised.				MIG approval letter, tender advert for Contractor, appointment letter and quarterly progress report	Technical Services
13.	Water	Bela Bela: New 5 Ml Reservoir (Multi-year)	7 500 000.00	MIG	Not achieved. Technical report developed	Technical report submitted to the Department of Water and Sanitation. Awaiting their approval prior to submission to MIG for funding.	Budget will be adjusted in January 2017.		MIG approval letter, tender advert for Contractor, appointment letter and quarterly progress report	Technical Services
14.	Sports	Bela Bela: Upgrade of existing and addition of new sport facilities - stand 274	4 887 623.00	MIG	Not achieved. Project on procurement for contractor.	Performance of the project was withheld due to approval of Roll over budget.	MIG Roll over budget was approved in December 2016, tender on adjudication process for appointment of contractor.		Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services
15.	Roads & Stormwater	Bela Bela: Stormwater Marikana street	3 354 420.00	MIG	Achieved Designs approved and tender advertised.				MIG approval letter, tender advert for Contractor, appointment letter and	Technical Services

Number	Programme	Project Description	Allocated Budget	Source	Physical Completion	Actual Performance in 2016	Reasons for Variation if any	Contractive Measures	Financial Audit	Evidence Required	Department
<b>Municipal Water Infrastructure Grant (MWIG)</b>											
16.	Water	Masakhane Water Supply upgrading	2 500 000.00	MWIG	Procurement and appointment of a Contractor 40% Construction progress	Achieved Inception report approved. Siting, drilling and testing of borehole H28-0200 complete. Stage 2 drilling borehole H28-0199 complete. Water quality testing complete. Designs completed. Construction of pipework is practically complete 700m of HDPE installed.				Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services
17.	Water	Gholf Baan Park Water Augmentation	700 000.00	MWIG	Procurement and appointment of a Contractor 40% Construction progress	Achieved Inception report approved. Borehole development in progress. Pump main hydraulic analysis in progress. Equipping of Park street borehole complete and connected to the main line. Equipping of borehole at Roodepoot park will start after				Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services

Number	Programme	Project Description	Allocated Budget	Source	Major Activities	Actual Performance by 31 December 2016	Reasons for Variation if any	Contract Value	Material Available for Review	Evidence Required	Department
18.	Water	Renaissance Water Augmentation	1 550 000.00	MWTG	Procurement and appointment of a Contractor 40% Construction progress	completion of hydraulic investigation due for presentation in January 2017. Achieved Inception report approved. Borehole development in progress. Pump main hydraulic analysis in progress. Equipping of Park street borehole complete and connected to the main line. Equipping of borehole at Rodepoort park will start after completion of hydraulic investigation due for presentation in January 2017. Achieved Refurbishment of sand filters in 70% progress. Dosing system in 20% progress. 3000m of Ac pipes replaced. Installation of Electromagnetic meters & level sensor in progress. Leak detection			Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services	
19.	Water	Bela-Bela WCDM Project	17 500 000.00	MWTG	Procurement and appointment of a Contractor 40% Construction progress					Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services

Number	Programme	Project Description	Allocated Budget	Source	Project Completion	Actual Progress to Date	Reasons for Variation if any	Colleague Review	Internal Audit Review	Evidence Required	Department
20.	Water	Bulk Water Augmentation for Bela-Bela Extension 6&7	2 050 000.00	MWIG	Procurement and appointment of a Contractor 40% Construction progress	Completed in Bela-Bela town. Pressure reducing valves has been positions identified for installation. Refurbishment of Renaissance Pump station is complete. Not achieved. Inception report approved. Geophysical survey Complete. Blowing of productive boreholes in complete. Pump testing of three boreholes is complete. Water quality analysis of one borehole in progress. Equipping of borehole in progress. Repairs of elevated pressed steel tank at Ext 9 is complete.	Project delayed by approval of business plan by the Department of Water and Sanitation	Business Plan approved, boreholes identified and Geohydrology study completed in December 2016. Connection line and borehole housing will start in January 2017		Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services
21.	Water	Rapotokwane Boreholes	2 700 000.00	MWIG	Procurement and appointment of a Contractor 40% Construction progress	Achieved Inception report approved. Three boreholes were tested. New pumping equipment delivered to site. New pumping line				Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services

Number	Programme	Project Description	Allocated Budget	Source	Performance Indicators	Actual Performance to date	Reasons for Variation if any	Interventive Measures	Interventive Review	Evidence Required	Department
						installed. Major reticulation leaks repaired. Standpipe connection leaks identified. Borehole pump repaired.					
22.	Water	Pienars Bulk Water Augmentation	2 800 000.00	MWIG	Procurement and appointment of a Contractor 40% Construction progress	Not achieved Inception report approved. Boreholes drilled, two are dry and one has water. Designs were completed. Mechanical contractor yet to equip the borehole. Civil contractor for construction of the 1.1km pipeline ordered materials.	Project delayed by approval of business plan by the Department of Water and Sanitation	Business Plan approved, boreholes identified and Geohydrology study completed in December 2016. Connection line and borehole housing will start in January 2017		Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services
23.	Water	Completion of Vingerbaai Water Supply	200 000.00	MWIG	Procurement and appointment of a Contractor 40% Construction progress	Achieved 2 borehole protection was done. Project is complete. Community served.				Appointment letters of the Contractor, quarterly progress reports and completion certificates	Technical Services

## 8. ANALYSIS OF THE ORGANIZATIONAL PERFORMANCE

Departments	Total Number of KPIs	KPIs Achieved in Mid-Year (01-July-2016 to 31-December-2016)	KPIs Not Achieved in Mid-Year (01-July-2016 to 31-December-2016)	Number of KPIs Not applicable for Implementation in Mid-Year (01-July-2016 to 31-December-2016)	Indicators where projects are withdrawn	Percentage of achievement (Performance)
Office of the Municipal Manager	16	11	4	1	0	73.3%
Budget & Treasury Office	15	6	4	4	1	60%
Community & Social Services	9	6	2	0	1	75.7%
Planning & Economic Development	19	7	6	6	0	53.8%
Technical Services	13	5	2	4	0	55.5%
Corporate Services	15	6	5	3	1	54.5%

## 9. CONCLUSION

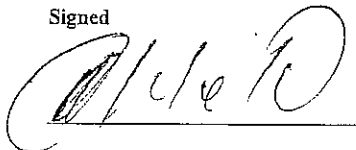
During the Mid-Year of 2016/2017 Financial year, out of 87 KPIs for the two quarters, 42 were achieved, 23 were not achieved whilst 3 were withdrawn and 19 were not applicable for the period under reporting. To this end the Performance for the Organization during Mid-Year is 83.3%.

Furthermore, the Municipality had 23 projects with quarterly milestones which were due for implementation during the 2016/2017 mid- year performance report. Out of the 23 quarterly milestones 18 were achieved, 1 project was withdrawn and 4 were not achieved which translates to 95. 65% performance hence it should be indicated that the majority of projects as outlined in the report are on schedule as per the approved respective project plans.

Although the performance is 83.3% it should be noted Departments of Planning & Economic Development, Technical Services, Budget & Treasury and Communications Division in the Office of the Municipal Manager performed above the set targets on 7 key performance indicators.

The Municipal Manager will in accordance with the performance regulations engage all the Departmental Heads on the performance of their respective Departments as indicated herein.

Signed



MM MALULEKA

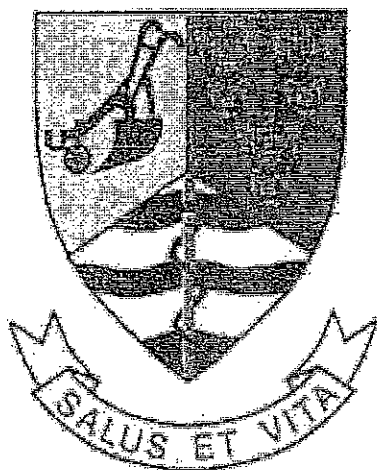
MUNICIPAL MANAGER

Date

23/04/2017



# **BELA-BELA LOCAL MUNICIPALITY**



## **MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2016/17**

**Compiled in terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Schedule C (In-Year Reports of Municipalities) of the Municipal Budget and Reporting Regulations**

## ACRONYMS AND TERMS

The report contains information which is at times presented in abbreviations and terms, therefore for the purpose of this report the terms and acronyms below bear the following meaning:

IDP	Integrated Development Plan
SDBIP	Service Delivery and Budget Implementation Plan
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
KPA	Key Performance Area
KPI	Key Performance Indicator
Annual Target	Planned level of performance for 2015/16 Financial Year
Actual Performance	The actual performance from 1 July 2015 to 31 December 2015
First quarter target	Planned level of performance from 1 July to 31 December 2015
Baseline	Status quo at the beginning of 2015/2016 financial year
Budget allocated	Budget approved in the annual budget for 2015/2016 Financial Year
Budget spent	Budget spent in the first half of 2015/2016 financial year
Corrective Measures	Steps to be taken to improve performance
LED	Local Economic Development
MWIG	Municipal Water Infrastructure Grant
MIG	Municipal Infrastructure Grant
EIA	Environmental Impact Assessment
SDF	Spatial Development Framework
LUMS	Land Use Management Scheme
GIS	Geographical Information System
GoHSTA	Co-operative Governance, Human Settlement & Traditional Affairs
BBLM	Bela-Bela Local Municipality
RMC	Risk Management Committee
AC	Audit Committee
AG	Auditor General
AFS	Annual Financial Statements
PMS	Performance Management System
HR	Human Resources
LGSETA	Local Government Sector Education and Training Authority
OHS	Occupational Health and Safety
LLF	Local Labour Forum
IGR	Intergovernmental Relations
YTD	Year to date
CBD	Central Business District
DoE	Department of Energy
CSS	Community & Social Services
TSS	Technical Services
PED	Planning & Economic Development
BTO	Budget & Treasury Office
CS	Corporate Services

## Table of Contents

<b>PART 1: IN-YEAR REPORT .....</b>	<b>4</b>
1. Mayor's report .....	4
2. Resolutions .....	6
3. Executive summary .....	7
4. In-year budget statements .....	9
<b>PART 2: SUPPORTING DOCUMENTATION .....</b>	<b>22</b>
5. Debtors' analysis .....	22
6. Creditor's analysis .....	24
7. Investment portfolio analysis .....	25
8. Allocation and grant receipt and expenditure .....	25
9. Councillor and board member allowances and employee benefits .....	26
10. Material variances to the service delivery and budget implementation plan .....	27
11. Capital programme performance .....	28
12. Other supporting documents .....	29
13. Service delivery performance analysis (Overall SDBIP) .....	30
14. Comments on the 2015/16 annual report .....	30
15. Adjustment budget .....	30
16. Municipal manager's quality certification .....	31

## PART 1: IN-YEAR REPORT

### 1. Mayor's report

Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA), stipulate that 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.

Further to section 72 stipulated above, as required by Section 34 of the Local Government Municipal Systems Act (MSA) the Municipality reviewed and approved the 2016/2017 Integrated Development Plan (IDP), approved the 2016/2017 Annual Budget in terms of Section 24 of the Local Government: Municipal Finance Management Act and the Mayor approved the Service Delivery and Budget Implementation Plan (SDBIP) in terms of Section 53 of the Local Government: Municipal Finance Management Act (MFMA No 56 of 2003). The purpose of the aforementioned documents is to provide strategic guidance on the objectives to be implemented by the municipality during the financial year. The documents also present the budget available for the implementation of the said objectives, and set out the targets on when the implementation will take place. As part of regular reporting the Administration is expected to compile reports on the performance of the municipality.

Furthermore, Section 52 (d) of the MFMA requires the Mayor of the Municipality to submit a report to the Municipal Council on the implementation of the budget and the

financial state of affairs of the municipality within 30 days of the end of the quarter. Section 72 of the MFMA further requires the Municipal Manager to assess the performance of the municipality during the first half of the financial year, by the 25<sup>th</sup> of January each year. This report therefore serves two primary purposes, namely;

1. To reflect on the performance of the municipality for the first half of the financial year. This exercise will enable the municipality to revise the current plans and budget going forward into the next six months, and also inform reprioritisation and funding thereof in the new financial year; and
2. Ensure compliance with the letter and spirit of the MFMA by comparing the actual performance of the municipality with the performance indicators and targets as set out in its 2016/17 Integrated Development Plan (IDP), Annual Budget and Service Delivery and Budget Implementation Plan (SDBIP) from the 1<sup>st</sup> of July to 31 December 2016 which makes the first half of the 2016/2017 Financial Year.

The performance reflected in the report is in terms of the five (6) National Government's Strategic key Performance Areas for local government, which are as follows:

- Basic Service Delivery;
- Local Economic Development;
- Municipal Institutional Transformation and Development;
- Municipal Financial Viability and Management,
- Good Governance and Public Participation, and
- Spatial Rationale

Even further, these Strategic Key Performance Areas are a component of the bigger national picture of eliminating poverty and reducing inequality as envisioned in the National Development Plan. The Service Delivery and Budget Implementation Plan contained in this report outlines the municipality's contribution to these national imperatives of broadening access to basic services, providing social security in the form of indigent support and increasing investments in infrastructure such as roads and storm water, to name a few.

## 2. Resolutions

The recommendations dealing with section 72 report of local government as prescribed by Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Schedule C (In-Year Reports of Municipalities) of the Municipal Budget and Reporting Regulations is hereby presented to council. It is recommended:

- a) The Council note the mid-year budget and performance assessment and other supporting documents included in the report in terms of section 72 of the Act.
- b) The Council note the state of affairs for the municipality referred to in section 52(d) of the Act;
- c) The adjustment budget be compiled in terms of section 28 of the MFMA
- d) That the Municipal Manager submits the Mid-year budget and performance assessment report to the National Treasury and Provincial Treasury.

### 3. Executive summary

Due to collective effort in driving municipality performance agreement by all departments, led to municipality maintain unqualified audit opinion in three consecutive financial year since 2013/14 to 2015/16 financial period.

A Service Delivery and Budget Implementation Plan (SDBIP), and Departmental Service Delivery and Budget Implementation Plans for each of the departments of the municipality, in line with appropriate guidelines and legislation, are developed annually and continually reviewed. Section 56 Employees are required to sign a Performance Agreement, as prescribed in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to the Municipal Manager, in line with published regulations and/or amendments

Two review sessions are held annually as follows:

- a) A midyear review is conducted in January to assess the relevance of the objectives as well as the Employee's performance against the objectives. The mid-year performance score is used to determine the link to nonfinancial rewards.
- b) A compulsory formal final review is conducted at the end of the financial year i.e. in June (assessment to be conducted in July). The final performance score is used to determine the link to financial and non-financial rewards. A learning plan for the Employee must be developed at the end of the final review

***A fully functional Performance Management System (PMS) has been introduced in the Bela-Bela Local Municipality, consisting of the following elements (or sub systems):***

(1) IDP goals and objectives represent the long-term (5 year) performance indicators and targets for the municipality over the term of the newly elected Council which started just after the beginning of 2017 financial period.

(2) The IDP indicators and targets are annually aligned to the municipal budget on an activity level (programs and projects) as part of the IDP review process.

(3) Funded IDP goals, objectives, strategies, programs and projects are annually cascaded down into the municipal Service Delivery and Budget Implementation Plan (SDBIP), where it is translated into annual municipal key performance indicators and targets.

(4) IDP activities are also cascaded down to Departmental SDBIPs (one for each of the different Departments of the Municipality); a process whereby the responsibility for the implementation of the IDP is aligned with the –

(5) Annual individual Performance Plans (which is part of the Performance Agreements of the respective section 56 managers), because the departmental SDBIPs are used as a reference source for the formulation of the key performance indicators and targets against which the different section 56 managers will be evaluated and performance assessed.

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the approved 2016/2017 SDBIP are assessed and the feedback are reflected in the report in a form of a colour legend. Hence the table below exemplified the assessment methodology utilised.

Colour Legend	Category	Explanation
	KPI Not Applicable	KPIs with no Targets or Actual results for the selected period
	KPI Not Met	Actual vs Target Less than 75%
	KPI Almost Met	Actual vs Target between 75% and 100%
	KPI Met	Actual vs Target 100% Achieved
	KPI Met Well	Actual vs Target More Than 100% and Less Than 150% Achieved
	KPI Extremely Met Well	Actual vs Target More Than 150%



#### 4. In-year budget statements

Bela-Bela local municipality present the in-year budget statement tables bellow as prescribed by schedule C of the Municipality Budget and Reporting Regulations. The tables depict our midyear performance assessment as at 31 December 2016.

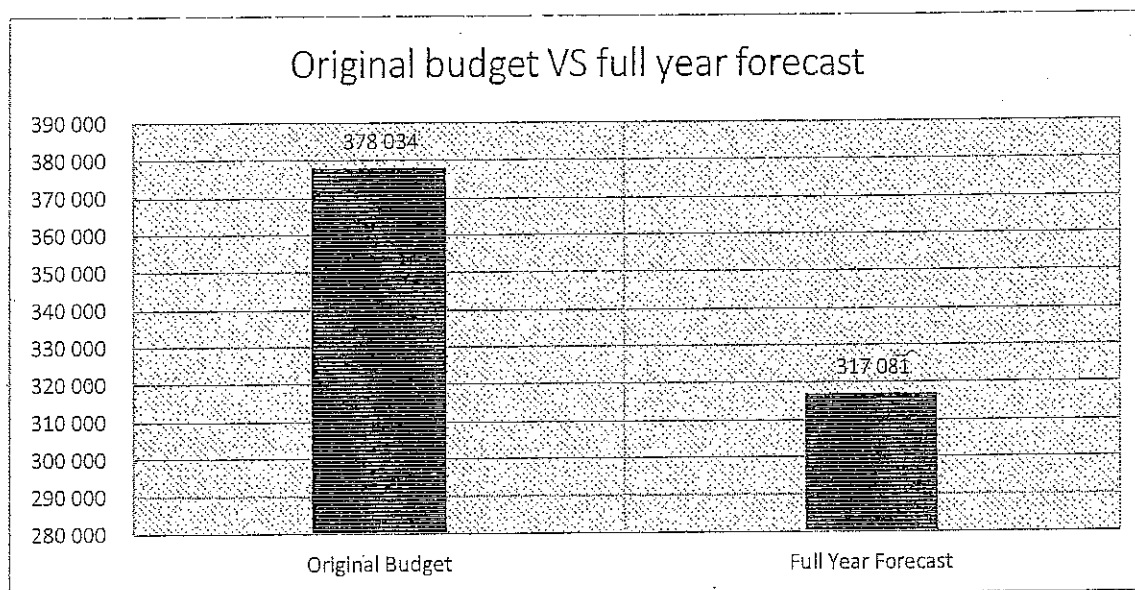
**Table 1: C1 - Monthly Budget Statement Summary**

Description	2015/16	Budget Year 2016/17					
		Monthly actual	YearTD actual	Original Budget	Full Year Forecast	YTD variance	YTD variance %
<b>R thousands</b>							
<b>Financial Performance</b>							
Property rates	46 337	4 997	31 133	94 648	62 266	(32 382)	-34%
Service charges	142 035	13 476	73 887	172 645	147 775	(24 871)	-14%
Investment revenue	940	6	673	300	1 345	1 045	348%
Transfers recognised - operational	67 205	22 803	51 308	71 118	71 118	-	-
Other own revenue	28 109	8 479	17 289	39 323	34 577	(4 746)	-12%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>284 626</b>	<b>49 761</b>	<b>174 290</b>	<b>378 034</b>	<b>317 081</b>	<b>(60 953)</b>	<b>-16%</b>
Employee costs	103 628	9 779	55 406	104 758	110 812	(6 054)	-6%
Remuneration of Councillors	6 326	450	3 060	6 708	6 120	588	9%
Depreciation & asset impairment	39 351	14 805	16 164	28 000	32 328	(4 328)	-15%
Finance charges	6 496	-	-	2 646	-	2 646	100%
Materials and bulk purchases	88 780	7 600	44 907	134 717	89 813	44 904	33%
Transfers and grants	-	-	-	-	-	-	-
Other expenditure	114 715	6 979	35 265	99 374	70 531	28 843	29%
<b>Total Expenditure</b>	<b>359 295</b>	<b>39 613</b>	<b>154 802</b>	<b>376 203</b>	<b>309 604</b>	<b>66 599</b>	<b>18%</b>
<b>Surplus/(Deficit)</b>	<b>(74 670)</b>	<b>10 148</b>	<b>19 488</b>	<b>1 831</b>	<b>7 477</b>	<b>(17 656)</b>	<b>168%</b>

#### **Note: Performance review on the monthly budget summary**

In the first half of the 2016/17 financial year, Bela-Bela local municipality performance result is reported at R10.1 million surpluses. Municipality anticipate to archive at least R7.4 million surpluses by the end of 2016/17 financial year. The overall revenue budget is seating at R378 million as compared to annualised full year forecast of R317 million. This resulted in 16% year to date variance as depicted in the monthly budget summary table above. The full year forecast was determined by annualising actual results of the first six month of 2016/17 financial year.

Notable material variances of 10% or more are discussed bellow



### Property rates

Property rates depict year to date variance of 34% less based on full year forecast against original year budget. This variance will be considered as part of the budget adjustment process to be conducted by the municipality. The adjustment process will ensure over or under budgeting is avoided by the end of the financial year period.

The reported variance on property rates was as result of the following:

- During the 2016/17 financial year, budgeted rebate for agricultural sector was not accounted for during the budget process. This rebates will be considered during the budget adjustment process to align the budget with the approved tariff book.
- One major item resulted in variance was objection outcome that was implemented during 2016/17 financial year. Objection resulted in certain revenue rates being decreased from original budget.

### Services charges

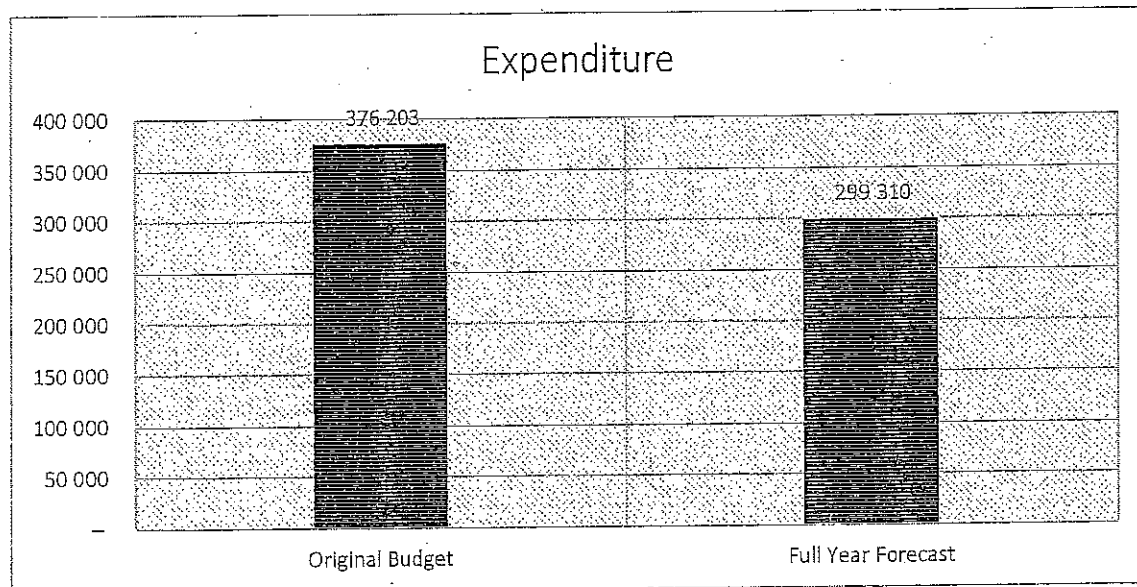
Service charges depict variance of 14% based on full year forecast when compared to 2016/17 original budget. The resulted variance was impacted by services charge relating to water, electricity and refuse. Water charge declined as result of illegal connection and decline in water consumption. The impact on electricity charges was as result of late implementation of the approved tariff (capacity charge). Lastly, refuse charge was impacted due to erroneous charges made to certain consumer in the first few month of 2016/17. The correction on refuse was corrected by Municipality and all necessary steps was done to properly report such errors in the financial records.

### Investment revenue

The investment income is expected to increase by 348% by the end of the year when compared to original budget. The increase was a result of additional MIG fund of R34 million received by Municipality which was invested with one of the reputable financial institution. The additional fund qualified for roll over during the beginning of 2016/17 financial year. The amount was invested during the first six month of the financial year which led to additional R673 000 received when compared to R300 000 original budget.

### Other own revenue

Material variance is made up of Vat refund, traffic fine fines, rental of facilities and bad debt recovery. The impact for traffic fine reduction was due to delay experienced by Municipality in setting up new service provider after the old services provider contract was terminated. These items are marked for review during the budget adjustment process.



### Employee cost

Employee cost's original budget was depicted at R104 million. The first half of the financial year reported total spending of R55 million. The first half result when annualised, resulted to R110 million which is 6% more than the original budget. The reason for variance was due to higher vacancy rate anticipation set at least 5% during the budgeting process. However the vacancy rate exceeded the expectation which led to at least 6% variance over the original budget. This section will be part of the adjustment budget process.

### Remuneration of councillor

Remuneration of councillor is less by 9% when comparing the actually annualised result to the full year budget. The decrease is as result of timing difference in the implementation of upper limit as stipulated in Remuneration of Public Office Bearers Act, 1998 (Act No.20 of 1998). The implementation of upper limit take place just after mid-year assessment review. However, the full year budget is expected to be sufficient to meet the needs of the councillor and it is fully budgeted in accordance to the upper limit as stipulated in Remuneration of Public Office Bearers Act, 1998 (Act No.20 of 1998).

### Depreciation and impairment

Although this item is a non-cash item, it is vital for the municipality to budget accurately on the non-cash item as it will relate to future funding to renew assets infrastructure. Actual depreciation is reported at R16 million which is 57% of the original budget of R28 million. The actual result was annualised and resulted to full forecast of R32 million which led to variance of 15% more when compared to original budget of R28 million.

This variances was impacted by major assets relating roads which was capitalised during the 2016/17 financial year. Depreciation will be part of the adjustment budget process.

### Finance Charge

In the past, finance cost related to interest charge on INCURE loans, landfill, long service award and interest on finance lease. INCURE loan has been settled during 2015/16 financial year with other finance cost being brought to books during year end closure. Proper review during adjustment budget will be done to ensure proper budgeting is achieved.

### Material bulk purchases

Material and bulk purchases depict a variance of 33% when compared to original budget. The variance is due to changes in the electricity rates and consumption level. Bellow table summarise actual bulk purchases during the first six months.

	July	August	September	October	November	December
<i>Electricity</i>	10 081	8 965	5 607	6 347	5 902	5 907
<i>Water</i>	316	452	384	418	401	409

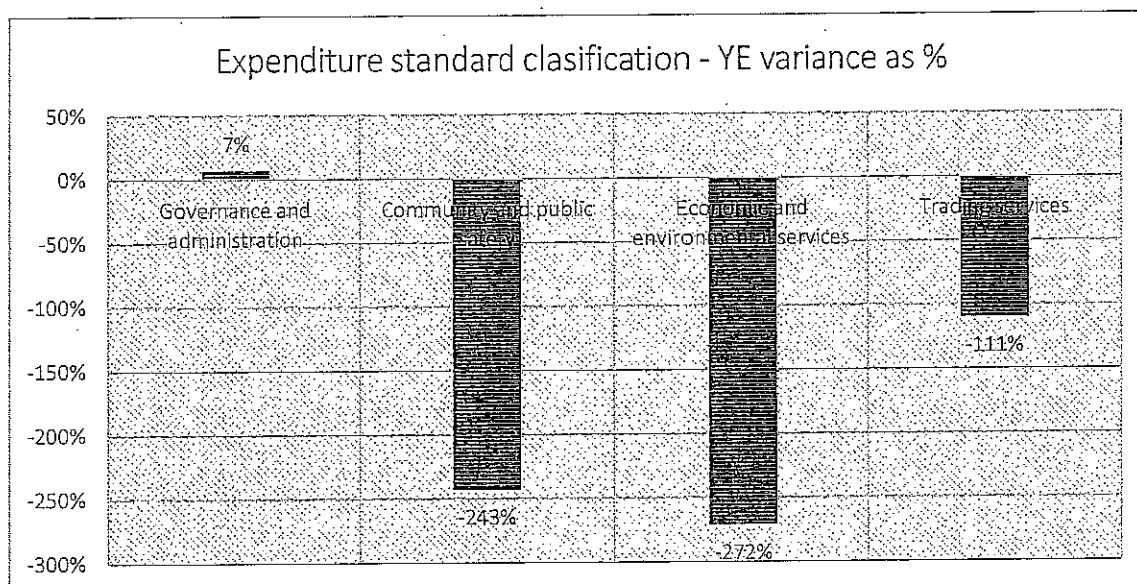
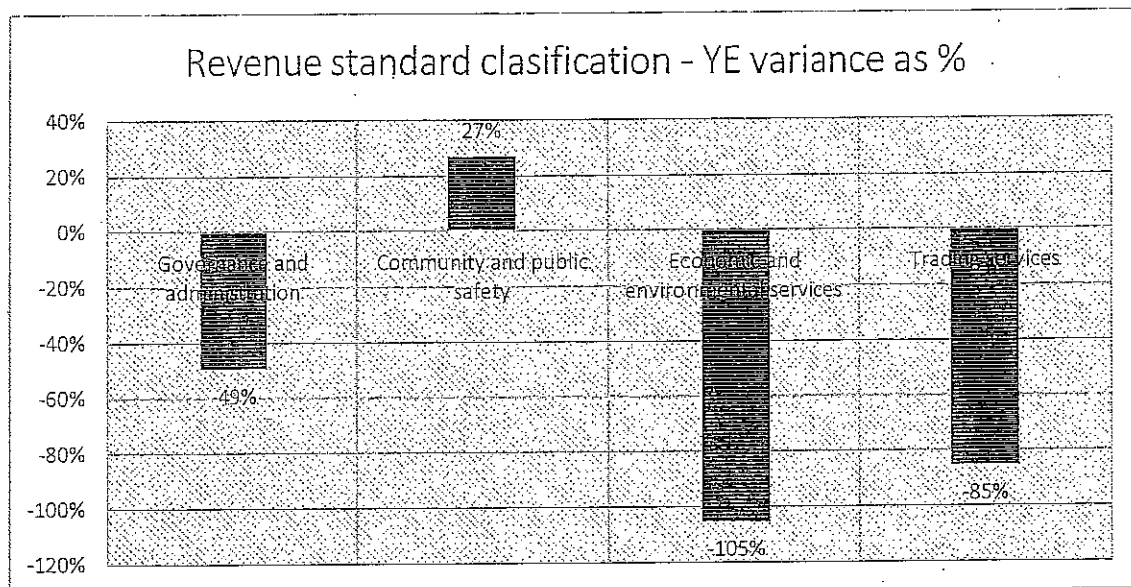
### Other expenditure

Proper review will be done during adjustment budget to ensure efficient budget is achieved. Assessment on certain line expenditure will be carried out by Municipality during adjustment budget process in order to realign the spending to service delivery and in doing so ensure there are no unauthorised expenditure.

Where lower spending have been reported is as result of cost containment measure which Municipality has implemented.

**Table 2: C2-Monthly Budget Statement - Financial Performance (Standard classification)**

Description	Ref	2015/16	Budget Year 2016/17							
		#N/A	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	Original Budget	Full Year Forecast	YTD variance	YTD variance
R thousands	1									%
Revenue - Standard										
Governance and administration		137 079	182 968	-	27 226	79 803	182 968	159 506	23 363	-49%
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		135 841	181 458	-	27 146	79 325	181 458	158 651	(22 808)	-13%
Corporate services		1 238	1 510	-	80	477	1 510	955	(555)	-37%
Community and public safety		7 131	28 390	-	7 658	12 695	28 390	25 389	3 124	27%
Community and social services		338	390	-	30	226	390	452	62	16%
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 793	28 000	-	7 628	12 469	28 000	24 938	3 062	11%
Housing		-	-	-	-	-	-	-	-	0%
Health		-	-	-	-	-	-	-	-	0%
Economic and environmental services		26 263	23 853	-	13	95	23 853	189	(23 664)	-105%
Planning and development		133	200	-	13	95	200	189	(11)	-5%
Road transport		28 130	23 653	-	-	-	23 653	-	(23 653)	-100%
Environmental protection		-	-	-	-	-	-	-	-	0%
Trading services		151 201	223 394	-	14 864	81 697	223 394	163 395	(59 999)	-85%
Electricity		103 842	147 489	-	9 841	51 083	147 489	102 167	(45 323)	-31%
Water		39 249	61 042	-	4 295	26 183	61 042	52 366	(8 676)	-14%
Waste water management		-	-	-	-	-	-	-	-	0%
Waste management		8 110	14 862	-	728	4 431	14 862	8 862	(6 000)	-40%
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	321 673	458 605	-	49 761	174 290	458 605	348 579	(57 175)	-12%
Expenditure - Standard										
Governance and administration		196 427	224 521	-	24 780	70 172	224 521	140 343	84 178	7%
Executive and council		17 318	10 269	-	1 146	7 211	10 269	14 423	(4 154)	-40%
Budget and treasury office		116 940	161 835	-	16 987	34 135	161 835	68 270	93 565	58%
Corporate services		62 168	52 417	-	6 647	28 825	52 417	57 651	(5 233)	-10%
Community and public safety		21 993	12 040	-	2 289	13 411	12 040	26 821	(14 782)	-243%
Community and social services		11 260	5 823	-	893	5 418	5 823	10 835	(5 013)	-86%
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		10 732	6 217	-	1 396	7 993	6 217	15 986	(9 769)	-157%
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		19 424	13 449	-	1 625	9 573	13 449	19 147	(5 598)	-272%
Planning and development		9 581	2 632	-	744	5 124	2 632	10 247	(7 615)	-289%
Road transport		9 843	10 817	-	881	4 450	10 817	8 900	1 918	18%
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		121 453	126 193	-	10 920	55 499	126 193	112 998	13 195	-111%
Electricity		85 508	104 848	-	8 536	41 887	104 848	83 774	21 074	20%
Water		24 052	16 598	-	1 418	9 474	16 598	18 949	(2 351)	-14%
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11 893	4 747	-	966	5 138	4 747	10 276	(5 529)	-116%
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	359 296	376 203	-	39 613	149 655	376 203	299 310	76 893	20%
Surplus/ (Deficit) for the year		(37 623)	82 402	-	10 148	24 635	82 402	49 270	(134 068)	-163%

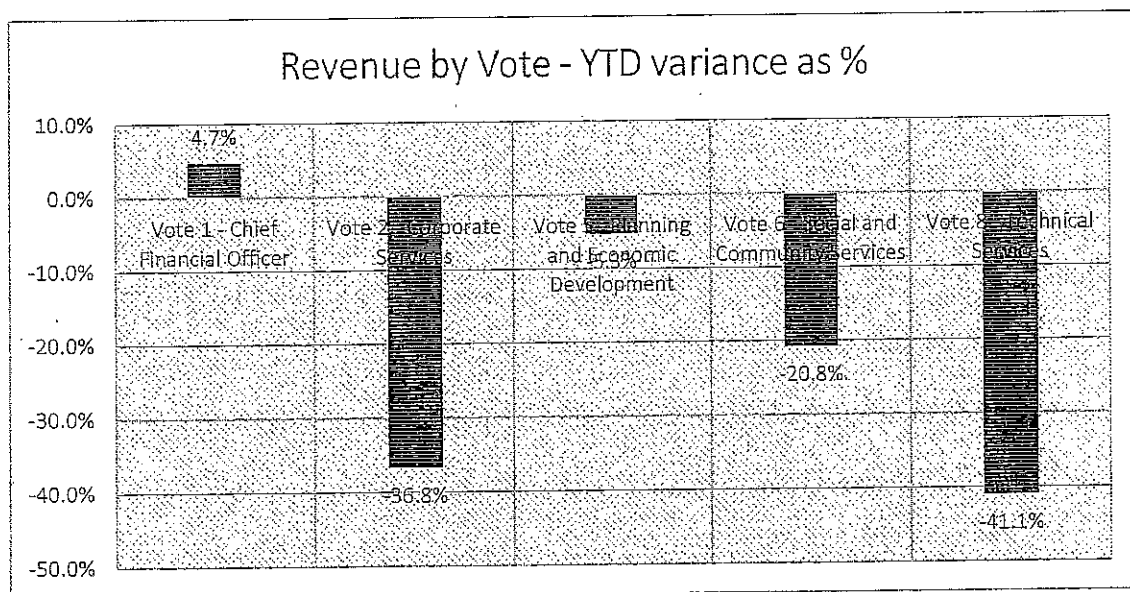


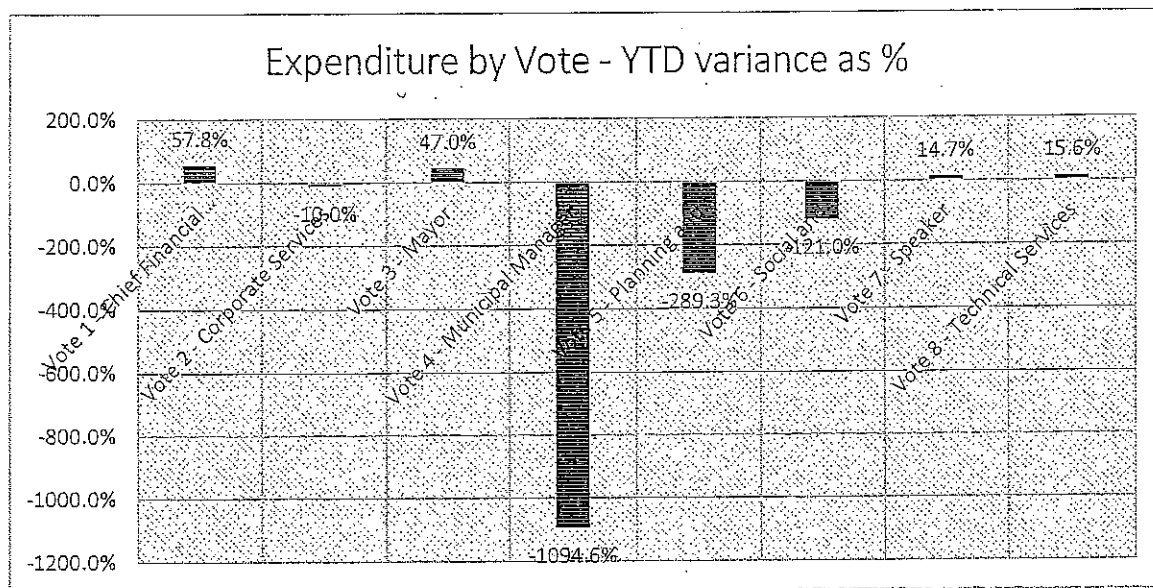
The tables above depict year to date variance which is based on the full year budget versus full year forecast. Full year forecast was determined by taking six months actual result and annualised it.

Based on the year to date variance of expenditure, it is depicted that, trading services actual spending on the budget will be having a variance of -111% by the end of financial year with Governance and administration having 7% variance. Trading service variance is impacted by waste management which is considered to re-allocation during the adjustment budget or for review to ensure there will not be over spending at end of the financial period.

**Table 3: C3-Monthly Budget Statement - Financial Performance (Vote classification)**

Vote Description	Ref	2015/16	Budget Year 2016/17							
		#N/A	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	Original Budget	Full Year Forecast	YTD variance	YTD variance %
R thousands										
Revenue by Vote	1									
Vote 1 - Chief Financial Officer		125 841	151 458	-	27 146	79 325	151 458	158 651	7 192	4,7%
Vote 2 - Corporate Services		1 238	1 510	-	80	477	1 510	955	(555)	-36,8%
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Economic Development		133	200	-	13	95	200	189	(11)	-5,3%
Vote 6 - Social and Community Services		15 241	43 252	-	8 386	17 126	43 252	34 252	(9 001)	-20,8%
Vote 7 - Speaker		-	-	-	-	-	-	-	-	-
Vote 8 - Technical Services		179 221	262 184	-	14 136	77 266	262 184	154 533	(107 652)	-41,1%
Vote 9 - Balance Sheet		-	-	-	-	-	-	-	-	-
Vote 10 - Balance Sheet		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	321 673	458 605	-	49 761	174 290	458 605	348 579	(110 026)	-24,0%
Expenditure by Vote	1									
Vote 1 - Chief Financial Officer		116 940	161 835	-	16 987	34 135	161 835	68 270	93 565	57,8%
Vote 2 - Corporate Services		62 168	52 417	-	6 647	28 825	52 417	57 651	(5 233)	-10,0%
Vote 3 - Mayor		618	970	-	17	257	970	514	456	47,0%
Vote 4 - Municipal Manager		7 409	539	-	568	3 220	539	6 439	(5 900)	-1094,6%
Vote 5 - Planning and Economic Development		9 581	2 632	-	744	5 124	2 632	10 247	(7 615)	-289,3%
Vote 6 - Social and Community Services		33 886	16 787	-	3 255	18 548	16 787	37 097	(20 310)	-121,0%
Vote 7 - Speaker		9 252	8 760	-	561	3 735	8 760	7 469	1 291	14,7%
Vote 8 - Technical Services		119 403	132 263	-	10 834	55 811	132 263	111 622	20 641	15,6%
Vote 9 - Balance Sheet		-	-	-	-	-	-	-	-	-
Vote 10 - Balance Sheet		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	359 296	376 203	-	39 613	149 655	376 203	299 310	76 893	20,4%
Surplus/ (Deficit) for the year	2	(37 623)	82 402	-	10 148	24 635	82 402	49 270	(33 133)	-40,2%





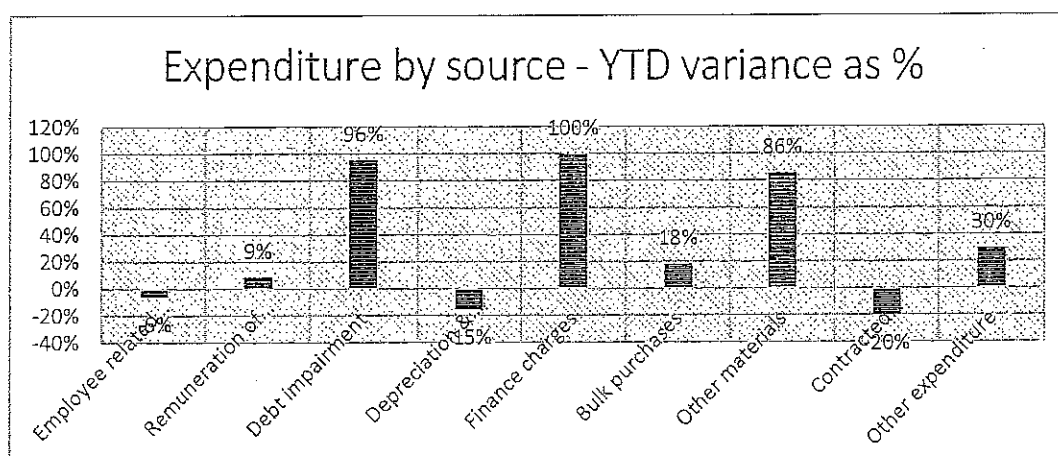
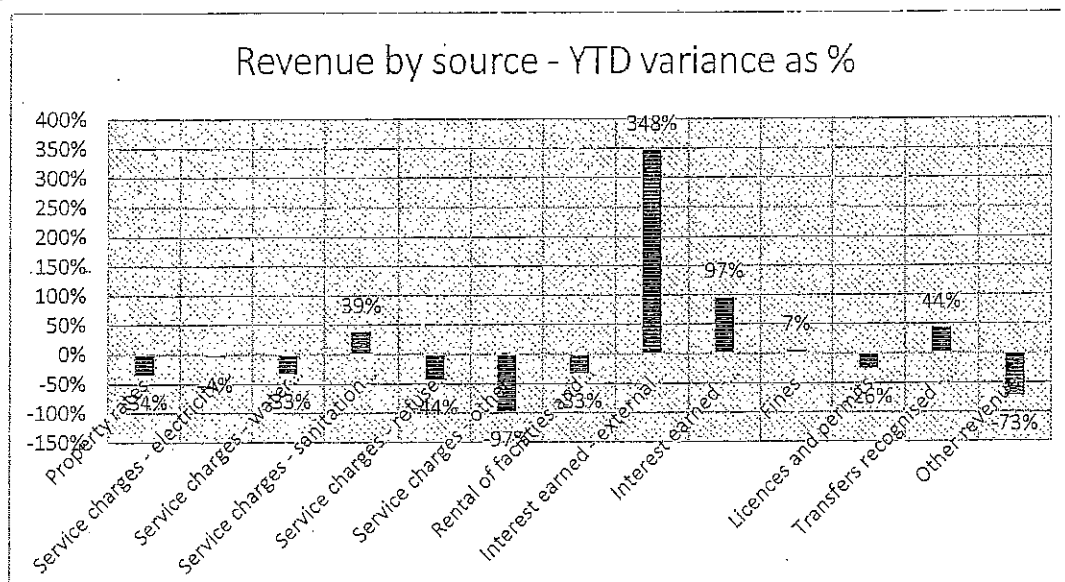
Technical services revenue is seating at 4.1% variance higher than other department with Chief Financial Officer being the lowest with 4.7% variance between full year budgets versus full year forecast.

Expenditure by vote for certain vote structure depict over spending when annualised, however, certain votes expenditure became reduced on the second part of the financial year. This vote will also form part of re-allocation during the adjustment budget.



**Table 4: C4-Monthly Budget Statement - Financial Performance (Revenue and Expenditure)**

Description	Ref	2015/16	Budget Year 2016/17						
		#N/A	Original Budget	Monthly actual	YearTD actual	Original Budget	Full Year Forecast	YTD variance	YTD variance %
R thousands									
<b>Revenue By Source</b>									
Property rates		46 337	94 848	45 997	31 133	94 848	62 266	(32 382)	-34%
Property rates - penalties & collection charges									
Service charges - electricity revenue		103 327	106 469	9 829	50 947	106 469	101 894	(4 575)	-4%
Service charges - water revenue		22 625	35 584	1 896	11 907	35 584	23 814	(11 770)	-33%
Service charges - sanitation revenue		9 465	11 127	1 236	7 729	11 127	15 158	4 331	39%
Service charges - refuse revenue		6 172	11 265	510	3 177	11 265	6 354	(4 911)	-44%
Service charges - other		447	8 200	127	127	8 200	255	(7 945)	-97%
Rental of facilities and equipment		1 107	1 550	84	519	1 550	1 098	(512)	-33%
Interest earned - external investments		940	300	83	673	300	1 345	1 045	348%
Interest earned - outstanding debtors		5 295	3 500	858	3 446	3 500	6 891	3 391	97%
Dividends received									
Fines		3 029	13 000	6 945	6 945	13 000	13 890	890	7%
Licences and permits		3 201	15 000	583	5 524	15 000	15 047	(3 953)	-26%
Agency services									
Transfers recognised - operational		67 205	71 118	22 803	51 308	71 118	102 816	31 498	44%
Other revenue		15 477	6 273	109	855	6 273	12 102	(4 563)	-73%
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>284 526</b>	<b>378 034</b>	<b>49 761</b>	<b>174 290</b>	<b>378 034</b>	<b>348 579</b>	<b>(203 745)</b>	<b>-54%</b>
<b>Expenditure By Type</b>									
Employee related costs		103 628	104 758	9 779	55 406	104 758	110 812	(6 054)	-6%
Remuneration of councillors		6 326	6 708	450	3 060	6 708	6 120	588	9%
Debt Impairment		20 701	15 000	(1)	315	15 000	632	14 368	96%
Depreciation & asset impairment		39 351	28 000	14 805	16 164	28 000	32 328	(4 328)	-15%
Finance charges		6 496	2 646			2 646		2 646	100%
Bulk purchases		78 915	104 906	7 534	42 788	104 906	85 527	19 329	18%
Other materials		9 865	29 812	66	2 118	29 812	45 236	25 575	86%
Contracted services		30 005	21 222	4 175	12 750	21 222	25 501	(4 279)	-20%
Transfers and grants									
Other expenditure		64 009	63 152	2 808	22 199	63 152	44 398	18 754	30%
Loss on disposal of PPE									
<b>Total Expenditure</b>		<b>359 296</b>	<b>378 203</b>	<b>39 613</b>	<b>154 802</b>	<b>378 203</b>	<b>309 604</b>	<b>(221 401)</b>	<b>-59%</b>
<b>Surplus/(Deficit)</b>		<b>(74 670)</b>	<b>1 831</b>	<b>10 148</b>	<b>19 488</b>	<b>1 831</b>	<b>38 975</b>	<b>(17 656)</b>	<b>(0)</b>



Revenue on Interest earned, other income, property rates abnormal variance has been properly explain under monthly budget summary statement above. Other variances are discussed separately as follows:

Abnormal variance on as explain under table number are due to adjustment budget. This will also be part of review to all items to ensure efficient budget is achieved.

**Table 5: C5-Monthly Budget Statement – Capital Expenditure**

Vote Description	Ref	2015/16	Budget Year 2016/17							
		#N/A	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Original Budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Chief Financial Officer		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 6 - Social and Community Services		-	-	-	-	-	-	-	-	-
Vote 7 - Speaker		-	-	-	-	-	-	-	-	-
Vote 8 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 9 - Balance Sheet		-	-	-	-	-	-	-	-	-
Vote 10 - Balance Sheet		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Chief Financial Officer		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 6 - Social and Community Services		-	-	-	-	-	-	-	-	-
Vote 7 - Speaker		-	-	-	-	-	-	-	-	-
Vote 8 - Technical Services		165	-	-	486	4 063	-	4 063	0%	-
Vote 9 - Balance Sheet		3 297	-	-	-	-	-	-	-	-
Vote 10 - Balance Sheet		58 496	80 752	-	5 337	40 336	80 752	(40 417)	-50%	80 752
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	61 958	80 752	-	8 823	44 399	80 752	(36 354)	-45%	80 752
<b>Total Capital Expenditure</b>		61 958	80 752	-	8 823	44 399	80 752	(36 354)	-45%	80 752
<b>Capital Expenditure - Standard Classification</b>										
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	-	-	-	-	-	-	-	-	-
<b>Funded by:</b>										
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		-	-	-	-	-	-	-	-	-

Municipality full year budget of R80 million on capital expenditure depicted is anticipated to be fully utilised by the end of the financial year. Full details on capital projects are explain under the additional supporting document bellow.

**Table 6: C6-Monthly Budget Statement – Financial Position**

Description	Ref	2015/16	Budget Year 2016/17		
		#N/A	Original Budget	YearTD actual	Full Year Forecast
R thousands	1				
<b>ASSETS</b>					
<b>Current assets</b>					
Cash		34 382	29 825	828	29 825
Call investment deposits					
Consumer debtors		15 630	26 059	10 042	26 059
Other debtors		10 194	1 283	10 543	1 283
Current portion of long-term receivables					
Inventory		145	145	145	145
<b>Total current assets</b>		<b>57 351</b>	<b>57 309</b>	<b>21 558</b>	<b>57 309</b>
<b>Non current assets</b>					
Long-term receivables					
Investments					
Investment property		343 301	343 301	343 301	343 301
Investments in Associate					
Property, plant and equipment		591 734	80 752	29 755	80 752
Agricultural					
Biological assets					
Intangible assets		2 017	2 017		2 017
Other non-current assets		327	539	(323)	539
<b>Total non current assets</b>		<b>937 379</b>	<b>426 609</b>	<b>372 733</b>	<b>426 609</b>
<b>TOTAL ASSETS</b>		<b>994 730</b>	<b>483 918</b>	<b>394 291</b>	<b>483 918</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft		0		2 382	
Borrowing		(0)			
Consumer deposits		5 342		(14)	(28)
Trade and other payables		123 544		23 842	47 683
Provisions		21 041		(0)	(0)
<b>Total current liabilities</b>		<b>149 927</b>	<b>-</b>	<b>26 210</b>	<b>47 656</b>
<b>Non current liabilities</b>					
Borrowing		28 533			
Provisions		63 244			
<b>Total non current liabilities</b>		<b>91 778</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>241 704</b>	<b>-</b>	<b>26 210</b>	<b>47 656</b>
<b>NET ASSETS</b>	2	<b>753 026</b>	<b>483 918</b>	<b>368 081</b>	<b>436 262</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)		790 648			
Reserves					
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>790 648</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 7: C7-Monthly Budget Statement – Cash Flow

Description	Ref	2015/16	Budget Year 2016/17							
		#N/A	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	Original Budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Ratepayers and other		212 183	303 116		17 113	124 304	303 116	54 909	552%	246 207
Government - operating		67 205	71 118		27 809	51 306	71 118	(31 498)	-226%	102 616
Government - capital		37 042	80 571				80 571	80 571	100%	
Interest		6 235	3 800		664	4 118	3 800	(4 437)	-86%	6 237
Dividends										
Payments										
Suppliers and employees		(222 192)	(345 557)		(36 370)	(317 333)	(345 557)	(35 953)	961%	(309 604)
Finance charges		(6 496)	(2 646)				(2 646)		0%	(2 646)
Transfers and Grants										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>98 983</b>	<b>110 402</b>	<b>-</b>	<b>4 210</b>	<b>(137 803)</b>	<b>110 402</b>	<b>248 205</b>	<b>225%</b>	<b>46 810</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Receipts										
Proceeds on disposal of PPE										
Decrease (increase) in non-current debtors										
Decrease (increase) other non-current receivables		878	-		64	650		(1 299)	0%	1 299
Decrease (increase) in non-current investments										
Payments										
Capital assets		(61 958)	(80 752)		(8 823)	(44 399)	(44 399)			(80 752)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(61 080)</b>	<b>(80 752)</b>	<b>-</b>	<b>(8 759)</b>	<b>(43 749)</b>	<b>(44 399)</b>	<b>(650)</b>	<b>1%</b>	<b>(79 453)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans										
Borrowing long term/refinancing		22 043	-			0		(0)	0%	0
Increase (decrease) in consumer deposits		(123)	-		15	(5 356)		10 712	0%	(10 712)
Payments										
Repayment of borrowing		(3 279)	-			(28 333)		57 066	0%	(57 066)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>18 642</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>(33 889)</b>	<b>-</b>	<b>33 889</b>	<b>#DIV/0!</b>	<b>(67 778)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>56 545</b>	<b>29 650</b>	<b>-</b>	<b>(4 534)</b>	<b>(215 441)</b>	<b>66 003</b>			<b>(100 421)</b>
Cash/cash equivalents at beginning:		(2 656)				(31 382)				31 382
Cash/cash equivalents at month/year end:		69 201	29 650			(184 060)	66 003			(68 040)

Municipality cash at beginning of the financial year was seating at R31 million. The result depict better negative balance toward year end. However, as this is based on annualised figures, we anticipate not to have enormous bank overdraft. This can be made possible through implementation of cash flow plan. This tool is considered vital by municipality since it will eliminate possibility of having to incur unauthorised expenditure.

## PART 2: SUPPORTING DOCUMENTATION

### 5. Debtors' analysis

Section 78(1)(d) of the MFMA determines that each senior manager of a municipality and each official of a municipality exercising financial management responsibilities (cost centre managers) must take all reasonable steps within their respective areas of responsibility to ensure that all revenue due to the municipality is collected. It is therefore not only the responsibility of the Department: Budget and Treasury to ensure that all revenue gets billed and collected.

Tables 8 and 9 below depicts the debtors age analysis by revenue resource and customer group billed and collected in co-operation with the Department: Budget and Treasury. The overall collection rate for the first half of the 2016/2017 financial year is sitting at average of 90%.

**Table 8: Debtors aging per services types**

Debtors Ageing Per Service Type									
TYPE OF SERVICE	Current	30 Days+	60 Days+	90 Days+	120 Days+	150 Days+	180 Days To 1 Year	210 Days To Over 1 Year	Total
DEPOSITS	R 1 341	R -4 620	R 4 997	R -2 762	R 1 440	R -18 769	R -161 518	R -1 737	R -181 628
RECEIPTS	R -2 037 722	R -453 772	R -410 785	R -1 755 208	R -217 063	R -266 322	R -1 443 611	R -6 144 693	R -12 729 176
INTEREST	R 776 103	R 728 389	R 713 850	R 513 974	R 502 939	R 491 053	R 3 675 456	R 18 343 305	R 25 745 058
AGREEMENTS	R 47 759	R 29 414	R 27 692	R 25 777	R 18 653	R 18 245	R 4 840	R 284 520	R 456 900
SUSPENSE VOTE	R -	R -	R -	R -	R -	R -	R -	R -5 436	R -5 436
FEES	R 6 928	R 3 324	R 2 596	R 81 286	R 325	R 373	R 94 413	R 1 638 472	R 1 827 718
WATER	R 1 768 964	R 984 714	R 613 522	R 439 275	R 184 225	R 325 028	R 1 336 125	R 8 800 722	R 14 452 575
ELECTRICITY	R 3 455 769	R 260 157	R 111 182	R 46 844	R 40 473	R 37 000	R 202 805	R 1 637 593	R 5 791 823
KVA	R 2 642 855	R 1 124 197	R 25 592	R 368	R -	R -	R 9 287	R 3 013	R 3 805 312
BASIC ELECTRICITY	R 105 193	R 63 714	R 45 557	R 33 012	R 27 703	R 22 954	R -	R 504 207	R 802 340
RE-IMBURSEMENT	R -	R -14 234	R -	R -	R -	R -	R -	R -273	R -14 507
CASH POWER	R 1 590	R 5 700	R -	R -	R 6 527	R 9 189	R 152 332	R 556 867	R 732 206
RENTAL CHARGES	R 54 303	R 22 719	R 11 066	R 8 507	R 8 008	R 4 330	R 24 433	R 500 918	R 634 284
SUNDRY SALE OF LAND	R -	R -	R -	R -	R -	R -	R -	R -245 946	R -245 946
LOANS	R -	R -	R -	R -	R -	R -	R -	R 513	R 513
WRITTING OF DEBT (RATES)	R -	R -	R -1 474	R -	R -	R -	R 3 520	R -13 888	R -11 842
INDIGENT WRITTE OFF RATES	R -129	R -740	R -	R -	R -1 457	R -	R -4 759	R -19 964	R -27 049
INDIGENT WRITTE OF SERVIC	R -8 978	R -45 921	R -4 842	R -12 667	R -2 974	R -	R -8 061	R -16 114	R -99 556
HOUSING	R -	R -	R -	R -	R -	R -	R -	R -17 364	R -17 364
RATES	R 4 654 764	R 2 631 634	R 2 099 694	R 2 625 346	R 1 795 639	R 1 885 178	R 7 054 586	R 35 625 955	R 58 372 797
REFUSE	R 491 395	R 196 650	R 129 488	R 97 272	R 79 417	R 28 984	R 294 016	R 2 140 194	R 3 457 417
SEWERAGE	R 1 174 947	R 660 642	R 424 107	R 336 530	R 286 357	R 133 589	R 703 685	R 2 710 265	R 6 430 122
MISCELLANEOUS VAT	R -	R -	R -	R -	R -	R -	R -	R 380 867	R 380 867
MISCELLANEOUS NO VAT	R -	R -	R -	R -	R -	R -	R -	R 1 710 749	R 1 710 749
VAT	R 1 322 657	R 476 649	R 212 461	R 162 925	R 120 632	R 138 276	R 499 171	R 4 251 895	R 7 184 665
WRITTING OFF DEBT	R 1 700	R -107	R -	R -	R -804	R -	R -11 600	R -159 814	R -170 625
TOTAL	R 14 459 440	R 6 668 510	R 4 004 703	R 2 600 478	R 2 850 040	R 2 809 109	R 12 425 119	R 72 464 826	R 118 282 226

During the first half of 2016/17 financial year, total debtors book is sitting at R118 million. Rates is the highest with R58 million out of total debtor's book followed by interest.

Municipality has taken several steps in trying to reduce the higher debtor's book. Municipality appointed service provider for debtor's collection and credit control services. However such contracts are coming to an end during the 2016/17 financial period. Municipality is considering

not to extend both service provider's contract as it plans to implement debt collection and credit control internally starting from 2017/18 financial year. This is part of the plans in reducing reliance on the services provider on such services. Municipality also plans to make available budget to acquire tracking system that will enable management to easily deal with debtor's collections.

**Table 9: Debtors aging per type**

ACCOUNT TYPE	201701 (Current)	201612 (30 Days)	201611 (60 Days)	201610 (90 Days)	201609 (120 Days)	201608 (150 Days)	201607 (180 Days)	201605-201602 (Over 180 Days)	Total
	R 123 404,71	R 84 662,85	R 47 080,87	R 43 057,97	R 29 610,00	R 36 458,25	R 133 226,06	R 731 970,03	R 1 229 470,74
None	R 6 577,90	R -5 424,79	R -11 262,95	R 1 810,57	R 7 294,11	R 10 992,86	R 161 861,89	R 1 612 314,90	R 1 784 164,49
Non Profit Corp	R 8 576,89	R 2 572,92	R 1 623,11	R 879,08	R 2 086,04	R 732,93	R 3 042,56	R 113 767,44	R 133 280,97
COMMERCIAL	R 6 708 824,18	R 1 173 522,82	R 555 176,96	R 553 396,40	R 380 684,80	R 419 565,35	R 1 419 955,00	R 13 742 657,70	R 24 953 783,21
RURAL DEVELOPM	R 119 516,11	R 118 896,89	R 118 387,99	R -145 249,78	R 132 846,24	R 132 165,14	R 756 388,55	R 2 411 454,93	R 3 644 416,07
EDUCATION	R 212 809,55	R 112 655,08	R 53 541,81	R 28 404,24	R 10 973,32	R 7 861,46	R 67 274,00	R 624 202,78	R 1 117 722,24
AGRICULTURAL	R 1 633 645,30	R 1 215 785,90	R 973 825,87	R 1 035 010,52	R 682 071,23	R 700 546,41	R 2 392 143,33	R 14 303 585,93	R 22 936 614,49
STATE DEPARTMEN	R 45 468,57	R 36 338,67	R 32 302,28	R -56 639,55	R 27 000,66	R 26 247,05	R 40 820,68	R 46 886,05	R 198 424,41
HOUSING	R 20 859,68	R 20 298,71	R 6 796,80	R 5 684,17	R 5 684,17	R 6 672,60	R 22 840,34	R 239 574,96	R 328 411,53
PUBLIC INFRASTR	R 6 423,16	R 6 423,16	R 4 011,94	R 4 172,80	R 3 410,01	R 5 792,38	R 6 832,60	R 48 874,53	R 85 940,58
PLCS OF WORSHIP	R 124 111,26	R 26 084,19	R 11 323,41	R 10 586,95	R 10 123,35	R 8 009,77	R 34 908,12	R 252 282,51	R 477 429,56
MUNICIPAL PROP	R -1 424 327,78	R 9 522,47	R 3 148,73	R 30 517,71	R -14 134,46	R -46 941,83	R -629 273,48	R -3 309 499,20	R -5 380 987,84
P/WORKS PROVINC	R 87 756,62	R 75 773,98	R 59 285,61	R -926 618,61	R 62 054,90	R 59 870,13	R 271 386,85	R 257 083,93	R -53 406,59
RESIDENTIAL	R 6 237 392,61	R 3 522 982,14	R 1 951 264,95	R 1 926 312,43	R 1 576 128,02	R 1 617 897,80	R 7 256 815,18	R 37 222 834,47	R 61 311 627,60
AGRIC-RES	R 10 639,68	R 7 292,40	R 2 947,78	R 8 418,39	R 3 043,52	R 2 716,33	R -58 812,82	R 59 138,44	R 35 383,72
FARM-COMMERCIAL	R 4 391,20	R 4 350,79	R 4 310,38	R 4 269,97	R 4 229,57	R 4 189,16	R 11 353,80	R 19 839,20	R 56 934,07
FARM-NOT USED	R -	R -	R -8 452,64	R -	R -	R -	R -	R -	R -8 452,64
FARM-OTHER	R 513,11	R 93,90	R 73,20	R 51,57	R -	R -811,40	R -	R -2 851,19	R -2 930,81
DEPT OF HEALTH	R 265 560,25	R 10 547,11	R -	R -	R -	R -	R -	R -	R 276 107,36
P/WORKS NATIONA	R 87 215,46	R 122 792,52	R 80 304,00	R 8 708,44	R 7 105,00	R 7 864,70	R 51 954,57	R 25 636,89	R 391 581,58
PRIVATE EST-RES	R 8 826,88	R 4 674,92	R 3 604,17	R 3 456,90	R 5 035,59	R 1 310,96	R 8 950,00	R -748,37	R 35 111,05
RES-PENSIONER	R 306,87	R -	R -	R -	R -	R -	R -	R -	R 306,87
DEPT OF ROADS	R 330,00	R 330,00	R 330,00	R 990,00	R 380,20	R -	R -62 400,07	R -	R -60 040,87
SASSA	R 8 203,36	R -	R -	R -	R -	R -	R -	R -	R 8 203,36
RES-INDIGENT	R 162 087,94	R 118 006,83	R 114 751,35	R 75 806,68	R -85 913,02	R -192 358,41	R 534 201,87	R 4 063 541,08	R 4 790 124,32
NATIONAL GVT	R 326,96	R 326,96	R 326,96	R -12 548,86	R 326,96	R 326,96	R 1 651,40	R 2 269,34	R -6 993,32
TOTAL	R 14 459 440,47	R 6 668 510,42	R 4 004 702,68	R 2 600 477,99	R 2 850 040,21	R 2 809 108,60	R 12 425 119,43	R 72 464 826,35	R 118 282 226,20

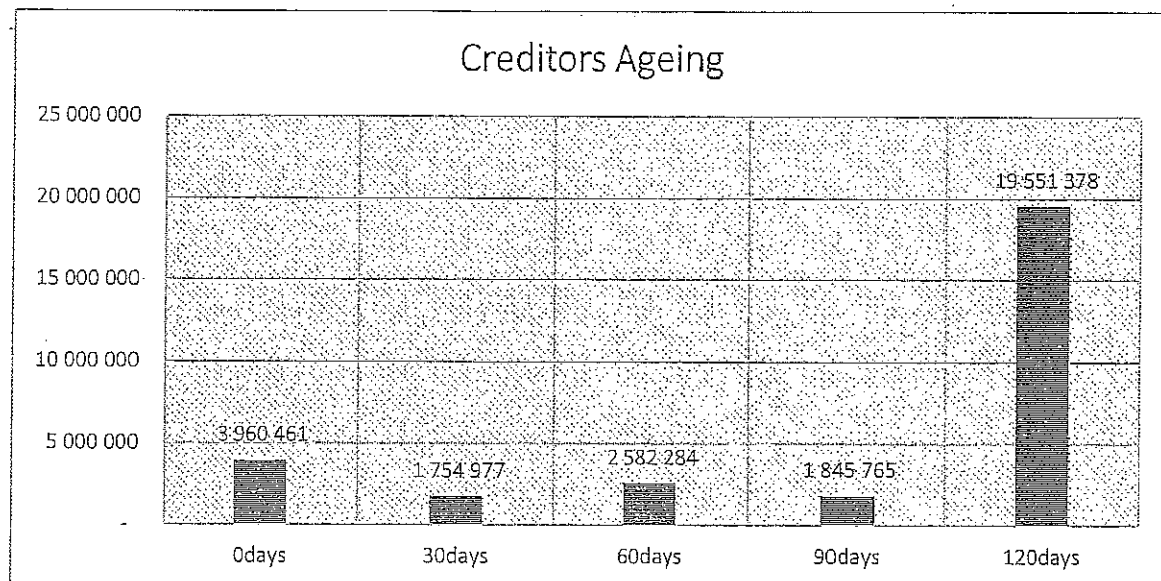
Based on the table above, it is depicted that, residential is seating at R61 million followed by commercial and agriculture at R24 million and R22 million respectively.

Despite debt collector's contract which is coming to an end, Municipality will continue to monitor the progress made by debt collectors and to implement mechanism to help reduce the debt. Policy on the write off of uncollectable debts was approved by the council. This will help in writing off certain debts which is seating on our debtors book which have been considered to be non-collectable.

## 6. Creditor's analysis

Table 10: Creditors ageing

Company total	Current	30days	60days	90days	120days
R 29 694 865	R 3 960 461	R 1 754 977	R 2 582 284	R 1 845 765	R 19 551 378



Municipality current payables is seating at around R29 million with over R19 million being due over 60 days. The higher creditors ageing was result of various issues experienced by Municipality such as following:

- Cash flow problems was experienced by Municipality during the 2016/17 financial year which led to delay in paying certain creditors within the stipulated time frame of 30 days.
- Eskom account debts is seating at around R13 million. Municipality have entered into payment arrangement with Eskom and currently honouring such debt without defaulting on the agreement.



## 7. Investment portfolio analysis

**Table 11: Investment account summary**

SUMMARY OF INVESTMENTS							
No.	Bank	Account No.	Investment type	Account	Closing balance per register	Interest received	Bank charges
1	FNB	62045841485	CALL ACCOUNT	8000/810812	271 843,50	1 763,20	-
2	Nedbank	03/7881110678	6 MONTHS DEPOSIT	8000/810817	5 072 328,77	72 328,77	-
3	ABSA	2066701092	FIXED DEPOSIT	505600409	-	17 192,33	-
4	ABSA	9295746149	DEPOSIT PLUS	8000/810819	10 002 820,74	145 160,61	-
5	ABSA	9295745884	DEPOSIT PLUS	8000/810818	2 091,41	39 885,42	20,00
6	ABSA	9296620730	DEPOSIT PLUS	8000/810820	2 578,49	191 439,89	-
7	ABSA	4073741532	CALL ACCOUNT	8000/810814	3 946,98	18,12	-
8	ABSA	4087938854	CHEQUE ACCOUNT	8000/810823	117 348,18	563 290,26	417,50
9	ABSA	4087938456	CHEQUE ACCOUNT	8000/810822	618,21	24,90	318,00
10	INVESTEC		FIXED DEPOSIT	8000/810824	15 604 989,41	92 054,79	-
					31 078 565,69	1 031 103,50	755,50

Bela-Bela Local municipality held various investment in accordance to Municipal Investment Regulation, 2005 issued by the National Treasury.

The investment amounts made with Investec relate to MIG roll over fund as detailed on the previous sections.

## 8. Allocation and grant receipt and expenditure

**Table 12: Grant receipt and expenditure**

Project Name	Directorate	Funding	2016/2017 Capital Budget	December 2016 Expenditure	Expenditure as at 31 December 2016	Variance (Unspent Budget)	
Road Paving Phase X's 2,4,6,7	Technical Services	MIG	5 809 825		4 537 763	1 272 062	78%
Bulk Sewer infrastructure X9	Technical Services	MIG	812 130		968 246	-156 116	119%
Bela Bela High-Sports facilities	Social & Comm Services	MIG	2 850 000	686 268	1 354 968	1 495 032	48%
Upgrade Sunfa Stadium	Social & Comm Services	MIG	1 992 250		1 803 965	188 285	91%
Storm water - Limpopo street	Technical Services	MIG	2 600 000	218 503	1 057 555	1 542 445	41%
Upgrade Streets: Spa Park	Technical Services	MIG	4 797 500		4 797 000	500	100%
Pave Access Road and Fence Bela Bela Cemetery	Technical Services	MIG	2 581 245	699 592	1 871 712	709 533	73%
Water infrastructure	Technical Services	MWIG	30 000 000	5 519 080	14 867 437	15 132 563	50%
Integration Electrification Programme	Technical Services	INEP	28 000 000		10 992 278	17 007 722	39%
Fire Arms Including Ammunition & Holsters	Social & Comm Services	OWN	110 000	-	-	110 000	0%
Furniture - Multipurpose	Social & Comm Services	OWN	1 200 000	-	931 854	268 146	78%
<b>Total</b>			<b>80 752 950</b>	<b>7 123 443</b>	<b>43 182 778</b>	<b>37 570 172</b>	<b>53%</b>

Total spending on the MIG budget of R 22.5 million was seating at R17 million as at 31 December 2016 which represent 76% spending when expressed as percentage.

MWIG is seating at 50% spending from the allocated grant of R30 million followed by INEP with total spending of 39% during the first half of the financial period.

Municipality is expected to be on track by the end of the financial period.

2015/16 ROLL OVER PROJECTS							
Project Name	Directorate	Funding	Roll-Over Budget 2015/16	December 2016 Expenditure	Expenditure as at 31 December 2016	Variance (Unspent Budget)	
Upgrade Streets: Spa Park	Technical Services	MIG	1 336 869	268 893	1 856 314	(519 445)	139%
Road Paving Phase X's 2,7 & 8	Technical Services	MIG	7 800 000	-	2 242 199	5 557 801	29%
Upgrade Sunfa Stadium	Technical Services	MIG	7 622 245	1 997 850	2 872 885	4 749 360	38%
Road Paving Phase X's 2,4,6 & 8	Technical Services	MIG	7 800 000	1 107 487	3 578 876	4 221 124	46%
Paving Bust Route: Rapotokwane	Technical Services	MIG	5 617 950	172 397	945 759	4 672 191	17%
Bela Bela Stormwater: Marikana Street	Technical Services	MIG	7 316 135	473 722	473 722	6 842 413	6%
Upgrade Sports Facilities: Stand 274	Social & Comm Services	MIG	1 272 062	409 146	409 146	862 916	32%
Total			37 493 199	4 020 349	11 969 755	25 523 444	32%

The roll over amount of R37 million applied by Municipality was as result of additional grant which was received by the Municipality. Municipality anticipate to meet all conditional set on individual projects by the end of the financial year end.

## 9. Councillor and board member allowances and employee benefits

**Table 13: Councillor Allowances**

DESCRIPTION	BUDGET	SPENT	VARIANCE
Councillor salaries	6 708 000	3 060 000	3 648 000

Lower spending on the councillor allowance as depicted on table above is as result of upper limit which only get implemented just after the mid-year review. The total budget of R6.7 million already considered the budgeted upper limit which are not yet implemented in the first half of the financial year.

**Table 14: Audit committee members**

COMMITTEE MEMBER	DESCRIPTION	AMOUNT
KGOMO LBM	Chairperson: Audit Committee	9650.35
MAROBANE N	Ordinary Member	3198.89
NGOBENI	Ordinary Member	21435.92
MASHEGO MA	Ordinary Member	6545.83
TOTAL TO DATE		40 830.99

During the first half of the 2016/17 budget year, Municipality only had four audit committee members.

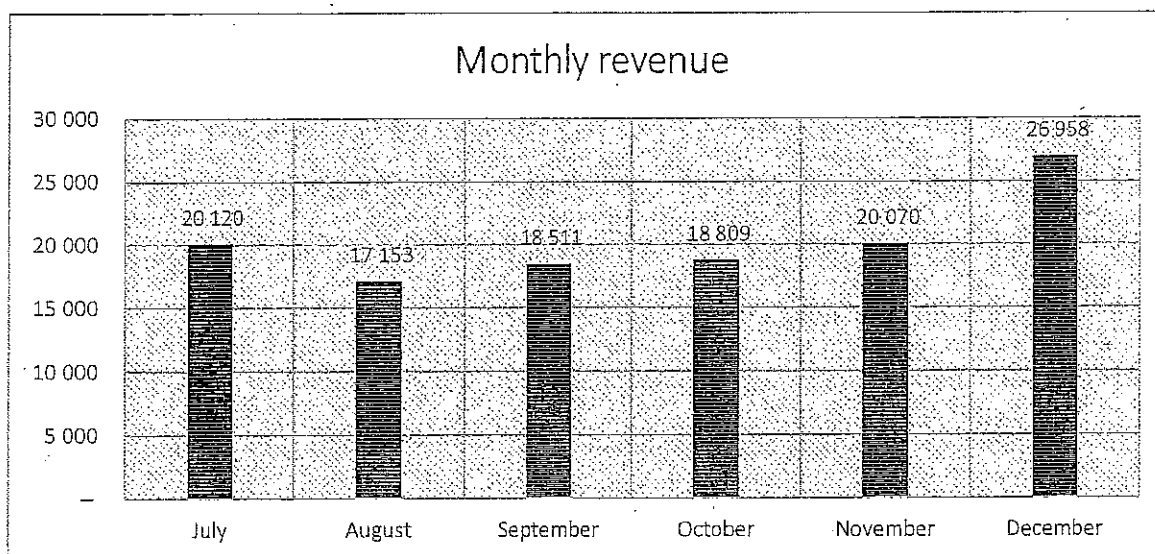
**Table 15: Employee benefits**

Descriptions	Budget	Actual	YTD Variances	YTD variance%
Employee benefits	14 075 572,85	11 469 34,25	2 606 538,60	19%

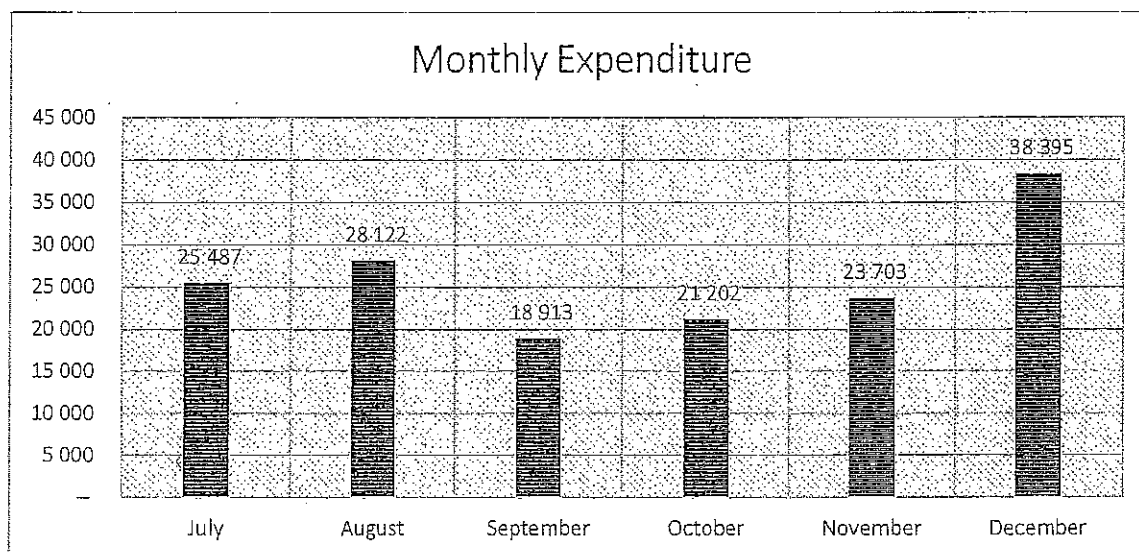
## 10. Material variances to the service delivery and budget implementation plan

Table 16: C1 – Monthly Budget Summary Statements

Description	Ref	Budget Year 2016/17					
		Monthly actual	Monthly actual	Monthly actual	Monthly actual	Monthly actual	Monthly actual
R thousands		July	August	September	October	November	December
<b>Revenue By Source</b>							
Property rates		6 045	4 436	5 341	5 224	5 090	4 997
Service charges - electricity revenue		8 230	7 381	7 530	7 194	9 425	9 829
Service charges - water revenue		2 250	1 649	1 936	2 135	2 041	1 896
Service charges - sanitation revenue		1 326	1 305	1 300	1 315	1 252	1 230
Service charges - refuse revenue		547	520	534	542	515	510
Service charges - other		12	33	17	31	23	12
Rental of facilities and equipment		78	93	81	90	93	80
Interest earned - external investments		77	209	142	305	3	6
Interest earned - outstanding debtors		537	489	570	684	508	658
Fines							6 945
Licences and permits		924	898	905	1 145	968	683
Other revenue		164	130	156	145	151	109
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>20 120</b>	<b>17 153</b>	<b>18 511</b>	<b>18 809</b>	<b>20 070</b>	<b>26 958</b>
<b>Expenditure By Type</b>							
Employee related costs		8 780	8 763	8 667	8 300	10 904	9 779
Remuneration of councillors		588	644	520	530	542	450
Debt impairment		54	31	35	148	49	(6)
Depreciation & asset impairment							14 805
Bulk purchases		10 377	9 417	6 991	6 264	6 302	6 316
<i>Electricity</i>		10 061	8 965	5 607	6 347	5 902	5 907
<i>Water</i>		316	452	384	418	401	409
Other materials		394	217	676	610	658	66
Contracted services		2 422	3 542	(1 339)	1 893	2 059	4 172
Other expenditure		2 872	5 511	4 363	3 457	3 188	2 808
<b>Total Expenditure</b>		<b>25 487</b>	<b>28 122</b>	<b>18 913</b>	<b>21 202</b>	<b>23 703</b>	<b>38 395</b>
<b>Surplus/(Deficit)</b>		<b>(5 367)</b>	<b>(10 969)</b>	<b>(401)</b>	<b>(2 393)</b>	<b>(3 632)</b>	<b>(11 437)</b>



December reported highest monthly revenue when compared to other months with August reporting the lowest.



December reported expenditure of R38 million which is considered to more than all other month. The higher expenditure was as result of bulk purchases among others.

### **11. Capital programme performance**

MIG actually spent during the 1<sup>st</sup> six months of the financial year amounts to R 17 million or 76% of the current year budget totals. Based on current spending patterns as well as tenders already awarded, the projected capital expenditure for the 2016/2017 financial year are anticipated to be fully utilised.

The capital projects per directorate and per cost centre will not be discussed any further but more detail about each capital project's performance in the Capital Project Implementation Plan (CPIP) is available for councillors at PMU unit. The CPIP is submitted to Executive Management on a monthly basis where the Municipal Manager monitors progress. The CPIP clearly indicates the planned supply chain processes and the actual performance per capital project (included actual and committed spending).

**Table 17: Capital Expenditure**

Project Name	Directorate	Funding	2016/2017 Capital Budget	December 2016 Expenditure	Expenditure as at 31 December 2016	Variance (Unspent Budget)
Road Paving Phase X's 2,4,6,7	Technical Services	MIG	5 809 825		4 537 763	1 272 062
Bulk Sewer infrastructure X9	Technical Services	MIG	812 130		968 246	-156 116
Bela Bela High-Sports facilities	Social & Comm Services	MIG	2 850 000	686 268	1 354 968	1 495 032
Upgrade Sunfa Stadium	Social & Comm Services	MIG	1 992 250		1 803 965	188 285
Upgrade Sports Facilities: Stand 274	Social & Comm Services	MIG	1 272 062	409 146	409 146	862 916
Storm water - Limpopo street	Technical Services	MIG	2 600 000	218 503	1 057 555	1 542 445
Upgrade Streets: Spa Park	Technical Services	MIG	4 797 500		4 797 000	500
Pave Access Road and Fence Bela Bela Cemetery	Technical Services	MIG	2 581 245	699 592	1 871 712	709 533
Water infrastructure	Technical Services	MWIG	30 000 000	5 519 080	14 867 437	15 132 563
Integration Electrification Programme	Technical Services	INEP	28 000 000		10 992 278	17 007 722
Fire Arms Including Amunition & Holsters	Social & Comm Services	OWN	110 000	-	-	110 000
Furniture - Multipurpose	Social & Comm Services	OWN	1 200 000	-	931 854	268 146
<b>Total</b>			<b>82 025 012</b>	<b>7 532 589</b>	<b>43 591 924</b>	<b>38 433 088</b>
<b>2015/16 ROLL OVER PROJECTS</b>						
Project Name	Directorate	Funding	Roll-Over Budget 2015/16	December 2016 Expenditure	Expenditure as at 31 December 2016	Variance (Unspent Budget)
Upgrade Streets: Spa Park	Technical Services	MIG	1 336 869	268 893	1 856 314	(519 445)
Road Paving Phase X's 2,7 & 8	Technical Services	MIG	7 800 000	-	2 242 199	5 557 801
Upgrade Sunfa Stadium	Technical Services	MIG	7 622 245	1 997 850	2 872 885	4 749 360
Road Paving Phase X's 2,4,6 & 8	Technical Services	MIG	7 800 000	1 107 487	3 578 876	4 221 124
Paving Bust Route: Rapotokwane	Technical Services	MIG	5 617 950	172 397	945 759	4 672 191
Bela Bela Stormwater:Marikana Street	Technical Services	MIG	7 316 135	473 722	473 722	6 842 413
<b>Total</b>			<b>37 493 199</b>	<b>4 020 349</b>	<b>11 969 755</b>	<b>25 523 444</b>

## 12. Other supporting documents

### a) Progress made on the mSCOA implementation

In terms of m-SCOA regulation of 2014, all municipalities must implement the standard Charts of Accounts by 1 July 2017. In order to comply with regulation, there are various processes that need to be undertaken by municipality to ensure full compliance on 1st July 2017 which include amongst other things implementation plan indicating the project milestones.

Bela-Bela Local Municipality has adopted the implementation of the m-SCOA on 1<sup>st</sup> of July 2017.

m-SCOA project team was established to oversee the project together with all other relevant committee. Service provider have been appointed to assist Municipality official in implementation of the m-SCOA projects. Relevant IT hardware has been acquired.

### b) Progress made on the compliance with the minimum competency regulations

All the municipal finance officials, those in the Budget and Treasury Office, are attending the accredited courses on the minimum competencies. Some of the affected officials have completed the course during the end of December 2016

### c) The 2016/17 budget schedule and progress made in achieving the milestone and timelines specified in the circular detailing the compilation of 2016/17 MTREF

In terms of subsection 16 (1) of the MFMA (Act no 56 of 2003), the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Based on the MFMA requirement above, Bela-Bela municipality has initiated the budget process plan in preparation of the 2017-2018 budget. The plan is scheduled to be table to council during February council seating.

Proper planning in drafting 2017-2018 budget will ensure accurate and compliance budget is achieved by the municipality.

### **13. Service delivery performance analysis (Overall SDBIP)**

For the variances on Service Delivery and Budget Implementation Plan please refer to organisational mid-year performance assessment report which is part B of this report.

### **14. Comments on the 2015/16 annual report**

The municipality has been subjected to statutory audit from the beginning of August 2016 to the end of November 2016, The Office of the Auditor General is responsible for all the statutory audit function of the Municipality. The Municipality has managed to maintained qualification of unqualified audit opinion from the 2013/14 financial year to 2015/16.

Municipality through its action plan to address previous year finding, was targeting to archive clean audit. Clean audit was not archived as result of few non-compliance relating to payment within 30 days, fruitless and wasteful expenditure on Eskom account (interest) and findings on performance reports. Properly documented action plan with regard to 2015/16 audit findings has been developed and AGSA action plan committee established which will deal with all audit findings raised.

### **15. Adjustment budget**

Regulation 23 of the Municipal Budget and Reporting Regulations provides, inter alia, for the following:

*"An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment report has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year."*

Accordingly, a report on adjustments to the budget will be submitted for consideration by Council before 28 February 2016.

#### 16. Municipal manager's quality certification

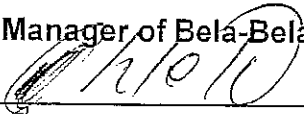
I, MM Maluleka, the municipal manager of Bela-Bela Local Municipality, hereby certify that:-

- ❖ The mid-year budget and performance assessment

As at **31<sup>st</sup> December 2016** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: MM Maluleka

Municipal Manager of Bela-Bela Local Municipality

Signature: 

Date: 23/01/2017