

MEMORANDUM

AAN / TO : Mayor, Cnr ST Sthonga
ONDERWERP/TOPIC : MFMA, SECTION 72 ASSESSMENT REPORT
VAN / FROM : Municipal Manager
LÊER/FILE : 5/1/1/13
DATUM / DATE : 23 January 2019

2018/2019 Mid-Year Budget and Performance Assessment Report for the period July 2018 ending 31 December 2019.

1. Introduction

In terms of Section 72(1), (2) and (3) of the Municipal Finance Management Act No.56, 2003 Chapter 8, the mid-year budget and performance assessment report for the period ended 31 December 2018 is submitted for your consideration.

In terms of the Section 54 (1), (2) and (3) of the Municipal Finance Management Act No.56, 2003 Chapter 7, the following applies:

- (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must –
 - (a) Consider the statement or report;
 - (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
 - (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
 - (d) Issue any appropriate instructions to the accounting officer to ensure—
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
 - (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
 - (f) In the case of a section 72 report, submit the report to the council by 31 January of each year.

I trust that this will reach your amicable approval.

Yours sincerely


ISAK MISSEER
MUNICIPAL MANAGER

EMTHANJENI MUNICIPALITY



Mid-Year Budget & Performance Assessment for 2018-2019

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Glossary

- **Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality DECEMBER revise its annual budget during the year.
- **Allocations** – Money received from Provincial or National Government or other municipalities.
- **Budget** – The financial plan of the Municipality.
- **Budget related policy** – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.
- **Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
- **Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it DECEMBER not be aid in the same period.
- **DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.
- **Equitable share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
- **Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
- **GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
- **GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.
- **IDP** – Integrated Development Plan. The main strategic planning document of the Municipality.
- **MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.
- **MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

- **MIG – Municipal Infrastructure Grant.**
- **MTREF – Medium Term Revenue and Expenditure Framework.** A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
- **Operating expenditure –** Spending on the day to day expenses of the Municipality such as salaries and wages.
- **Rates –** Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
- **SDBIP – Service Delivery and Budget Implementation Plan.** A detailed plan comprising quarterly performance targets and monthly budget estimates.
- **Strategic objectives –** The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
- **Unauthorised expenditure –** Generally, is spending without, or in excess of, an approved budget.
- **Virement –** A transfer of budget.
- **Virement policy -** The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.
- **Vote –** One of the main segments into which a budget. In Emthanjeni Municipality this means at directorate level.

PART 1 – IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1.1 Financial problems or risks facing the municipality

The Major area of concern is the under-performance in relation to the implementation of the capital budget. Current year performance will be analysed in depth prior to any adjustments budget taking place after the midyear review to ensure capital resources are utilised correctly during the financial year.

1.1.2 Relevant information

The audit report is unqualified with matters of emphasis.

Year-to-date operating revenue realised is 13 % above the year-to-date budget for December 2018.

The abnormally high revenue includes the annual property rates and other fixed service charges billed to consumers for the 2018/2019 financial year, this situation arose because certain customers being billed monthly. As well as operating grants received that exceeds the monthly budget the reason for this being that the there was no payment schedule available at the time of concluding the budget.

Operating expenditure incurred amounts to -14% below the year-to-date operating expenditure. 23.79% of the total capital budget has been spent at 31 December 2018, with 21.85% of that being funded from capital grants.¹

¹ Table C5 - Capital Expenditure (municipal vote, standard classification and fundin

Section 2 – Resolutions

IN-YEAR REPORTS 2018/2019

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

- (a) That Council notes the monthly budget statement and supporting documentation for December 2018.

Section 3 – Executive Summary

3.1 Introduction

The audit report is unqualified with matters of emphasis.

Year-to-date operating revenue realised is 13 % above the year-to-date budget for December 2018.

The abnormally high revenue includes the annual property rates and other fixed service charges billed to consumers for the 2018/2019 financial year, this situation arose because certain customers being billed monthly. As well as operating grants received that exceeds the monthly budget the reason for this being that there was no payment schedule available at the time of concluding the budget.

Operating expenditure incurred amounts to -14% below the year-to-date operating expenditure. 23.79% of the total capital budget has been spent at 31 December 2018, with 21.85% of that being funded from capital grants.

3.2 Consolidated performance

3.2.1 Against annual budget (original approved and latest Adjustments)

Revenue by Source

Year-to-date revenue realised R14, 988 Million, above year-to-date budget projections for December 2018².

Operating expenditure by type

Year-to-date expenditure is -14% or R16, 403 Million, below the year-to-date budget as at 31 December 2018.

Refer to Section 4 – Table C4 for further details on both revenue by source and expenditure by type.

² Table C4 – Total revenue by source (excluding capital transfers and contributions)

³ Table C4 – Total expenditure by type

Capital expenditure

Year-to-date expenditure on capital amounts to R13, 905 or 23.79% of the capital budget of R58.436 million⁴, 21.85% of expenditure to date has been funded from capital grants recognised⁵.

Refer to Section 4 – Table C5 for more detail.

Cash flows

The financial year commenced with cash & cash equivalents balance of R13, 262 million⁶.

Refer to section 4 – Supporting Table C9 and Section 7 for more detail on the cash position.

3.3 Material variances

Description	Variance
R thousands	
<u>Revenue by source</u>	
Property rates	9 682
Service charges - electricity revenue	(1 118)
Fines	(1 458)
Licences and permits	(839)
<u>Expenditure by type</u>	
Debt impairment	(3 606)
Depreciation & asset impairment	(839)
Other expenditure	1 303
Other materials	(4 775)
<u>Capital expenditure</u>	
Road transport	(681)
Electricity	983
Water	(11 603)
<u>Cash Flow</u>	
Service charges	(4 433)
Other revenue	(2 753)
Capital assets	(17 832)

3.4 Remedial or corrective steps

Description	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands		
Revenue By Source		
Property rates	The farmers property rates are charged yearly and thus the actual amount is higher than the budgeted amount.	The current situation will correct itself during the financial year
Service charges - electricity revenue	Due to high usage of pre-paid electricity during months the estimated revenue was expected to be more	The current situation will be corrected in the adjustment budget
Expenditure By Type		
Debt impairment	Are Done at year end	The situation will be fixed at year end
Depreciation & asset impairment	Are Done at year end	The situation will be fixed at year end
Other expenditure	Other expenditure was estimated to be higher	The situation will be taken into account when drawing up the adjustment budget of 2018-19
Other materials	Underspending on the repairs and maintainence Budget	The situation will be taken into account when drawing up the adjustment budget of 2018-19
Capital Expenditure		
Road transport	Slow capital spending	The situation will be taken into account when drawing up the adjustment budget of 2018-19
Electricity	Slow capital spending	The situation will be taken into account when drawing up the adjustment budget of 2018-19
Water	Slow capital spending	The situation will be taken into account when drawing up the adjustment budget of 2018-19

Waste water management	Slow capital spending	The situation will be taken into account when drawing up the adjustment budget of 2018-19
Cash Flow		
Service charges	Slow collection due to customers not paying accounts	Continued Enforcing of the credit collection policy as well as looking to adjusted the estimated revenue collection
Other revenue		The situation will be taken into account when drawing up the adjustment budget of 2018-19
Capital assets	Slow capital spending	The situation will be taken into account when drawing up the adjustment budget of 2018-19

⁴ Table C5 – Total capital expenditure

⁵ Table C5 - Capital Expenditure (municipal vote, standard classification and funding)

⁶ Table C7 – Cash flow (cash and cash equivalents = cashbook and current investment)

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: s71 Monthly Budget Statement Summary

NC073 Emthanjani - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	32 179	29 289	29 289	1 484	24 327	14 645	9 682	66%	30 665
Service charges	117 824	124 266	124 266	7 901	57 489	62 133	(4 644)	-7%	106 383
Investment revenue	1 468	987	987	687	719	493	226	46%	806
Transfers recognised - operational	45 375	44 186	44 186	15 149	34 293	22 093	12 200	55%	41 210
Other own revenue	14 747	36 215	36 215	2 731	15 632	18 107	(2 475)	-14%	38 515
Total Revenue (excluding capital transfers and contributions)	211 592	234 944	234 944	27 953	132 460	117 472	14 988	13%	217 580
Employee costs	76 915	82 291	82 291	6 694	39 688	41 157	(1 469)	-4%	69 838
Remuneration of Councillors	5 335	5 840	5 840	441	2 646	2 433	213	9%	5 046
Depreciation & asset impairment	62 755	9 599	9 599	-	-	839	(839)	-100%	7 337
Finance charges	8 207	2 219	2 219	2	1 286	1 110	177	16%	5 468
Materials and bulk purchases	72 118	85 919	85 919	2 035	34 578	42 959	(8 380)	-20%	73 894
Transfers and grants	469	-	-	-	-	-	-	-	-
Other expenditure	59 170	60 295	306 457	2 832	24 050	30 154	(6 105)	-20%	54 381
Total Expenditure	284 970	246 162	492 324	12 004	102 249	118 651	(16 403)	-14%	215 964
Surplus/(Deficit)	(73 378)	(11 218)	(257 380)	15 949	30 211	(1 180)	31 391	-2661%	1 616
Transfers recognised - capital	30 017	52 190	52 190	-	3 680	26 095	(22 415)	-86%	14 602
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(43 361)	40 972	(205 190)	15 949	33 891	24 915	8 976	36%	16 218
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(43 361)	40 972	(205 190)	15 949	33 891	24 915	8 976	36%	16 218
Capital expenditure & funds sources									
Capital expenditure	20 832	58 436	58 436	1 785	13 905	24 913	(11 007)	-44%	20 739
Capital transfers recognised	10 478	52 190	52 190	1 573	12 773	23 874	(11 102)	-46%	13 905
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	9 497	-	-	-	-	-	-	-	-
Internally generated funds	856	6 246	6 246	213	1 132	1 038	94	9%	6 834
Total sources of capital funds	20 832	58 436	58 436	1 785	13 905	24 913	(11 007)	-44%	20 739
Financial position									
Total current assets	84 383	65 371	65 371	-	93 535	-	-	-	110 700
Total non current assets	860 127	1 147 680	1 147 680	-	865 561	-	-	-	937 687
Total current liabilities	94 970	52 820	52 820	-	167 989	-	-	-	31 639
Total non current liabilities	83 832	37 143	37 143	-	5 415	-	-	-	36 071
Community wealth/Equity	765 708	1 123 088	1 123 088	-	785 693	-	-	-	980 677
Cash flows									
Net cash from (used) operating	35 458	58 176	58 176	9 170	50 869	29 088	(21 781)	-75%	23 890
Net cash from (used) investing	(31 910)	(58 236)	(58 236)	(1 985)	(11 273)	(29 118)	(17 845)	61%	(20 610)
Net cash from (used) financing	(3 388)	98	98	(431)	(2 631)	(1 715)	917	-53%	(590)
Cash/cash equivalents at the month/year end	2 943	977	977	-	39 908	(805)	(40 713)	5058%	5 634
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	11 160	4 966	4 345	3 829	3 921	17 126	95 605	140 952
Creditors Age Analysis									
Total Creditors	7 391	758	1 627	5 839	6 715	11 567	-	-	33 896

Table C2: Monthly Budget Statement – Financial Performance (standard classification)

NC073 Emthanjeni - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		55 913	53 982	53 982	9 358	42 706	26 981	15 724	58%	51 180
Executive and council		4 930	4 545	4 545	1 227	3 187	2 272	914	40%	4 295
Budget and treasury office		50 917	49 359	49 359	8 130	39 489	24 680	14 809	60%	46 801
Corporate services		66	58	58	0	30	29	1	4%	84
<i>Community and public safety</i>		13 595	6 857	6 857	1 467	2 465	3 428	(964)	-28%	11 325
Community and social services		1 777	1 542	1 542	64	775	771	4	1%	1 942
Sport and recreation		148	173	173	21	86	86	(0)	0%	123
Public safety		10 701	5 096	5 096	18	227	2 548	(2 321)	-91%	7 991
Housing		968	46	46	1 363	1 377	23	1 354	5887%	41
Health		1	-	-	-	-	-	-	-	1 227
<i>Economic and environmental services</i>		15 089	13 506	13 506	1	715	6 753	(6 038)	-89%	3 816
Planning and development		1 000	13 001	13 001	0	701	6 500	(5 800)	-89%	1 610
Road transport		14 088	505	505	1	14	253	(238)	-94%	2 207
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		157 014	212 808	212 808	17 128	99 254	106 404	(16 150)	-15%	165 860
Electricity		83 532	88 946	88 946	6 140	47 308	44 473	2 835	6%	90 239
Water		42 472	76 304	76 304	3 971	17 981	38 152	(20 171)	-53%	38 471
Waste water management		19 843	29 552	29 552	4 372	15 680	14 776	904	6%	24 322
Waste management		11 168	18 006	18 006	2 644	9 285	9 003	282	3%	12 828
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	241 610	287 134	287 134	27 953	136 139	143 567	(7 427)	-5%	232 182
Expenditure - Standard										
<i>Governance and administration</i>		61 423	55 414	55 414	3 227	23 209	26 980	(3 771)	-14%	48 553
Executive and council		22 945	15 901	15 901	972	6 074	7 484	(1 411)	-19%	14 054
Budget and treasury office		26 704	22 714	22 714	1 100	10 115	11 246	(1 131)	-10%	21 982
Corporate services		11 773	16 799	16 799	1 155	7 020	8 249	(1 229)	-15%	12 518
<i>Community and public safety</i>		34 400	31 321	31 321	1 844	11 384	15 010	(3 625)	-24%	29 417
Community and social services		19 040	13 559	13 559	824	4 982	6 129	(1 147)	-19%	11 849
Sport and recreation		4 367	5 388	5 388	403	2 297	2 694	(397)	-15%	4 654
Public safety		7 284	9 795	9 795	455	3 030	4 897	(1 868)	-38%	10 367
Housing		3 672	2 420	2 420	162	1 058	1 210	(152)	-13%	2 400
Health		37	160	160	-	18	80	(62)	-77%	148
<i>Economic and environmental services</i>		38 185	31 793	31 793	1 610	10 980	13 846	(2 866)	-21%	28 440
Planning and development		15 530	13 761	13 761	918	5 743	6 880	(1 137)	-17%	12 162
Road transport		22 654	18 032	18 032	692	5 237	6 966	(1 729)	-25%	16 278
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		149 735	126 937	126 937	5 231	56 074	62 468	(6 394)	-10%	108 815
Electricity		96 038	80 307	80 307	2 094	35 753	39 903	(4 150)	-10%	71 539
Water		25 975	16 073	16 073	1 044	6 619	7 636	(1 018)	-13%	12 906
Waste water management		16 230	17 300	17 300	1 028	6 774	8 400	(1 625)	-19%	12 936
Waste management		11 492	13 257	13 257	1 065	6 928	6 528	399	6%	11 435
<i>Other</i>		1 228	697	697	92	602	348	253	73%	738
Total Expenditure - Standard	3	284 970	246 162	246 162	12 004	102 249	118 651	(16 403)	-14%	215 964
Surplus/ (Deficit) for the year		(43 361)	40 972	40 972	15 949	33 891	24 915	8 976	36%	16 218

Table C2: Monthly Budget Statement – Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services. It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

The operating expenditure budget is approved by Council on the municipal vote level.

NC073 Emtshanjeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		4 930	4 545	4 545	1 227	3 187	2 272	914	40.2%	4 295
Vote 2 - FINANCE AND ADMINISTRATION		50 983	49 418	49 418	8 130	39 519	24 709	14 810	59.9%	46 885
Vote 3 - PLANNING AND DEVELOPMENT		1 000	13 001	13 001	0	701	6 500	(5 800)	-89.2%	1 610
Vote 4 - HEALTH		1	-	-	-	-	-	-	-	1 227
Vote 5 - COMMUNITY AND SOCIAL SERVICES		1 777	1 542	1 542	64	775	771	4	0.5%	1 942
Vote 6 - PUBLIC SAFETY		10 701	5 096	5 096	18	227	2 548	(2 321)	-91.1%	7 991
Vote 7 - SPORT AND RECREATION		148	173	173	21	86	86	(0)	-0.4%	123
Vote 8 - ROAD TRANSPORT		14 088	505	505	1	14	253	(238)	-94.4%	2 207
Vote 9 - OTHER		-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES		968	46	46	1 363	1 377	23	1 354	5887.3%	41
Vote 11 - WASTE MANAGEMENT		11 168	18 006	18 006	2 644	9 285	9 003	282	3.1%	12 628
Vote 12 - WASTE WATER MANAGEMENT		19 843	29 552	29 552	4 372	15 680	14 776	904	6.1%	24 322
Vote 13 - ELECTRICITY		83 532	88 946	88 946	6 140	47 308	44 473	2 835	6.4%	90 239
Vote 14 - WATER		42 472	76 304	76 304	3 971	17 981	38 152	(20 171)	-52.9%	38 471
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	241 610	287 134	287 134	27 953	136 139	143 567	(7 427)	-5.2%	232 182
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		22 945	15 901	15 901	972	6 074	7 484	(1 411)	-18.8%	14 054
Vote 2 - FINANCE AND ADMINISTRATION		38 478	39 513	39 513	2 255	17 135	19 495	(2 360)	-12.1%	34 499
Vote 3 - PLANNING AND DEVELOPMENT		15 530	13 761	13 761	918	5 743	6 880	(1 137)	-16.5%	12 162
Vote 4 - HEALTH		37	160	160	-	18	80	(62)	-77.4%	148
Vote 5 - COMMUNITY AND SOCIAL SERVICES		19 040	13 559	13 559	824	4 982	6 129	(1 147)	-18.7%	11 849
Vote 6 - PUBLIC SAFETY		7 284	9 795	9 795	455	3 030	4 897	(1 868)	-38.1%	10 367
Vote 7 - SPORT AND RECREATION		4 367	5 388	5 388	403	2 297	2 694	(397)	-14.7%	4 654
Vote 8 - ROAD TRANSPORT		22 654	18 032	18 032	692	5 237	6 966	(1 729)	-24.8%	16 278
Vote 9 - OTHER		1 228	697	697	92	602	348	253	72.7%	738
Vote 10 - HOUSING SERVICES		3 672	2 420	2 420	162	1 058	1 210	(152)	-12.6%	2 400
Vote 11 - WASTE MANAGEMENT		11 492	13 257	13 257	1 065	6 928	6 528	399	6.1%	11 435
Vote 12 - WASTE WATER MANAGEMENT		16 230	17 300	17 300	1 028	6 774	8 400	(1 625)	-19.3%	12 936
Vote 13 - ELECTRICITY		96 038	80 307	80 307	2 094	35 753	39 903	(4 150)	-10.4%	71 539
Vote 14 - WATER		25 975	16 073	16 073	1 044	6 619	7 636	(1 018)	-13.3%	12 906
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	284 970	246 162	246 162	12 004	102 249	118 651	(16 403)	-13.0%	215 964
Surplus/ (Deficit) for the year	2	(43 361)	40 972	40 972	15 949	33 891	24 915	8 976	36.0%	16 218

Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

NC073 Emthanjeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		31 790	29 289	29 289	1 484	24 327	14 645	9 682	66%	30 665
Property rates - penalties & collection charges		388	-	-	-	-	-	-	-	-
Service charges - electricity revenue		73 251	58 374	58 374	2 975	28 069	29 187	(1 118)	-4%	56 203
Service charges - water revenue		25 951	32 365	32 365	2 488	14 788	16 182	(1 394)	-9%	25 864
Service charges - sanitation revenue		11 865	20 780	20 780	1 528	9 167	10 390	(1 223)	-12%	15 972
Service charges - refuse revenue		6 273	12 572	12 572	877	5 259	6 286	(1 028)	-16%	8 226
Service charges - other		484	175	175	33	206	87	119	136%	118
Rental of facilities and equipment		852	833	833	67	444	416	28	7%	786
Interest earned - external investments		1 468	987	987	687	719	493	226	46%	806
Interest earned - outstanding debtors		1 093	1 335	1 335	176	1 048	667	381	57%	954
Dividends received		-	-	-	-	-	-	-	-	-
Fines		9 202	3 760	3 760	180	422	1 880	(1 458)	-78%	6 943
Licences and permits		1 630	2 108	2 108	17	215	1 054	(839)	-80%	2 508
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		45 375	44 186	44 186	15 149	34 293	22 093	12 200	55%	41 210
Other revenue		1 967	27 980	27 980	2 295	13 410	13 990	(580)	-4%	27 195
Gains on disposal of PPE		3	200	200	(4)	93	100	(7)	-7%	130
Total Revenue (excluding capital transfers and contributions)		211 592	234 944	234 944	27 953	132 460	117 472	14 988	13%	217 580
Expenditure By Type										
Employee related costs		76 915	82 291	82 291	6 694	39 688	41 157	(1 469)	-4%	69 838
Remuneration of councillors		5 335	5 840	5 840	441	2 646	2 433	213	9%	5 046
Debt impairment		25 032	7 213	7 213	-	-	3 606	(3 606)	-100%	8 901
Depreciation & asset impairment		62 755	9 599	9 599	-	-	839	(839)	-100%	7 337
Finance charges		8 207	2 219	2 219	2	1 286	1 110	177	16%	5 468
Bulk purchases		59 964	64 814	64 814	1 287	28 802	32 407	(3 605)	-11%	57 123
Other materials		12 154	21 104	21 104	748	5 776	10 552	(4 775)	-45%	16 771
Contracted services		7 299	12 312	12 312	453	2 354	6 156	(3 802)	-62%	9 846
Transfers and grants		469	-	-	-	-	-	-	-	-
Other expenditure		24 895	40 770	40 770	2 379	21 695	20 392	1 303	6%	35 634
Loss on disposal of PPE		1 945	-	246 162	-	-	-	-	-	-
Total Expenditure		284 970	246 162	492 324	12 004	102 249	118 651	(16 403)	-14%	215 964
Surplus/(Deficit)		(73 378)	(11 218)	(257 380)	15 949	30 211	(1 180)	31 391	(0)	1 616
Transfers recognised - capital		30 017	52 190	52 190	-	3 680	26 095	(22 415)	(0)	14 602
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(43 361)	40 972	(205 190)	15 949	33 891	24 915			16 218
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(43 361)	40 972	(205 190)	15 949	33 891	24 915			16 218
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(43 361)	40 972	(205 190)	15 949	33 891	24 915			16 218
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(43 361)	40 972	(205 190)	15 949	33 891	24 915			16 218

Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

NC073 Emthanjani - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Mid-Year Assessment										
Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Total Capital Multi-year expenditure	4.7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		30	1 636	1 636	203	1 066	812	254	31%	137
Vote 2 - FINANCE AND ADMINISTRATION		123	1 071	1 071	9	47	6	41	636%	1 735
Vote 3 - PLANNING AND DEVELOPMENT		7	-	-	-	-	-	-	-	-
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		409	102	102	-	-	-	-	-	296
Vote 6 - PUBLIC SAFETY		531	48	48	-	-	-	-	-	63
Vote 7 - SPORT AND RECREATION		2	55	55	-	-	-	-	-	75
Vote 8 - ROAD TRANSPORT		9 433	14 462	14 462	1 413	4 829	5 510	(681)	-12%	4 200
Vote 9 - OTHER		-	-	-	-	-	-	-	-	-
Vote 10 - HOUSING SERVICES		5 213	-	-	-	-	-	-	-	-
Vote 11 - WASTE MANAGEMENT		2	22	22	-	-	-	-	-	29
Vote 12 - WASTE WATER MANAGEMENT		164	-	-	-	-	-	-	-	981
Vote 13 - ELECTRICITY		3 635	4 420	4 420	-	2 983	2 000	983	49%	5 400
Vote 14 - WATER		1 284	36 619	36 619	160	4 981	16 584	(11 603)	-70%	7 822
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	20 832	58 436	58 436	1 785	13 905	24 913	(11 007)	-44%	20 739
Total Capital Expenditure		20 832	58 436	58 436	1 785	13 905	24 913	(11 007)	-44%	20 739
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		153	2 707	2 707	213	1 113	818	294	36%	1 873
Executive and council		30	1 636	1 636	203	1 066	812	254	31%	137
Budget and treasury office		98	791	791	9	47	6	41	636%	1 385
Corporate services		25	281	281	-	-	-	-	-	350
<i>Community and public safety</i>		6 155	206	206	-	-	-	-	-	434
Community and social services		409	102	102	-	-	-	-	-	296
Sport and recreation		2	55	55	-	-	-	-	-	75
Public safety		531	48	48	-	-	-	-	-	63
Housing		5 213	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 440	14 462	14 462	1 413	4 829	5 510	(681)	-12%	4 200
Planning and development		7	-	-	-	-	-	-	-	-
Road transport		9 433	14 462	14 462	1 413	4 829	5 510	(681)	-12%	4 200
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		5 084	41 061	41 061	160	7 964	18 584	(10 621)	-57%	14 232
Electricity		3 635	4 420	4 420	-	2 983	2 000	983	49%	5 400
Water		1 284	36 619	36 619	160	4 981	16 584	(11 603)	-70%	7 822
Waste water management		164	-	-	-	-	-	-	-	981
Waste management		2	22	22	-	-	-	-	-	29
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	20 832	58 436	58 436	1 785	13 905	24 913	(11 007)	-44%	20 739
Funded by:										
National Government		10 478	52 190	52 190	1 573	12 773	23 874	(11 102)	-46%	13 905
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		10 478	52 190	52 190	1 573	12 773	23 874	(11 102)	-46%	13 905
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	9 497	-	-	-	-	-	-	-	-
Internally generated funds		856	6 246	6 246	213	1 132	1 038	94	9%	6 834
Total Capital Funding		20 832	58 436	58 436	1 785	13 905	24 913	(11 007)	-44%	20 739

Table C6: Monthly Budget Statement - Financial Position

NC073 Emthanjeni - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		279	179	179	83	968
Call investment deposits		12 547	8 416	8 416	22 661	10 075
Consumer debtors		71 098	56 306	56 306	85 450	22 824
Other debtors		-	-	-	(15 153)	11 277
Current portion of long-term receivables		5	5	5	-	-
Inventory		454	465	465	494	65 556
Total current assets		84 383	65 371	65 371	93 535	110 700
Non current assets						
Long-term receivables		2	2	2	-	-
Investments		28	29	29	28	29
Investment property		76 955	78 970	78 970	76 955	5 004
Investments in Associate		-	-	-	-	-
Property, plant and equipment		782 998	1 068 290	1 068 290	788 442	932 114
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		137	382	382	137	458
Other non-current assets		7	8	8	-	83
Total non current assets		860 127	1 147 680	1 147 680	865 561	937 687
TOTAL ASSETS		944 510	1 213 051	1 213 051	959 097	1 048 386
LIABILITIES						
Current liabilities						
Bank overdraft		9 883	7 617	7 617	5 343	9 338
Borrowing		3 734	3 527	3 527	1 117	688
Consumer deposits		2 346	2 529	2 529	2 395	2 289
Trade and other payables		76 969	37 182	37 182	67 226	16 352
Provisions		2 039	1 964	1 964	91 907	2 972
Total current liabilities		94 970	52 820	52 820	167 989	31 639
Non current liabilities						
Borrowing		36 896	-	-	-	-
Provisions		46 937	37 143	37 143	5 415	36 071
Total non current liabilities		83 832	37 143	37 143	5 415	36 071
TOTAL LIABILITIES		178 802	89 962	89 962	173 404	67 709
NET ASSETS	2	765 708	1 123 088	1 123 088	785 693	980 677
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		765 708	1 123 088	1 123 088	783 440	980 677
Reserves		-	-	-	2 253	-
TOTAL COMMUNITY WEALTH/EQUITY	2	765 708	1 123 088	1 123 088	785 693	980 677

Table C7: Monthly Budget Statement - Cash Flow

NC073 Emthanjeni - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		31 790	27 584	27 584	1 059	13 958	13 792	166	1%	27 999
Service charges		83 272	118 106	118 106	9 084	54 620	59 053	(4 433)	-8%	99 902
Other revenue		17 278	33 406	33 406	2 229	13 950	16 703	(2 753)	-16%	34 954
Government - operating		41 797	44 186	44 186	14 958	33 002	22 093	10 908	49%	41 210
Government - capital		29 223	52 190	52 190	3 700	21 500	26 095	(4 595)	-18%	14 602
Interest		2 574	2 055	2 055	9	18	1 027	(1 010)	-98%	806
Dividends			-	-	-	-	-	-		-
Payments										
Suppliers and employees		(166 140)	(217 131)	(217 131)	(21 868)	(84 722)	(108 566)	(23 844)	22%	(190 113)
Finance charges		(3 820)	(2 219)	(2 219)	(0)	(1 455)	(1 110)	346	-31%	(5 468)
Transfers and Grants		(516)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		35 458	58 176	58 176	9 170	50 869	29 088	(21 781)	-75%	23 890
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		97	200	200	2	113	100	13	13%	130
Decrease (Increase) in non-current debtors		(0)	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables			-	-	-	-	-	-		-
Decrease (increase) in non-current investments			-	-	-	-	-	-		-
Payments										
Capital assets		(32 007)	(58 436)	(58 436)	(1 986)	(11 386)	(29 218)	(17 832)	61%	(20 739)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(31 910)	(58 236)	(58 236)	(1 985)	(11 273)	(29 118)	(17 845)	61%	(20 610)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		45	3 527	3 527	-	-	-	-		-
Increase (decrease) in consumer deposits		-	98	98	11	58	49	9	18%	98
Payments										
Repayment of borrowing		(3 433)	(3 527)	(3 527)	(443)	(2 689)	(1 764)	926	-52%	(688)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 388)	98	98	(431)	(2 631)	(1 715)	917	-53%	(590)
NET INCREASE/ (DECREASE) IN CASH HELD		159	37	37	6 754	36 965	(1 745)			2 691
Cash/cash equivalents at beginning:		2 784	940	940		2 943	940			2 943
Cash/cash equivalents at month/year end:		2 943	977	977		39 908	(805)			5 634

PART 2 – SUPPORTING DOCUMENTATION Section 5

– Debtors' analysis

Supporting Table SC3

NC073 Emthanjeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment													
Description	NT Code	Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment-Bad Debts I/Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	2 785	1 687	1 444	1 272	1 581	2 655	30 962	42 368	37 914		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	5 338	1 229	1 034	855	700	754	7 992	17 902	11 338		
Receivables from Non-exchange Transactions - Property Rates	1400	-	1 349	831	695	589	555	10 679	24 577	39 274	37 094		
Receivables from Exchange Transactions - Waste Water Management	1500	-	1 052	733	702	675	658	1 841	13 958	19 617	17 832		
Receivables from Exchange Transactions - Waste Management	1600	-	544	396	396	368	358	1 116	8 996	10 173	9 234		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	5 936	5 936	5 936		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	-	112	90	74	70	71	81	5 184	5 682	5 480		
Total By Income Source	2000	-	11 180	4 966	4 345	3 829	3 921	17 126	95 605	140 952	124 826	-	-
2017/18 - totals only			20821233	3403677	2701031	2413665	2260512	5843844		37 244	13 219		
Debtors Age Analysis By Customer Group													
Organs of State	2200	-	502	472	442	397	320	2 432	4 877	9 440	8 487		
Commercial	2300	-	3 490	597	465	395	422	379	3 037	8 786	4 700		
Households	2400	-	6 612	3 474	3 085	2 691	2 838	13 875	79 774	112 348	102 262		
Other	2500	-	558	424	352	346	343	439	7 917	10 378	9 398		
Total By Customer Group	2600	-	11 160	4 966	4 345	3 829	3 921	17 126	95 605	140 952	124 826	-	-

Creditors' analysis

Supporting Table SC4

NC073 Emthanjeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment												
Description	NT Code	Budget Year 2018/19									Prior year totals for chart	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	6 168	-	-	3 823	6 288	9 423				25 702	14 029
Bulk Water	0200	202	111								313	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	899	645	435	904	327	1 341				4 551	1
Auditor General	0800	100	-	1 190	1 109	100	414				2 913	-
Other	0900	22	2	2	4	-	389				418	2 337
Total By Customer Type	1000	7 391	758	1 627	5 839	6 715	11 567	-	-	-	33 896	16 368

Investment portfolio analysis

NC073 Emthanjeni - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - Mid-Year Assessment

Investments by maturity Name of institution & Investment ID	Ref	Period of Investment	Type of Investment	Expiry date of Investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Total Call and fixed investment		Yrs	Fixed Depos	30/06/2019	63	5.5%	20 861	3 262	24 123
Municipality sub-total					63		20 861	3 262	24 123
Entites									
					-		-	-	-
Entites sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				63		20 861	3 262	24 123

Allocation and grant receipts and expenditure: - Operating Revenue Framework

NC073 Emthanjani - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		38 380	43 493	43 493	12 810	30 383	21 747	7 996	36.8%	38 822
Local Government Equitable Share		36 197	40 793	40 793	12 619	28 392	20 397	7 996	39.2%	36 197
Finance Management		1 625	1 700	1 700	191	1 291	850			1 625
Municipal Systems Improvement			-	-			-			-
EPWP Incentive		558	1 000	1 000	-	700	500			1 000
Provincial Government:		1 841	693	693	680	1 027	347	680	196.2%	2 388
Health subsidy		-	-	-			-	-		1 227
Housing		680	-	-	680	680	-	680	#DIV/0!	-
Sport and Recreation	4	1 161	693	693	-	347	347	-		1 161
District Municipality:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	40 221	44 186	44 186	13 490	31 410	22 093	8 676	39.3%	41 210
Capital Transfers and Grants										
National Government:		10 651	52 190	52 190	-	17 800	21 345	(6 395)	-30.0%	14 602
Municipal Infrastructure Grant (MIG)		7 283	12 001	12 001	-	10 950	6 001	4 950	82.5%	11 602
			-	-			-			
Water Services Infrastructure Grant			9 500	9 500	-	2 850	-			
Regional Bulk Infrastructure		734	26 689	26 689	-	-	13 345	(13 345)	-100.0%	-
Integrated National Electrification Programme		2 634	4 000	4 000	-	4 000	2 000	2 000	100.0%	3 000
Provincial Government:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
District Municipality:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	10 651	52 190	52 190	-	17 800	21 345	(6 395)	-30.0%	14 602
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	50 872	96 376	96 376	13 490	49 210	43 438	2 281	5.3%	55 812

Grant expenditure

NC073 Emtsheni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		38 380	43 493	43 493	1 491	8 246	4 569	3 677	80.5%	38 822
Local Government Equitable Share		36 197	40 793	40 793	1 242	6 728	3 219	3 509	109.0%	36 197
Finance Management		1 625	1 700	1 700	191	1 291	850	441	51.9%	1 625
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
EPWP Incentive		558	1 000	1 000	58	227	500	(273)	-54.7%	1 000
Provincial Government:		1 841	693	693	42	392	347	45	13.1%	2 388
Health subsidy		-	-	-	-	-	-	-	-	1 227
Housing		680	-	-	-	-	-	-	-	-
Sport and Recreation		1 161	693	693	42	392	347	45	13.1%	1 161
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		40 221	44 186	44 186	1 532	8 637	4 915	3 722	75.7%	41 210
Capital expenditure of Transfers and Grants										
National Government:		10 651	52 190	52 190	1 573	12 773	19 124	(6 352)	-33.2%	13 905
Municipal Infrastructure Grant (MIG)		7 283	12 001	12 001	1 413	4 809	5 290	(481)	-9.1%	10 905
Regional Bulk Infrastructure		734	26 689	26 689	160	4 981	11 834	(6 853)	-57.9%	-
Integrated National Electrification Programme		2 634	4 000	4 000	-	2 983	2 000	983	49.1%	3 000
Other capital transfers <i>[insert description]</i>		-	9 500	9 500	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		10 651	52 190	52 190	1 573	12 773	19 124	(6 352)	-33.2%	13 905
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		50 872	96 376	96 376	3 105	21 410	24 040	(2 629)	-10.9%	55 115

Expenditure on councillor and board members allowances and employee benefits

NC073 Emthanjeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment										
Summary of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3 311	3 840	3 840	294	1 763	1 920	(158)	-8%	3 451
Pension and UIF Contributions		198	-	-	-	-	-	-	-	-
Medical Aid Contributions		18	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		931	1 381	1 381	92	551	154	396	257%	1 150
Cellphone Allowance		365	564	564	56	333	356	(23)	-7%	395
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	55	55	-	-	3	(3)	-100%	51
Sub Total - Councillors		4 823	5 840	5 840	441	2 646	2 433	213	9%	5 048
% Increase	4		21.1%	21.1%						4.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		4 019	4 259	4 259	263	1 445	2 130	(685)	-32%	3 833
Pension and UIF Contributions		805	616	616	50	250	308	(57)	-19%	672
Medical Aid Contributions		161	74	74	9	46	37	9	24%	115
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		546	770	770	70	357	385	(28)	-7%	755
Cellphone Allowance		116	305	305	17	96	153	(57)	-37%	138
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		243	76	76	18	64	38	26	68%	268
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 891	6 100	6 100	426	2 257	3 050	(793)	-26%	5 781
% Increase	4		3.5%	3.5%						-1.9%
Other Municipal Staff										
Basic Salaries and Wages		44 715	56 858	56 858	4 282	25 649	28 429	(2 780)	-10%	48 768
Pension and UIF Contributions		8 217	11 865	11 865	771	4 621	5 932	(1 311)	-22%	8 721
Medical Aid Contributions		1 889	2 042	2 042	199	1 216	1 021	195	19%	1 810
Overtime		3 139	1 334	1 334	345	1 800	667	1 133	170%	1 477
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 025	1 882	1 882	77	490	941	(451)	-48%	1 124
Cellphone Allowance		127	232	232	10	65	116	(51)	-44%	233
Housing Allowances		536	863	863	39	236	431	(196)	-45%	687
Other benefits and allowances		2 928	1 073	1 073	90	479	537	(57)	-11%	1 179
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	36	42	42	-	-	21	(21)	-100%	58
Sub Total - Other Municipal Staff		62 610	76 190	76 190	5 814	34 555	38 095	(3 540)	-9%	64 057
% Increase	4		21.7%	21.7%						2.3%
Total Parent Municipality		73 325	88 131	88 131	6 681	39 458	43 579	(4 120)	-9%	74 884
			20.2%	20.2%						2.1%
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Sub Total - Board Members of Entities	2	-	-	-	-	-	-	-	-	-
% Increase	4									
Senior Managers of Entities										
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% Increase	4									
Other Staff of Entities										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% Increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		73 325	88 131	88 131	6 681	39 458	43 579	(4 120)	-9%	74 884
% Increase	4		20.2%	20.2%						2.1%
TOTAL MANAGERS AND STAFF		68 502	82 291	82 291	6 240	36 812	41 145	(4 333)	-11%	69 838

1. SERVICE DELIVERY PERFORMANCE PLANNING

1.1 LEGISLATIVE OVERVIEW

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

Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

The Mayor approved the Top Layer SDBIP for 2018/19 in terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA), MFMA Circular No. 13 and the Budgeting and Reporting Regulation which include the Municipality's key performance indicators for 2018/19.

1.2 CREATING A CULTURE OF PERFORMANCE

a) Performance Framework

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "Municipality's Performance Management System entails a framework that describes and represents how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players. "This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The Municipality adopted a performance management policy that was approved by Council in January 2011.

b) Monitoring Performance

The Municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ✎ The actual result in terms of the target set
- ✎ The output/outcome of achieving the KPI
- ✎ The calculation of the actual performance reported. (If %)
- ✎ A performance comment
- ✎ Actions to improve the performance against the target set, if the target was not achieved
- ✎ It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated

1.3 LINK TO THE IDP AND THE BUDGET

The Municipality identified the following strategic objectives based on the inputs from the community in the 5 year Integrated Development Plan (IDP):

- ☒ Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties.
- ☒ Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor
- ☒ Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives.
- ☒ Maintaining a financially sustainable and viable Municipality
- ☒ Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality.
- ☒ Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area.
- ☒ Provision of access to all basic services rendered to residents within the available resources.

Performance indicators set in the approved Top Layer SDBIP for 2018/19 per strategic objective

i) Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL8	Establish ward based sport forums in the municipal area by 30 June 2019	Number of ward based sport forums established by 30 June 2019	All	New key performance indicator for 2018/19. No audited comparative available	0	4	0	4	8
TL12	Complete an assessment of current parks to determine the need and submit report with findings to Council by 30 September 2018	Assessment report submitted to Council by 30 September 2018	All	1	1	0	0	0	1
TL13	Develop a maintenance plan for parks by 30 June 2019	Maintenance plan developed by 30 June 2019	All	1	0	0	0	1	1
TL14	Establishment a municipal animal pound with assistance of other	Municipal pound established by 30 June 2019	All	1	0	0	0	1	1

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
	stakeholders by 30 June 2019								
TL15	Sign a MOU with the Department of Defense by 30 June 2019 for support with fire brigade services	MOU signed by 30 June 2019	All	1	0	0	0	1	1
TL16	Review the disaster management plan that includes contingency plans and submit to Council by 30 June 2019	Disaster management plan reviewed and submitted to Council by 30 June 2019	All	1	0	0	0	1	1
TL54	90% of approved budget spent by 30 June 2019 for the ward development programme $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ budget) \times 100\}$	% of approved budget spent by 30 June 2019	All	89.96%	5%	25%	60%	90%	90%

ii) *Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL30	Provide free basic services to indigent households as at 30 June 2019	Number of indigent households receiving free basic services as at 30 June 2019	All	3 543	3 000	3 000	3 000	3 000	3 000

iii) Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL2	The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2019	Number of people employed (newly appointed)	All	0	0	0	0	1	1
TL3	0.5% of the personnel budget spent on training as per the approved Skills Development Plan by 30 June 2019 [(Actual total training expenditure/total personnel budget)x100]	% of the personnel budget spent on training by 30 June 2019	All	0.22%	0%	0%	0%	0.50%	0.50%
TL7	Develop a maintenance plan for municipal buildings and submit to the Portfolio Committee by 30 June 2019	Maintenance plan developed and submitted by 30 June 2019	All	1	0	0	0	1	1
TL9	Review the EEP and submit to the Portfolio Committee by 30 June 2019	EEP reviewed and submitted to the Portfolio Committee by 30 June 2019	All	0	0	0	0	1	1
TL10	Limit vacancy rate to 15% of budgeted posts by 30 June 2019 [(Number of funded posts vacant divided by budgeted funded posts)x100]	[(Number of funded posts vacant divided by budgeted funded posts)x100]	All	1%	0%	20%	0%	15%	15%

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL11	Arrange a training sessions for all supervisors on general management by 30 June 2019	Number of training sessions held by 30 June 2019	All	3	0	0	0	1	1
TL40	90% of approved budget spent by 30 June 2019 for the replacement of computer equipment {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	231%	0%	0%	0%	90%	90%

iv) Maintaining a financially sustainable and viable Municipality

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL32	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2019 ((Total operating revenue-operating grants received)/debt service payments due within the year))	Debt coverage	All	3.28	0	0	0	2.5	2.5

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL33	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of outstanding service debtors	All	30%	0%	0%	0%	45%	45%
TL34	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 (Available cash+ investments)/ Monthly fixed operating expenditure)	Number of months it takes to cover fix operating expenditure with available cash	All	0.71	0	0	0	0.6	0.6
TL35	Submit the annual financial statements to the Auditor-General by 31 August 2018	Statements submitted to the AG by 31 August 2018	All	1	1	0	0	0	1
TL36	Achievement of a payment percentage of above 70% quarterly {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	Payment % achieved	All	82%	70%	70%	70%	70%	70%

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL37	Prepare and submit the adjustments budget to Council by the 28 February 2019	Adjustments budget submitted by 28 February 2019	All	1	0	0	1	0	1
TL38	Prepare and submit the draft budget to Council by 31 March 2019	Draft budget submitted by 31 March 2019	All	1	0	0	1	0	1
TL39	Prepare and submit the final budget to Council by 31 May 2019	Final budget submitted by 31 May 2019	All	1	0	0	0	1	1
TL41	90% of approved budget spent by 30 June 2019 for the Grap Compliance process [(Actual expenditure divided by the total approved budget) x 100]	% of approved budget spent	All	92%	0%	0%	0%	90%	90%

v) *Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL1	Develop Risk based audit plan (RBAP) for 2019/20 and submit to the Audit Committee by 30 June 2019	RBAP for 2019/20 submitted to the Audit Committee by 30 June 2019	All	1	0	0	0	1	1

vi) *Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL4	Launch two key small regeneration programmes by 30 June 2019	Number of programmes launched by 30 June 2019	5	New key performance indicator for 2018/19. No audited comparative available	0	1	0	1	2

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL5	Establish a Youth Centre by 30 June 2019	Youth Centre established by 30 June 2019	6	New key performance indicator for 2018/19. No audited comparative available	0	0	0	1	1
TL6	Upgrade the De Aar Youth Centre by 31 December 2018	Youth Centre upgraded by 31 December 2018	3	New key performance indicator for 2018/19. No audited comparative available	0	1	0	0	1
TL42	Create temporary jobs - FTE's in terms of EPWP by 30 June 2019 (Person days / FTE (230 days))	Number of FTE's created	All	0	0	0	0	61	61

vii) Provision of access to all basic services rendered to residents within the available resources

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL17	Assess all landfill sites to determine compliance and submit a report to Council by 30 June 2019	Assessment report submitted to Council by 30 June 2019	All	1	0	0	0	1	1
TL18	Conduct quarterly housing consumer education programs	Number of housing consumer education programs conducted	All	New key performance indicator for 2018/19. No audited comparative available	1	1	1	1	4
TL19	Conduct a quarterly verification of the housing needs register	Number of verification of the housing needs register conducted	All	New key performance indicator for 2018/19. No audited comparative available	1	1	1	1	4
TL20	Service 400 housing sites in De Aar east by 30 June 2019	Number of sites serviced by 30 June 2019	1; 2	New key performance indicator for 2018/19. No audited comparative available	0	0	0	400	400

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL21	Construct 195 BNG houses in Hanover by 30 June 2019	Number of BNG houses constructed by 30 June 2019	6	New key performance indicator for 2018/19. No audited comparative available	0	0	0	195	195
TL22	Construct 2 military veteran houses in De Aar by 30 June 2019	Number of military veteran houses constructed by 30 June 2019	4	New key performance indicator for 2018/19. No audited comparative available	0	0	0	2	2
TL23	90% of approved budget spent by 30 June 2019 for the upgrading and improvement of municipal parks ((Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	90%	0%	0%	0%	90%	90%
TL24	Review the Human Settlement Plan and submit to Council by 30 June 2019	Human Settlement Plan reviewed and submitted to Council by 30 June 2019	All	1	0	0	0	1	1
TL25	90% of the maintenance budget of waste management spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of the budget spent ((Actual expenditure divided by the approved budget)x100)	All	90%	0%	0%	0%	90%	90%
TL26	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2019	All	12 667	8 000	8 000	8 000	8 000	8 000

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL27	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2019	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2019	All	7 000	7 000	7 000	7 000	7 000	7 000
TL28	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2019	Number of residential properties which are billed for sewerage as at 30 June 2019	All	8 000	8 000	8 000	8 000	8 000	8 000
TL29	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	Number of residential properties which are billed for refuse removal as at 30 June 2019	All	8 000	8 000	8 000	8 000	8 000	8 000
TL31	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2019 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of capital budget spent by 30 June 2019	All	174%	0%	0%	0%	70%	70%

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL43	70% of the water maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved water maintenance budget spent	All	40.27%	5%	25%	60%	70%	70%
TL44	Limit % water unaccounted for quarterly to 22% [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) x 100]	% water unaccounted for	All	26.90%	24%	22%	22%	22%	22%
TL45	Achieve a 90% water quality quarterly as per SANS 241 requirements for all water sampling points	% water quality level	All	100%	90%	90%	90%	90%	90%
TL46	70% of the waste water maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved waste water maintenance budget spent	All	147%	5%	25%	60%	70%	70%
TL47	70% of the roads and stormwater maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)X100)	% of approved roads and stormwater maintenance budget spent	All	64%	5%	25%	60%	70%	70%
TL48	Limit % electricity unaccounted for to 18% by 30 June 2019 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% of electricity unaccounted for	All	17.64%	22%	21%	20%	18%	18%

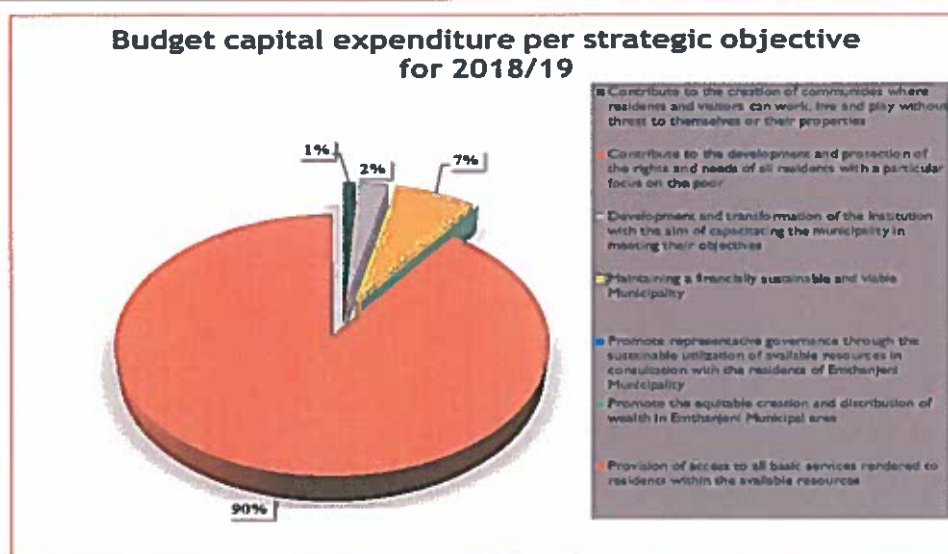
Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL49	70% of the recreational and swimming pool maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)X100)	% of approved recreational areas and swimming pool maintenance budget spent	All	58.07%	5%	25%	60%	70%	70%
TL50	70% of the electricity maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved electricity maintenance budget spent	All	77%	5%	25%	60%	70%	70%
TL51	Develop a borehole maintenance plan by 30 June 2019	Plan developed by 30 June 2019	All	0	0	0	0	1	1
TL52	90% of approved budget spent by 30 June 2019 for the upgrading of stormwater drainage {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	1; 5	100%	0%	0%	0%	90%	90%
TL53	Install 300 prepaid electricity meters in the Emthanjeni Municipality area by 30 June 2019	Number of meters installed by 30 June 2019	All	New key performance indicator for 2018/19. No audited comparative available	0	0	0	300	300
TL55	90% of approved budget spent by 30 June 2019 for the resealing of Claude, Alpha (small portion) and Alexander Street in De Aar and Vosburg Street in Britstown {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	6; 7	New key performance indicator for 2018/19. No audited comparative available	5%	25%	60%	90%	90%

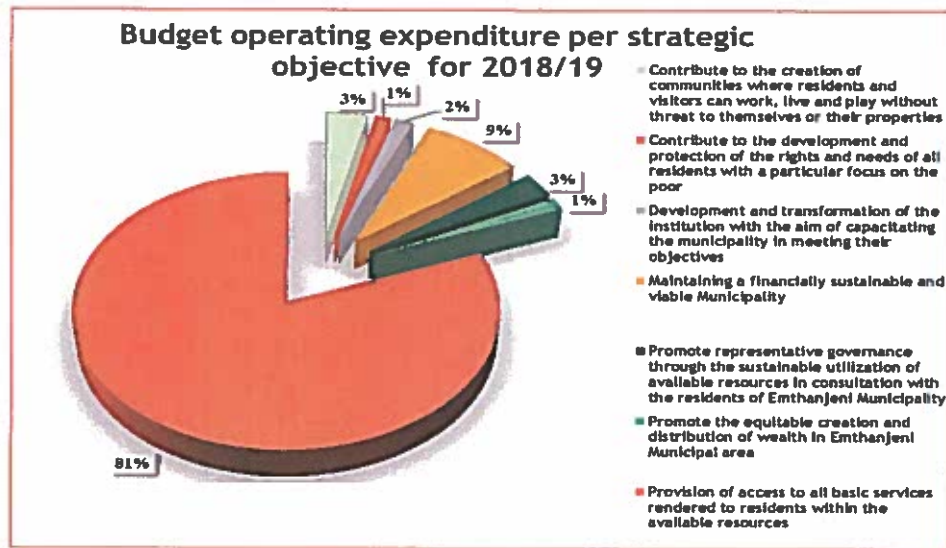
Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Target				
					Q1	Q2	Q3	Q4	Annual
TL56	90% of approved budget spent by 30 June 2019 for the upgrading of the Britstown sewerage system {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	7	New key performance indicator for 2018/19. No audited comparative available	5%	25%	60%	90%	90%
TL57	90% of approved budget spent by 30 June 2019 for the refurbishment of boreholes in Britstown and De Aar {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New key performance indicator for 2018/19. No audited comparative available	5%	25%	60%	90%	90%
TL58	90% of approved budget spent by 30 June 2019 for the upgrading of Waterdal electricity network Phase 1 {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	3	New key performance indicator for 2018/19. No audited comparative available	5%	25%	60%	90%	90%
TL59	90% of approved budget spent by 30 June 2019 for the upgrading of electricity network for De Aar East and Nonzwakazi {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New key performance indicator for 2018/19. No audited comparative available	5%	25%	60%	90%	90%
TL60	90% of approved budget spent by 30 June 2019 for the upgrading of De Aar West sports grounds tartar track {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New key performance indicator for 2018/19. No audited comparative available	5%	25%	60%	90%	90%

a) Budget spending per strategic objective

The table below provide an analysis of the budget allocation per strategic objective (Opex excludes internal transfers) for the 2018/19 financial year:

Strategic Objective	Capital Budget	Operational Budget
	R'000	R'000
Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	560	8 452
Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	0	3 096
Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	1 399	3 859
Maintaining a financially sustainable and viable Municipality	3 895	20 816
Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality	0	7 136
Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area	0	3 574
Provision of access to all basic services rendered to residents within the available resources	52 580	199 229
Total	58 434	246 162

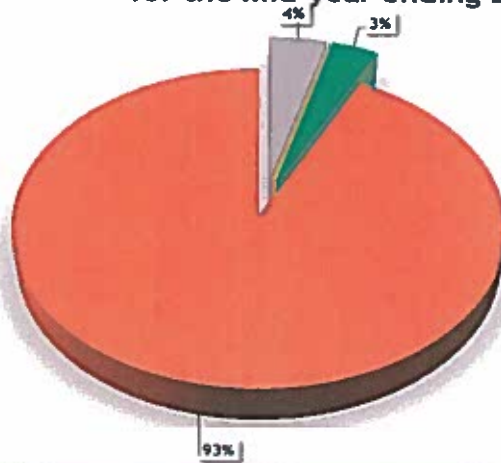




The table below provide an analysis of the actual spending per strategic objective for the mid-year ending 31 December 2018

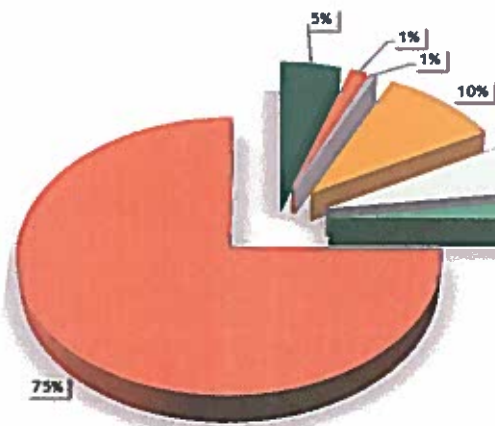
Strategic Objective	Actual Capital Expenditure as at 31 December 2018 R'000	Actual Operating Expenditure as at 31 December 2018 R'000
Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	0	5 122
Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	0	1 400
Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	566	610
Maintaining a financially sustainable and viable Municipality	0	10 115
Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality	447	6 073
Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area	0	2 228
Provision of access to all basic services rendered to residents within the available resources	12 893	76 700
Total	13 906	102 248

Actual capital expenditure per strategic objective for the mid-year ending December 2018



- Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties
- Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor
- Development and transformation of the Institution with the aim of capacitating the municipality in meeting their objectives
- Maintaining a financially sustainable and viable Municipality
- Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality
- Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area
- Provision of access to all basic services rendered to residents within the available resources

Actual operating expenditure per strategic objective for the mid-year ending December 2018

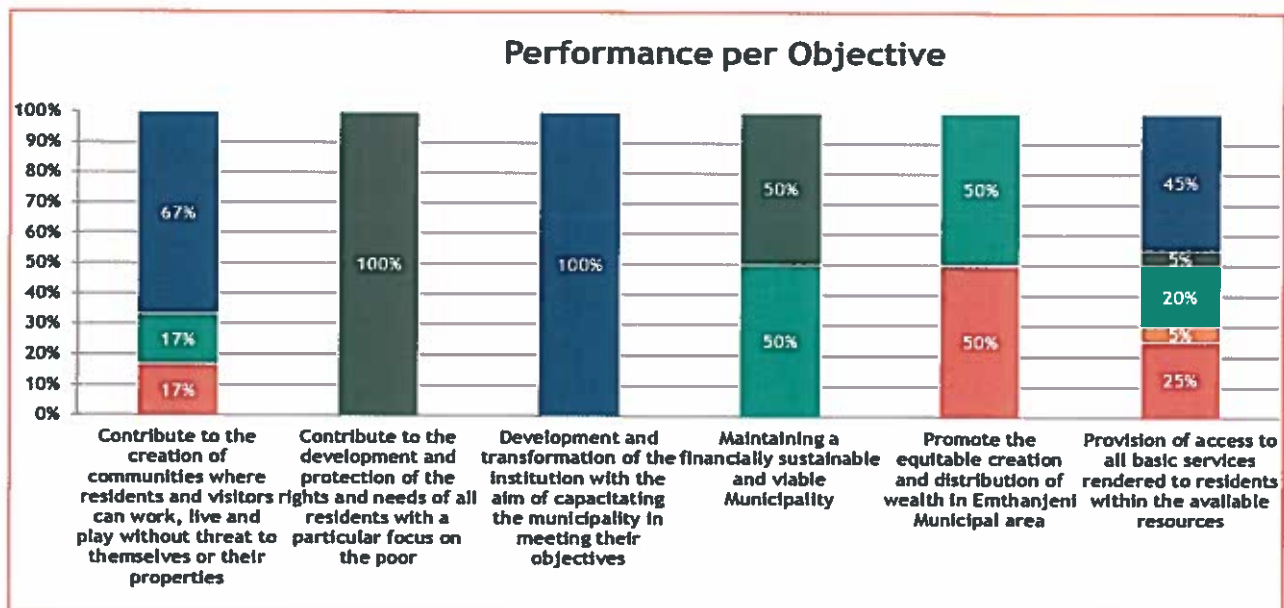
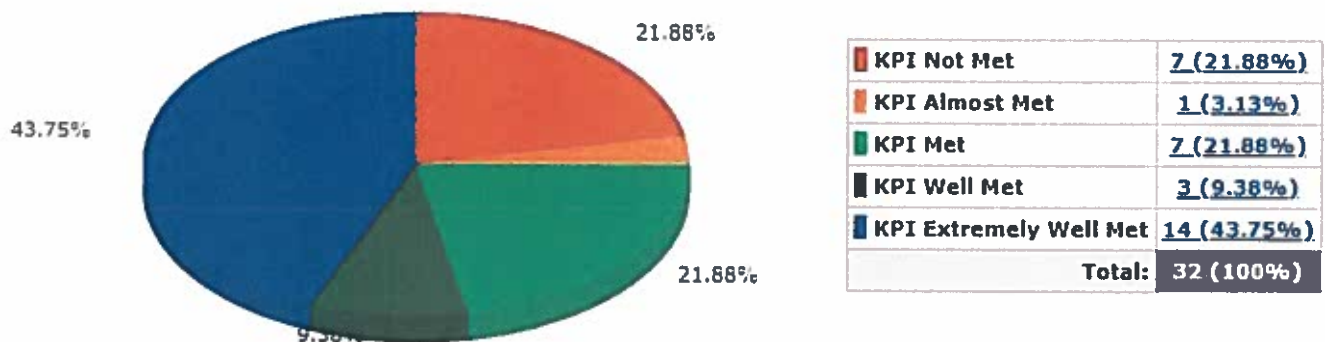


- Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties
- Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor
- Development and transformation of the Institution with the aim of capacitating the municipality in meeting their objectives
- Maintaining a financially sustainable and viable Municipality
- Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality
- Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area
- Provision of access to all basic services rendered to residents within the available resources

2. MID-YEAR PERFORMANCE AGAINST THE PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDBIP FOR 2018/19

2.1 OVERALL ACTUAL PERFORMANCE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2018

Emthanjeni Municipality



Category	Colour	Explanation
KPI's Not Met	R	0% >= Actual/Target < 75%
KPI's Almost Met	O	75% >= Actual/Target < 100%
KPI's Met	G	Actual/Target = 100%
KPI's Well Met	G2	100% > Actual/Target < 150%
KPI's Extremely Well Met	B	Actual/Target >= 150%

2.2 ACTUAL PERFORMANCE PER STRATEGIC OBJECTIVE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2018

Detailed below is the unaudited Top Layer SDBIP for the first half of the financial year ending 31 December 2018 which measures the Municipality's overall performance per strategic objective. The tables, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

The Municipality met 75% (24 of 32) of the applicable KPI's for the period as at 31 December 2018. The remainder of the KPI's (28) on the Top Layer SDBIP out of the total number of 60 KPI's do not have targets for this period and will be reported on in future quarters when they are due. Only 25% (8 of 32) kpi targets were not achieved as at 31 December 2018 of which the details are included in the tables below.

The Top Layer SDBIP will be revised and submitted with the Adjustments Budget to Council by the end of February 2019 with the necessary motivation where key performance indicator targets require amendment as a result of the Adjustments Budget and corrections as a result of the audit outcomes of 2017/18.

i) *Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL8	Establish ward based sport forums in the municipal area by 30 June 2019	Number of ward based sport forums established by 30 June 2019	All	New key performance indicator for 2018/19. No audited comparative available	0	4	4	0	R
Corrective Measures			All ward base sport forums will be established before the end of the financial year						
TL12	Complete an assessment of current parks to determine the need and submit report with findings to Council by 30 September 2018	Assessment report submitted to Council by 30 September 2018	All	1	1	0	1	1	G
TL13	Develop a maintenance plan for parks by 30 June 2019	Maintenance plan developed by 30 June 2019	All	1	0	0	0	1	B

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL14	Establishment a municipal animal pound with assistance of other stakeholders by 30 June 2019	Municipal pound established by 30 June 2019	All	1	0	0	0	2	B
TL15	Sign a MOU with the Department of Defense by 30 June 2019 for support with fire brigade services	MOU signed by 30 June 2019	All	1	0	0	0	1	B
TL54	90% of approved budget spent by 30 June 2019 for the ward development programme {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent by 30 June 2019	All	89.96%	5%	25%	25%	51.87%	B

ii) *Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL30	Provide free basic services to indigent households as at 30 June 2019	Number of indigent households receiving free basic services as at 30 June 2019	All	3 543	3 000	3 000	3 000	3 656	G2

iii) *Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL10	Limit vacancy rate to 15% of budgeted posts by 30 June 2019 [(Number of funded posts vacant divided by budgeted funded posts)x100)	[(Number of funded posts vacant divided by budgeted funded posts)x100)	All	1%	0%	20%	20%	7%	B

iv) *Maintaining a financially sustainable and viable Municipality*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL35	Submit the annual financial statements to the Auditor-General by 31 August 2018	Statements submitted to the AG by 31 August 2018	All	1	1	0	1	1	G
TL36	Achievement of a payment percentage of above 70% quarterly {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	Payment % achieved	All	82%	70%	70%	70%	95.46%	G2

v) *Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL4	Launch two key small regeneration programmes by 30 June 2019	Number of programmes launched by 30 June 2019	5	New key performance indicator for 2018/19. No audited comparative available	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL6	Upgrade the De Aar Youth Centre by 31 December 2018	Youth Centre upgraded by 31 December 2018	3	New key performance indicator for 2018/19. No audited comparative available	0	1	1	0	R
Corrective Measures			The centre was destroyed by fire before it was upgraded. The upgrade will be done from the insurance claim						

vi) *Provision of access to all basic services rendered to residents within the available resources*

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL18	Conduct quarterly housing consumer education programs	Number of housing consumer education programs conducted	All	New key performance indicator for 2018/19. No audited comparative available	1	1	2	3	B
TL19	Conduct a quarterly verification of the housing needs register	Number of verification of the housing needs register conducted	All	New key performance indicator for 2018/19. No audited comparative available	1	1	2	3	B
TL26	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2019	All	12 667	8 000	8 000	8 000	8 000	G
TL27	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2019	All	7 000	7 000	7 000	7 000	7 000	G

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018					
					Q1	Q2	Target	Actual	R	
	service as at 30 June 2019									
TL28	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2019	Number of residential properties which are billed for sewerage as at 30 June 2019	All	8 000	8 000	8 000	8 000	8 000		G
TL29	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	Number of residential properties which are billed for refuse removal as at 30 June 2019	All	8 000	8 000	8 000	8 000	8 000		G
TL43	70% of the water maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved water maintenance budget spent	All	40.27%	5%	25%	25%	18.25%		R
Corrective Measures			Credit Control must be applied at all times. Suppliers must be paid timeously							

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL44	Limit % water unaccounted for quarterly to 22% [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) x 100]	% water unaccounted for	All	26.90%	24%	22%	22%	28.10%	R
Corrective Measures			The results will be updated as soon as it is received						
TL45	Achieve a 90% water quality quarterly as per SANS 241 requirements for all water sampling points	% water quality level	All	100%	90%	90%	90%	0%	R
Corrective Measures			The Service Providers must be paid timeously						
TL46	70% of the waste water maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved waste water maintenance budget spent	All	147%	5%	25%	25%	19.85%	O
Corrective Measures			Credit Control policy must be adhere to at all times. Service Providers must be paid timeously						
TL47	70% of the roads and stormwater maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)X100)	% of approved roads and stormwater maintenance budget spent	All	64%	5%	25%	25%	35.35%	G2
TL48	Limit % electricity unaccounted for to 18% by 30 June 2019 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% of electricity unaccounted for	All	17.64%	22%	21%	21%	0%	B
Corrective Measures			This KPI can only be determined at end of the financial year, once the Annual Financial Statements are completed						

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL49	70% of the recreational and swimming pool maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)X100)	% of approved recreational areas and swimming pool maintenance budget spent	All	58.07%	5%	25%	25%	54.76%	B
TL50	70% of the electricity maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved electricity maintenance budget spent	All	77%	5%	25%	25%	50.22%	B
TL55	90% of approved budget spent by 30 June 2019 for the resealing of Claude, Alpha (small portion) and Alexander Street in De Aar and Vosburg Street in Britstown {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	6; 7	New key performance indicator for 2018/19. No audited comparative available	5%	25%	25%	0%	R
Corrective Measures			Project will only Start in January 2019						
TL56	90% of approved budget spent by 30 June 2019 for the upgrading of the Britstown sewerage system {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	7	New key performance indicator for 2018/19. No audited comparative available	5%	25%	25%	60%	B
TL57	90% of approved budget spent by 30 June 2019 for the refurbishment of boreholes in Britstown and De Aar {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New key performance indicator for 2018/19. No audited comparative available	5%	25%	25%	60%	B

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2017/18	Overall performance for the mid-year ending 31 December 2018				
					Q1	Q2	Target	Actual	R
TL58	90% of approved budget spent by 30 June 2019 for the upgrading of Waterdal electricity network Phase 1 {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	3	New key performance indicator for 2018/19. No audited comparative available	5%	25%	25%	80%	B
TL59	90% of approved budget spent by 30 June 2019 for the upgrading of electricity network for De Aar East and Nonzwakazi {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New key performance indicator for 2018/19. No audited comparative available	5%	25%	25%	100%	B
TL60	90% of approved budget spent by 30 June 2019 for the upgrading of De Aar West sports grounds tartar track {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New key performance indicator for 2018/19. No audited comparative available	5%	25%	25%	0%	R
Corrective Measures			KPI will be removed due to unavailability of funds						

2.3 ADJUSTMENT OF THE TOP LAYER SDBIP FOR 2017/18

In terms of Section 27(2)(b), when submitting an adjustments budget to the National Treasury and the relevant provincial treasury in terms of Section 28(7) of the MFMA read together with Section 24(3) of the MFMA, the municipal manager must also submit the amended service delivery and budget implementation plan, within ten working days after the council has approved the amended plan in terms of Section 54(1)(c) of the MFMA.

The Top Layer SDBIP will be revised if needed and submitted with the Adjustments Budget to Council with the necessary motivation where key performance indicator targets require amendment as a result of the Adjustments Budget and/or corrections as a result of the audit outcomes of 2017/18.

2.4 ANNUAL REPORT 2017/18

The draft Annual Report of the 2017/18 financial year will be tabled by the end of January 2019.

As prescribed in Section 72(1)(a)(iii) of the MFMA the Accounting Officer must assess the performance of the municipality in the first 6 months taking into account the past year's Annual Report and progress on resolving the problems identified in the Annual Report. Council has appointed a Municipal Public Accounts Committee (MPAC) in October 2012, who will compile an oversight report. This report will include a summary of comments and conclusions on the Annual Report of the municipality and will include one or more of the following:

- ✦ Misstatements in the Financial Statements;
- ✦ Material under spending of the budget;
- ✦ Planned key performance indicators not achieved;
- ✦ Non-compliance with laws and regulations;
- ✦ Assessment by Internal Audit on predetermined objectives (PMS);
- ✦ Financial management; and
- ✦ Governance.

Municipal manager's quality certificate

I, Isak Visser the Municipal Manager of Emthanjeni Municipality hereby certify that the Mid-Year Budget and Performance Assessment for the period ending 31 December 2018 has been prepared in accordance with the Municipality Finance Management Act and Regulations made under the Act.

Print Name: Isak Visser

Municipal manager of Emthanjeni (NC073)

Signature :



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Date

23/01/2019