

EMTHANJENI MUNICIPALITY



Mid-Year Budget & Performance Assessment 2021-2022

Emthanjeni Municipality

Performance Report for the mid-year ending 31 December 2021

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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 paid 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.

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- **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.

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1. SECTION 1 - INTRODUCTION

1.1 PURPOSE

To inform Council on progress made in the implementation of the original budget and rolled over projects in respect of the first six months of 2021/22 financial year as well as recommend whether an adjustments budget is necessary.

1.2 LEGAL REQUIREMENTS

In terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

- (1) The accounting officer of a municipality must by 25 January of each year -
 - (a) assess the performance of the municipality during the first half of the financial year, taking into account -
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
 - (b) **submit a report on such assessment to -**
 - (i) **the mayor of the municipality**
 - (ii) the National Treasury; and
 - (iii) the relevant Provincial Treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.
- (3) The accounting officer must, as part of the review -
 - (a) make recommendations as to whether an adjustments budget is necessary; and
 - (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

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Thereafter, the mayor must, in terms of Section 54(1);

- (c) Consider the report;
- (d) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (e) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and
- (f) performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (g) Issue any appropriate instructions to the accounting officer to ensure-
- (h) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
- (i) That spending of funds and revenue collection proceed in accordance with the budget;
- (j) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (k) Submit the report to the council by 31 January of each year.

1.3 CONTENTS OF THIS REPORT

With the concurrence of the Chief Financial Officer, it was agreed that:

- (a) The Budget and Treasury Office prepare a report complying with the financial requirements of MFMA section 72.
The mid-year budget statement for December 2021 is submitted to all legislated parties by 25 January 2022.
That this report be submitted by the accounting officer to the executive Mayor on 24 January 2022 in order to allow the executive Mayor to fulfil his responsibilities in terms of section 51 of the MFMA.
- (b) The Performance Internal Auditing and Risk Management Section in the Office of the Municipal Manager assist with the revision of the SDBIP after determination as by the Mayor as to whether amendments are required to the current SDBIP.
- (c) The outcomes of the above-mentioned reports and reviews form the basis of the mid-year budget and performance assessment as well as the adjustments budget.

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2. SECTION 2 - MAYOR'S REPORT

2.1.1 FINANCIAL PROBLEMS OR RISKS FACING THE MUNICIPALITY

An area of concern is the under-performance in relation to the implementation of the capital budget however the biggest threat to the municipality poor payment culture from our consumers then places a huge strain on the cash flow of the municipality.

Another risk the municipality is facing is the serious threat the COVID 19 virus has brought, though we as a nation have steadily climbing out of its grasp we have not yet fully recovered from the financial burden it has placed upon us as a municipality.

2.1.2 RELEVANT INFORMATION

Year-to-date operating revenue realised is -3 % below the year-to-date budget for December 2021.

Operating expenditure incurred amounts to -11% below the year-to-date operating expenditure.

As at 31 December 2021 3.46% of the total capital budget has been spent, 100% of that being funded from capital grants.¹

3. SECTION 3 - RESOLUTIONS

3.1 IN-YEAR REPORTS 2021/2022

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

3.2 RECOMMENDATION:

That Council notes the mid-year budget and performance assessment as at 31 December 2021.

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4. SECTION 4 - EXECUTIVE SUMMARY

4.1 INTRODUCTION

Year-to-date operating revenue realised is -3 % below the year-to-date budget for December 2021.

The abnormally high revenue includes the annual property rates and other fixed service charges billed to consumers for the 2021/2022 financial year, this situation arose because certain customer's property rates being billed annually.

Operating expenditure incurred amounts to -11% below the year-to-date operating expenditure, this means that the projected operating expenditure was greater than the actual expenditure as at 31 December 2021.

The Majority of these relate to projections for Debt impairment as well depreciation which are calculated at year end

As at 31 December 2021 3.46% of the total capital budget has been spent, 100% of that being funded from capital grants. This is an area of great concern as this would clearly indicate that the municipality will struggle to spend its entire allocation of funds and ultimately would have to return it to the national treasury.¹

4.2 CONSOLIDATED PERFORMANCE

4.2.1 Against annual budget (original approved and latest Adjustments)

Revenue by Source

Year-to-date revenue realised R4, 911 million, below year-to-date budget projections for December 2021².

Operating expenditure by type

Year-to-date expenditure is -11% or R16, 182 million, below the year-to-date budget as at 31 December 2021.

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

Capital expenditure

Year-to-date expenditure on capital amounts to R1.914 million or 3.46% of the capital budget of R41.456 million⁴, 100% 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 R10, 335 million⁶.

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

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4.3 MATERIAL VARIANCES

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
Revenue By Source			
Property rates	8 605	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	(6 424)	The estimated revenue was expected to be more due to high usage of electricity during winter months	The current situation will be corrected in the adjustment budget
Other Revenue	(9 442)	The estimated revenue was expected to be more due to high usage of pre-paid electricity during winter months	
Expenditure By Type			
Debt impairment	(3 607)	Are Done at year end	The situation will be fixed at year end
Depreciation & asset impairment	(4 945)	Are Done at year end	The situation will be fixed at year end
Other expenditure	(24 785)	Other expenditure was estimated to be higher	The situation will be taken into account when drawing up the adjustment budget of 2021-22
Capital Expenditure			
Electricity	(8 449)	Slow capital spending	The situation will be taken into account when drawing up the adjustment budget of 2021-22
Water	(4 000)	Slow capital spending	The situation will be taken into account when drawing up the adjustment budget of 2021-22
Road transport	(5 935)	Slow capital spending	The situation will be taken into account when drawing up the adjustment budget of 2021-22

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

Table C4 - Total expenditure by type

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)

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5. SECTION 5 - IN-YEAR BUDGET STATEMENT TABLES

5.1 MONTHLY BUDGET STATEMENTS

Table C1: s71 Monthly Budget Statement Summary

NC073 Emthanjeni - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Properly rated	-	39 820	39 820	1 854	28 515	19 910	8 605	43%	39 820
Service charges	-	154 708	154 708	11 061	72 715	77 354	(4 639)	-6%	154 708
Investment revenue	-	425	425	0	136	212	(76)	-36%	425
Transfers and subsidies	-	54 274	54 274	3 537	28 156	27 137	1 019	4%	54 274
Other own revenue	-	56 863	56 863	2 617	18 612	28 432	(9 820)	-35%	56 863
Total Revenue (excluding capital transfers and contributions)	-	306 091	306 091	19 069	148 134	153 045	(4 911)	-3%	306 091
Employee costs	-	93 351	93 351	8 887	47 108	46 675	432	1%	93 351
Remuneration of Councilors	-	6 715	6 715	472	2 819	3 358	(539)	-16%	6 715
Depreciation & asset impairment	-	9 891	9 891	-	-	4 945	(4 945)	-100%	9 891
Finance charges	-	3 342	3 342	285	1 846	1 671	175	10%	3 342
Inventory consumed and bulk purchases	-	13 011	13 011	133	1 178	6 505	(5 327)	-82%	13 011
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	165 923	165 923	8 167	76 983	82 961	(5 978)	-7%	165 923
Total Expenditure	-	292 232	292 232	17 942	129 834	148 116	(18 182)	-11%	292 232
Surplus/(Deficit)	-	13 859	13 859	1 127	18 299	6 929	11 371	163%	13 859
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	27 596	27 596	1 000	3 600	13 798	(10 198)	-74%	27 596
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	41 455	41 455	2 127	21 699	20 727	1 073	5%	41 455
Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	41 455	41 455	2 127	21 699	20 727	1 073	5%	41 455
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Capital transfers recognised	-	27 596	27 596	1 435	1 914	13 798	(11 884)	-86%	27 596
Borrowing	-	13 000	13 000	-	-	6 500	(6 500)	-100%	13 000
Internally generated funds	-	860	860	-	-	-	-	-	860
Total sources of capital funds	-	41 456	41 456	1 435	1 914	20 298	(18 364)	-81%	41 456
Financial position									
Total current assets	-	64 120	64 120	116 784	64 120	-	-	-	-
Total non current assets	-	873 333	873 333	726 775	873 333	-	-	-	-
Total current liabilities	-	66 475	66 475	262 758	66 475	-	-	-	-
Total non current liabilities	-	112 332	112 332	873	112 332	-	-	-	-
Community wealth/Equity	-	758 646	758 646	583 928	756 646	-	-	-	-
Cash flows									
Net cash from (used) operating	-	29 170	29 170	4 508	6 200	14 565	6 365	44%	29 170
Net cash from (used) investing	-	(41 126)	(41 126)	(1 435)	(1 914)	(20 563)	(18 648)	91%	(41 126)
Net cash from (used) financing	-	12 193	12 193	-	-	6 096	6 096	100%	12 193
Cash/cash equivalents at the month/year	-	724	724	-	16 828	665	(16 815)	-2645%	724
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	11 206	6 979	7 773	8 063	5 374	19 414	175 693	234 503
Creditors Age Analysis									
Total Creditors	7 719	6 639	7 520	9 313	88 454	-	-	-	119 645

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

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

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	65 270	65 270	3 548	42 140	32 635	9 505	29%	65 270
Executive and council		-	4 879	4 879	346	2 466	2 440	26	1%	4 879
Finance and administration		-	60 390	60 390	3 202	39 674	30 195	9 479	31%	60 390
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	4 592	4 592	100	1 903	2 508	(605)	-24%	4 592
Community and social services		-	1 716	1 716	71	1 268	858	410	48%	1 716
Sport and recreation		-	31	31	2	5	15	(10)	-67%	31
Public safety		-	2 340	2 340	24	212	1 382	(1 170)	-85%	2 340
Housing		-	505	505	3	418	252	166	66%	505
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	14 434	14 434	3	988	7 005	(6 017)	-86%	14 434
Planning and development		-	13 985	13 985	-	973	6 993	(6 020)	-86%	13 985
Road transport		-	449	449	3	15	12	2	19%	449
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	249 391	249 391	16 475	106 703	105 907	795	1%	249 391
Energy sources		-	139 162	139 162	8 407	53 979	61 570	(7 591)	-12%	139 162
Water management		-	53 820	53 820	3 757	25 731	24 844	886	4%	53 820
Waste water management		-	35 831	35 831	2 740	17 111	12 749	4 362	34%	35 831
Waste management		-	20 579	20 579	1 571	9 882	6 744	3 138	47%	20 579
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	333 687	333 687	20 126	151 734	148 056	3 679	2%	333 687
Expenditure - Functional										
<i>Governance and administration</i>		-	57 710	57 710	3 682	28 602	29 499	(2 896)	-10%	57 710
Executive and council		-	17 042	17 042	681	5 733	8 692	(2 959)	-34%	17 042
Finance and administration		-	40 668	40 668	2 951	20 398	20 330	68	0%	40 668
Internal audit		-	-	-	49	471	477	(6)	-1%	-
<i>Community and public safety</i>		-	31 865	31 865	2 355	12 961	16 829	(3 868)	-23%	31 865
Community and social services		-	14 467	14 467	1 040	5 646	7 320	(1 674)	-23%	14 467
Sport and recreation		-	5 325	5 325	493	2 626	2 665	(39)	-1%	5 325
Public safety		-	9 109	9 109	582	3 406	5 362	(1 956)	-36%	9 109
Housing		-	2 797	2 797	240	1 268	1 399	(131)	-9%	2 797
Health		-	166	166	-	15	83	(68)	-82%	166
<i>Economic and environmental services</i>		-	30 661	30 661	1 973	19 721	14 438	(3 717)	-26%	30 661
Planning and development		-	12 579	12 579	1 025	5 526	6 276	(748)	-12%	12 579
Road transport		-	18 082	18 082	948	5 192	8 162	(2 970)	-36%	18 082
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	170 655	170 655	9 832	79 021	73 039	5 982	8%	170 655
Energy sources		-	107 983	107 983	6 458	58 857	52 480	6 377	12%	107 983
Water management		-	19 998	19 998	703	5 167	7 935	(2 768)	-35%	19 998
Waste water management		-	22 778	22 778	1 280	7 092	6 223	870	14%	22 778
Waste management		-	19 896	19 896	1 391	7 904	6 401	1 504	23%	19 896
<i>Other</i>		-	1 342	1 342	100	629	23	606	2585%	1 342
Total Expenditure - Functional	3	-	292 232	292 232	17 942	129 934	133 828	(3 894)	-3%	292 232
Surplus/ (Deficit) for the year		-	41 455	41 455	2 184	21 800	14 228	7 572	53%	41 455

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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 Emthanjeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		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 - Office of the Mayor		--	4 399	4 399	52	356	2 200	(1 844)	-83.8%	4 399
Vote 2 - Municipal Manager		--	480	480	34	234	240	(6)	-2.5%	480
Vote 3 - Finance		--	60 262	60 262	3 195	39 595	30 131	9 464	31.4%	60 262
Vote 4 - Corporate Services		--	128	128	11	101	84	37	57.3%	128
Vote 5 - Community & Social Services		--	81 102	81 102	1 928	14 607	22 001	(7 395)	-33.8%	81 102
Vote 6 - Infrastructure		--	207 316	207 316	14 908	96 841	93 419	3 422	3.7%	207 316
Vote 7 - (NAME OF VOTE 7)		--	--	--	--	--	--	--	--	--
Vote 8 - (NAME OF VOTE 8)		--	--	--	--	--	--	--	--	--
Vote 9 - (NAME OF VOTE 9)		--	--	--	--	--	--	--	--	--
Vote 10 - (NAME OF VOTE 10)		--	--	--	--	--	--	--	--	--
Vote 11 - (NAME OF VOTE 11)		--	--	--	--	--	--	--	--	--
Vote 12 - (NAME OF VOTE 12)		--	--	--	--	--	--	--	--	--
Vote 13 - (NAME OF VOTE 13)		--	--	--	--	--	--	--	--	--
Vote 14 - (NAME OF VOTE 14)		--	--	--	--	--	--	--	--	--
Vote 15 - (NAME OF VOTE 15)		--	--	--	--	--	--	--	--	--
Total Revenue by Vote	2	--	333 687	333 687	28 126	151 734	148 056	3 678	2.5%	333 687
Expenditure by Vote	1									
Vote 1 - Office of the Mayor		--	13 037	13 037	84	1 598	8 649	(5 050)	-76.0%	13 297
Vote 2 - Municipal Manager		--	4 005	4 005	146	851	2 520	(1 639)	-85.0%	5 039
Vote 3 - Finance		--	25 269	25 269	1 728	13 309	12 635	675	5.3%	25 269
Vote 4 - Corporate Services		--	15 399	15 399	1 508	8 948	7 723	1 225	15.9%	15 446
Vote 5 - Community & Social Services		--	88 952	88 952	4 858	27 487	31 332	(3 845)	-12.3%	82 665
Vote 6 - Infrastructure		--	165 570	165 570	9 819	77 711	72 970	4 741	6.5%	145 939
Vote 7 - (NAME OF VOTE 7)		--	--	--	--	--	--	--	--	--
Vote 8 - (NAME OF VOTE 8)		--	--	--	--	--	--	--	--	--
Vote 9 - (NAME OF VOTE 9)		--	--	--	--	--	--	--	--	--
Vote 10 - (NAME OF VOTE 10)		--	--	--	--	--	--	--	--	--
Vote 11 - (NAME OF VOTE 11)		--	--	--	--	--	--	--	--	--
Vote 12 - (NAME OF VOTE 12)		--	--	--	--	--	--	--	--	--
Vote 13 - (NAME OF VOTE 13)		--	--	--	--	--	--	--	--	--
Vote 14 - (NAME OF VOTE 14)		--	--	--	--	--	--	--	--	--
Vote 15 - (NAME OF VOTE 15)		--	--	--	--	--	--	--	--	--
Total Expenditure by Vote	2	--	292 232	292 232	17 942	129 934	133 828	(3 894)	-2.9%	287 656
Surplus/ (Deficit) for the year	2	--	41 455	41 455	2 184	21 800	14 228	7 572	53.2%	66 031

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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	2020/21	Budget Year 2021/22								
		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			39 820	39 820	1 854	20 515	19 910	8 605	43%	39 820	
Service charges - electricity revenue			79 333	79 333	4 928	33 242	39 666	(6 424)	-16%	79 333	
Service charges - water revenue			38 396	38 396	3 213	22 016	19 198	2 818	15%	38 396	
Service charges - sanitation revenue			23 925	23 925	1 878	11 211	11 962	(752)	-6%	23 925	
Service charges - refuse revenue			13 055	13 055	1 041	6 247	6 528	(281)	-4%	13 055	
Rental of facilities and equipment			877	877	67	463	439	24	6%	877	
Interest earned - external investments			425	425	0	136	212	(76)	-36%	425	
Interest earned - outstanding debtors			1 746	1 746	275	1 779	873	906	104%	1 746	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and breaches			1 160	1 160	19	74	580	(506)	-87%	1 160	
Licences and permits			1 945	1 945	22	198	973	(775)	-80%	1 945	
Agency services			-	-	-	-	-	-	-	-	
Transfers and subsidies			54 274	54 274	3 537	28 156	27 137	1 019	4%	54 274	
Other revenue			50 805	50 805	2 278	15 960	25 402	(9 442)	-37%	50 805	
Gains			330	330	(45)	137	165	(26)	-17%	330	
Total Revenue (excluding capital transfers and contributions)			-	306 091	306 091	19 069	148 134	153 045	(4 911)	-3%	306 091
Expenditure By Type											
Employee related costs			93 351	93 351	8 887	47 108	46 675	432	1%	93 351	
Remuneration of councillors			6 715	6 715	472	2 819	3 358	(539)	-16%	6 715	
Debt impairment			7 214	7 214	-	-	3 607	(3 607)	-100%	7 214	
Depreciation & asset impairment			9 891	9 891	-	-	4 945	(4 945)	-100%	9 891	
Finance charges			3 342	3 342	283	1 846	1 671	175	10%	3 342	
Bulk purchases - electricity			85 055	85 055	5 658	51 643	42 527	9 115	21%	85 055	
Inventory consumed			13 011	13 011	133	1 178	6 505	(5 327)	-82%	13 011	
Contracted services			10 762	10 762	838	5 787	5 381	407	8%	10 762	
Transfers and subsidies			-	-	-	-	-	-	-	-	
Other expenditure			62 892	62 892	1 670	19 553	31 446	(11 893)	-38%	62 892	
Losses			-	-	-	-	-	-	-	-	
Total Expenditure			-	292 232	292 232	17 942	129 934	146 116	(16 182)	-11%	292 232
Surplus/(Deficit)			-	13 859	13 859	1 127	18 200	6 929	11 271	0	13 859
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			27 596	27 596	1 000	3 600	13 798	(10 198)	(0)	27 596	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions			-	41 455	41 455	2 127	21 800	20 727			41 455
Taxation			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation			-	41 455	41 455	2 127	21 800	20 727			41 455
Attributable to minorities			-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality			-	41 455	41 455	2 127	21 800	20 727			41 455
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year			-	41 455	41 455	2 127	21 800	20 727			41 455

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

NC073 Emthanjeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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 - Office of the Mayor		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	660	660	-	-	330	(330)	-100%	660
Vote 5 - Community & Social Services		-	200	200	-	-	100	(100)	-100%	200
Vote 6 - Infrastructure		-	40 596	40 596	1 435	1 914	20 298	(18 364)	-91%	40 596
Total Capital single-year expenditure	4	-	41 456	41 456	1 435	1 914	20 728	(18 813)	-91%	41 456
Total Capital Expenditure		-	41 456	41 456	1 435	1 914	20 728	(18 813)	-91%	41 456
Capital Expenditure - Functional Classification										
Governance and administration		-	660	660	-	-	330	(330)	-100%	660
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	660	660	-	-	330	(330)	-100%	660
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	12 596	12 596	229	363	6 298	(5 935)	-94%	12 596
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	12 596	12 596	229	363	6 298	(5 935)	-94%	12 596
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	28 200	28 200	1 206	1 551	14 100	(12 548)	-89%	28 200
Energy sources		-	20 000	20 000	1 206	1 551	10 000	(8 449)	-84%	20 000
Water management		-	8 000	8 000	-	-	4 000	(4 000)	-100%	8 000
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	200	200	-	-	100	(100)	-100%	200
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	41 456	41 456	1 435	1 914	20 728	(18 813)	-91%	41 456
Funded by:										
National Government		-	27 596	27 596	1 435	1 914	13 798	(11 884)	-86%	27 596
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	27 596	27 596	1 435	1 914	13 798	(11 884)	-86%	27 596
Borrowing	6	-	13 000	13 000	-	-	6 500	(6 500)	-100%	13 000
Internally generated funds		-	860	860	-	-	430	(430)	-100%	860
Total Capital Funding		-	41 456	41 456	1 435	1 914	20 728	(18 813)	-91%	41 456

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Table C6: Monthly Budget Statement - Financial Position

NC073 Emthanjeni - Table C6 Monthly Budget Statement - Financial Position - Mid-Year							
Description	Ref	2020/21	Budget Year 2021/22				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands	1						
ASSETS							
Current assets							
Cash			9 165	9 165	81	9 165	
Call investment deposits			-	-	24 052	-	
Consumer debtors			-	-	82 338	-	
Other debtors			6	6	(14 206)	6	
Current portion of long-term receivables			2	2		2	
Inventory			54 946	54 946	26 518	54 946	
Total current assets			-	64 120	64 120	118 784	64 120
Non current assets							
Long-term receivables			-	-	-	-	
Investments			30	30	28	30	
Investment property			5 782	5 782	5 719	5 782	
Investments in Associate			-	-	-	-	
Property, plant and equipment			867 309	867 309	722 979	867 309	
Biological			-	-	-	-	
Intangible			212	212	50	212	
Other non-current assets			-	-	-	-	
Total non current assets			-	873 333	873 333	728 775	873 333
TOTAL ASSETS			-	937 453	937 453	847 559	937 453
LIABILITIES							
Current liabilities							
Bank overdraft			7 272	7 272	7 513	7 272	
Borrowing			410	410	1 107	410	
Consumer deposits			2 741	2 741	2 752	2 741	
Trade and other payables			53 906	53 906	146 918	53 906	
Provisions			2 146	2 146	104 469	2 146	
Total current liabilities			-	66 475	66 475	262 758	66 475
Non current liabilities							
Borrowing			12 590	12 590		12 590	
Provisions			99 742	99 742	873	99 742	
Total non current liabilities			-	112 332	112 332	873	112 332
TOTAL LIABILITIES			-	178 807	178 807	263 631	178 807
NET ASSETS	2		-	758 646	758 646	583 928	758 646
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)			758 646	758 646	581 675	758 646	
Reserves			-	-	2 253	-	
TOTAL COMMUNITY WEALTH/EQUITY	2		-	758 646	758 646	583 928	758 646

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Table C7: Monthly Budget Statement - Cash Flow

NC073 Emthanjeni - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22								
		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			33 838	33 838	4 652	16 370	16 919	(550)	-3%	33 838	
Service charges			128 937	128 937	7 979	57 309	64 469	(7 160)	-11%	128 937	
Other revenue			33 526	33 526	2 294	15 906	16 763	(856)	-5%	33 526	
Transfers and Subsidies - Operational			55 274	55 274	3 537	27 416	27 637	(221)	-1%	55 274	
Transfers and Subsidies - Capital			27 596	27 596	1 000	9 600	13 798	(4 198)	-30%	27 596	
Interest			1 845	1 845	0	14	922	(908)	-98%	1 845	
Dividends			-	-	-	-	-	-		-	
Payments											
Suppliers and employees			(248 504)	(248 504)	(14 672)	(116 569)	(124 252)	(7 683)	6%	(248 504)	
Finance charges			(3 342)	(3 342)	(283)	(1 846)	(1 671)	175	-10%	(3 342)	
Transfers and Grants			-	-	-	-	-	-		-	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	29 170	29 170	4 508	8 200	14 585	6 385	44%	29 170
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			330	330	-	-	165	(165)	-100%	330	
Decrease (increase) in non-current receivables			-	-	-	-	-	-		-	
Decrease (increase) in non-current investments			-	-	-	-	-	-		-	
Payments											
Capital assets			(41 456)	(41 456)	(1 435)	(1 914)	(20 728)	(18 813)	91%	(41 456)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(41 126)	(41 126)	(1 435)	(1 914)	(20 563)	(18 648)	91%	(41 126)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-	-	-	-	-	-		-	
Borrowing long term/refinancing			13 000	13 000	-	-	6 500	(6 500)	-100%	13 000	
Increase (decrease) in consumer deposits			82	82	-	-	41	(41)	-100%	82	
Payments											
Repayment of borrowing			(889)	(889)	-	-	(444)	(444)	100%	(889)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	12 193	12 193	-	-	6 096	6 096	100%	12 193
NET INCREASE/ (DECREASE) IN CASH HELD			-	237	237	3 073	6 285	119		237	
Cash/cash equivalents at beginning:			487	487	-	10 335	487			487	
Cash/cash equivalents at month/year end:			-	724	724	-	16 620	605		724	

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PART 2 - SUPPORTING DOCUMENTATION

6. 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 2021/22									
		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	-	2 889	1 486	2 758	3 930	2 231	1 781	47 628	62 704	58 329
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	4 942	3 091	2 797	2 029	1 061	1 150	17 252	32 322	24 289
Receivables from Non-exchange Transactions - Property Rates	1400		1 473	845	774	737	682	14 847	54 660	74 018	71 700
Receivables from Exchange Transactions - Waste Water Management	1500		1 179	883	854	825	871	983	25 252	30 846	28 785
Receivables from Exchange Transactions - Waste Management	1600	-	621	585	427	456	450	497	13 106	16 142	14 936
Receivables from Exchange Transactions - Property Rental Debtors	1700		-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	10 630	10 630	10 630
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900		102	89	163	86	79	156	7 166	7 840	7 649
Total By Income Source	2000	-	11 206	6 979	7 773	8 063	5 374	19 414	175 693	234 503	216 317
2020/21 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	-	433	418	427	439	379	1 612	8 000	11 708	10 857
Commercial	2300	-	2 667	1 723	2 023	2 854	303	429	6 589	16 588	12 198
Households	2400	-	7 570	4 492	4 986	4 435	4 361	16 939	148 470	191 254	179 192
Other	2500	-	537	346	337	335	330	434	12 634	14 953	14 071
Total By Customer Group	2600	-	11 206	6 979	7 773	8 063	5 374	19 414	175 693	234 503	216 317

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7. SECTION 6 - CREDITORS' ANALYSIS

Supporting Table SC4

NC073 Emthanjeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description	NT Code	Budget Year 2021/22									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 -	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	6 744	6 053	6 025	8 303	79 965	-	-	-	107 091	
Bulk Water	0200	-	-	-	-	1 092	-	-	-	1 092	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	975	586	424	365	4 378	-	-	-	6 728	
Auditor General	0800	-	-	1 071	645	3 019	-	-	-	4 734	
Other	0900	-	-	-	-	(1)	-	-	-	(1)	
Total By Customer Type	1000	7 719	6 639	7 520	9 313	88 454	-	-	-	119 645	-

8. SECTION 7 - INVESTMENT PORTFOLIO ANALYSIS

Investment Accounts Register

Financial institution	Investment description	Account number	Movements					Closing balance
			Opening balance	Interest received	Bank charges	Transfers in	Transfers out	
ABSA Bank Limited	General Investment Account	2 062 198 906	10 370 839.06	-	-	-	-	10 370 839.06
ABSA Bank Limited	Investment Account	2 068 494 239	20 954.49	1 111.39	-	-	(22 065.88)	-
Standard Bank	Redemption of Overdraft Account	388910356-002	29 373.91	90.01	-	-	-	29 463.92
Nedbank Limited	Nedbank Investment Account	03/7662022900/000001	161 145.60	2 747.40	-	-	-	163 893.00
First National Bank	FNB Investment Account 2018 (2)	62755965583	301 067.68	5 210.17	-	-	-	306 277.85
ABSA Bank Limited	ABSA MIG 2018	9325381089	948 555.20	11 213.99	-	-	-	959 769.19
ABSA Bank Limited	ABSA MIG.RBIG2021	9357761647	13 761 108.87	373 074.84	(320.00)	7 000 000.00	(8 912 000.00)	12 221 863.71
			25 593 044.81	393 447.80	(320.00)	7 000 000.00	(8 934 065.88)	24 052 106.73

9. SERVICE DELIVERY PERFORMANCE PLANNING

8.1 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 2021/22 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 2021/22.

8.2 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

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- It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated

8.3 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 2021/22 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 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
TL7	60% of the maintenance budget for Community Halls spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of approved Community Halls maintenance budget spent by 30 June 2022	All	15.57%	0.00%	10.00%	50.00%	60.00%	60.00%
TL12	Review and sign a MOU with the Department of Defense by 30 June 2022 for support with fire brigade services	MOU reviewed and signed by 30 June 2022	All	1	0	0	0	1	1
TL13	Review the disaster management plan that includes contingency plans and submit to Council by 30 June 2022	Disaster management plan reviewed and submitted to Council by 30 June 2022	All	1	0	0	0	1	1
TL18	70% of approved budget spent by 30 June 2022 for the maintenance of	% of the budget spent by 30 June 2022 ((Actual expenditure	All	16.40%	0.00%	0.00%	0.00%	70.00%	70.00%

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
	buildings and fencing in the Emthanjeni municipal area ((Actual expenditure divided by the total approved budget) x 100)	divided by the approved budget)x100)							
TL19	Submit a business plan to potential funders for the upgrading of the Fire Brigade by 30 June 2022	Business plan submitted by 30 June 2022	All	1	0	0	0	1	1

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 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
TL25	Provide free basic services to indigent households as at 30 June 2022	Number of indigent households receiving free basic services as at 30 June 2022	All	3 916	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 2020/21	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 2022	Number of people employed (newly appointed)	All	2	0	0	0	1	1
TL3	0.1% of the personnel budget spent on training as per the approved Skills Development Plan by 30 June 2022 [(Actual total training expenditure/total personnel budget)x100]	% of the personnel budget spent on training by 30 June 2022	All	0.00%	0.00%	0.00%	0.00%	0.10%	0.10%
TL4	Review the EEP and submit to the Portfolio Committee by 30 June 2022	EEP reviewed and submitted to the Portfolio Committee by 30 June 2022	All	1	0	0	0	1	1

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
TL5	Limit vacancy rate to 15% of budgeted posts by 30 June 2022 ((Number of funded posts vacant divided by budgeted funded posts)x100)	((Number of funded posts vacant divided by budgeted funded posts)x100)	All	7.48%	0.00%	15.00%	0.00%	15.00%	15.00%
TL10	Review the Delegation of Powers and submit to Council by 30 June 2022	Delegation of Powers reviewed and submitted to Council by 30 June 2022	All	0	0	0	0	1	1
TL11	Submit quarterly reports to the HR Portfolio Committee on the implementation of the COVID-19 response plan	Number of reports submitted	All	4	1	1	1	1	4

iv) Maintaining a financially sustainable and viable Municipality

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
TL27	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2022 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grants)	Debt coverage as at 30 June 2022	All	132.50%	0.00%	0.00%	0.00%	35.00%	35.00%
TL28	Financial viability measured in terms of the outstanding service debtors as at 30 June 2022 (Total outstanding service debtors minus provision for bad debt)/ (revenue received for services)	% of outstanding service debtors as at 30 June 2022	All	33.30%	0.00%	0.00%	0.00%	45.00%	45.00%
TL29	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational	Number of months it takes to cover fixed operating expenditure with available cash	All	0.37	0	0	0	0.05	0.05

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
	Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))								
TL30	Submit the annual financial statements to the Auditor-General by 31 August 2021	Statements submitted to the AG by 31 August 2021	All	1	1	0	0	0	1
TL31	Achievement of a payment percentage of above 70% by 30 June 2022 ((Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100)	Payment % achieved	All	33.13%	70.00%	70.00%	70.00%	70.00%	70.00%
TL32	Prepare and submit the adjustments budget to Council by the 28 February 2022	Adjustments budget submitted by 28 February 2022	All	1	0	0	1	0	1
TL33	Prepare and submit the draft budget to Council by 31 March 2022	Draft budget submitted by 31 March 2022	All	1	0	0	1	0	1
TL34	Prepare and submit the final budget to Council by 31 May 2022	Final budget submitted by 31 May 2022	All	1	0	0	0	1	1

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 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
TL1	Develop Risk based audit plan (RBAP) for 2022/23 and submit to the Audit Committee by 30 June 2022	RBAP for 2022/23 submitted to the Audit Committee by 30 June 2022	All	1	0	0	0	1	1
TL8	Review the Risk Committee and sent appointment letters to members by 31 March 2022	Risk Committee reviewed and appointment letters sent to members by 31 March 2022	All	1	0	0	1	0	1
TL9	Review the Risk Strategy and submit to the Risk Committee by 30 June 2022	Risk Strategy reviewed and submitted to the Risk Committee by 30 June 2022	All	1	0	0	0	1	1

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
TL6	Host a LED summit by June 2022	LED summit hosted by 30 June 2022	All	0	0	0	0	1	1
TL35	Create temporary jobs - FTE's in terms of EPWP by 30 June 2022 (Person days / FTE (230 days))	Number of FTE's created	All	72	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 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
TL14	Conduct quarterly housing consumer education programs	Number of housing consumer education programs conducted	All	4	1	1	1	1	4
TL15	Conduct a quarterly verification of the housing needs register	Number of verification of the housing needs register conducted	All	4	1	1	1	1	4
TL16	Review the Human Settlement Plan and submit to Council by 30 June 2022	Human Settlement Plan reviewed and submitted to Council by 30 June 2022	All	1	0	0	0	1	1
TL17	60% of the maintenance budget of waste management spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of the budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	All	102.14%	0.00%	10.00%	50.00%	60.00%	60.00%
TL20	70% of approved budget spent by 30 June 2022 for the acquisition of Fleet ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	All	96%	0.00%	0.00%	0.00%	70.00%	70.00%
TL21	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 2022	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2022	All	8 183	8 000	8 000	8 000	8 000	8 000
TL22	Number of formal residential properties connected to the municipal electrical infrastructure network	Number of residential properties which are billed for electricity or have pre paid meters	All	10 220	6 000	6 000	6 000	6 000	6 000

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
	(credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2022	(Excluding Eskom areas) as at 30 June 2022							
TL23	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 2022	Number of residential properties which are billed for sewerage as at 30 June 2022	All	6 931	7 200	7 200	7 200	7 200	7 200
TL24	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2022	Number of residential properties which are billed for refuse removal as at 30 June 2022	All	7 261	7 200	7 200	7 200	7 200	7 200
TL26	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2022 ((Actual amount spent on projects /Total amount budgeted for capital projects)X100)	% of capital budget spent by 30 June 2022	All	9.00%	0.00%	15.00%	0.00%	70.00%	70.00%
TL36	60% of the water maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of approved water maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	All	51.37%	0.00%	10.00%	50.00%	60.00%	60.00%
TL37	Limit unaccounted for water to 22% by 30 June 2022 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) x 100]	% unaccounted water by 30 June 2022	All	15.20%	0.00%	0.00%	0.00%	22.00%	22.00%
TL38	Achieve a 90% water quality quarterly as per SANS 241 requirements for all water sampling points	% water quality level	All	25.00%	90.00%	90.00%	90.00%	90.00%	90.00%
TL39	60% of the waste water maintenance budget spent by 30 June 2022 ((Actual expenditure	% of approved waste water maintenance budget spent by 30 June 2022 ((Actual	All	100.00%	0.00%	10.00%	50.00%	60.00%	60.00%

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
	divided by the approved budget)x100)	expenditure divided by the approved budget)x100)							
TL40	60% of the roads and stormwater maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)X100)	% of approved roads and stormwater maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)X100)	All	81.84%	0.00%	10.00%	50.00%	60.00%	60.00%
TL41	Limit % electricity unaccounted for to 18% by 30 June 2022 ((Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% of electricity unaccounted for at 30 June 2022	All	12.79%	0.00%	0.00%	0.00%	18.00%	18.00%
TL42	60% of the recreational and swimming pool maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)X100)	% of approved recreational areas and swimming pool maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)X100)	All	73.00%	0.00%	10.00%	50.00%	60.00%	60.00%
TL43	60% of the electricity maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of approved electricity maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	All	63.00%	0.00%	10.00%	50.00%	60.00%	60.00%
TL44	70% of approved budget spent by 30 June 2022 for the acquisition of Fleet ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	All	96.00%	0.00%	0.00%	0.00%	70.00%	70.00%
TL45	70% of approved budget spent by 30 June 2022 to install energy saving lights ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	All	81.00%	0.00%	15.00%	0.00%	70.00%	70.00%
TL46	70% of approved budget spent by 30 June 2022 for the development of 12 boreholes in De Aar (Northern scheme)	% of approved budget spent	1,2,3,4,5 and 8	New KPI for 2021/22	0.00%	15.00%	0.00%	70.00%	70.00%

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Target				
					Q1	Q2	Q3	Q4	Annual
	((Actual expenditure divided by the total approved budget) x 100)								
TL47	70% of approved budget spent by 30 June 2022 for the construction of internal Sewer reticulation for Mziwabantu in Britstown ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	7	New KPI for 2021/22	0.00%	15.00%	0.00%	70.00%	70.00%
TL48	70% of approved budget spent by 30 June 2022 for the electrification of stands in De Aar ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	1 and 2	New KPI for 2021/22	0.00%	15.00%	0.00%	70.00%	70.00%
TL49	70% of approved budget spent by 30 June 2022 for the paving of Street ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	All	New KPI for 2021/22	0.00%	15.00%	0.00%	70.00%	70.00%
TL50	70% of approved budget spent by 30 June 2022 for the procurement of new De Aar West electricity transformer and refurbishment of existing De Aar West transformer ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	1,2,3,4,5 and 8	New KPI for 2021/22	0.00%	15.00%	0.00%	70.00%	70.00%

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 2021/22 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	0	6 692

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Performance Report for the mid-year ending 31 December 2021

Strategic Objective	Capital Budget	Operational Budget
	R'000	R'000
Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	0	0
Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	0	546
Maintaining a financially sustainable and viable Municipality	0	114 123
Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality	8 000	11 732
Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area	3 000	1 156
Provision of access to all basic services rendered to residents within the available resources	30 456	157 988
Total	41 456	292 232

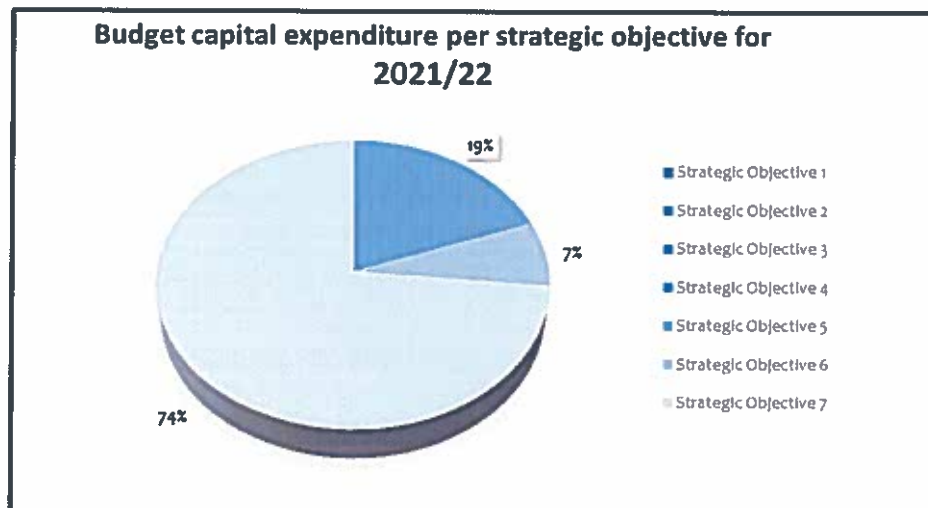
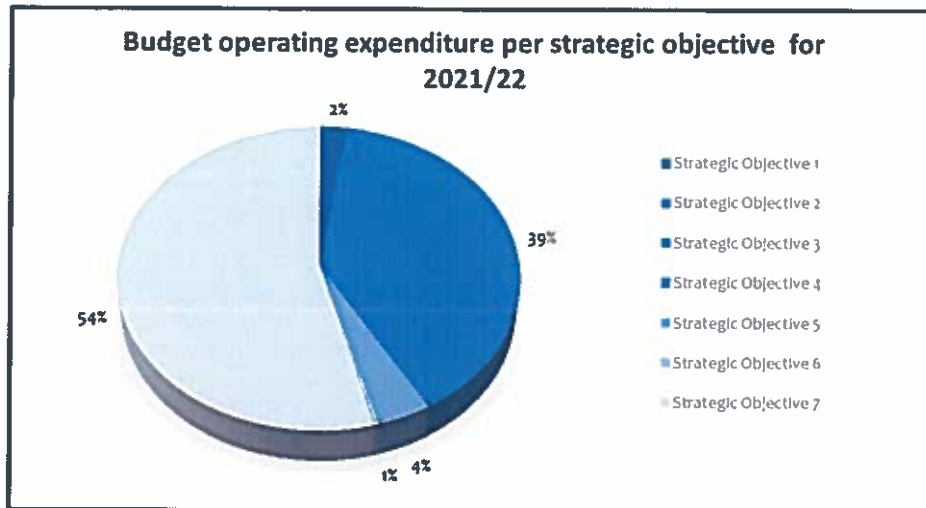
The table below provide an analysis of the actual spending per strategic objective for the mid-year ending 31 December 2021

Strategic Objective	Actual Capital Expenditure as at 31 December 2021	Actual Operating Expenditure as at 31 December 2021
	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	0	2 975
Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	0	0
Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	0	243
Maintaining a financially sustainable and viable Municipality	0	50 742
Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality	0	5 216
Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area	0	514
Provision of access to all basic services rendered to residents within the available resources	1 914	70 243
Total	1 914	129 934

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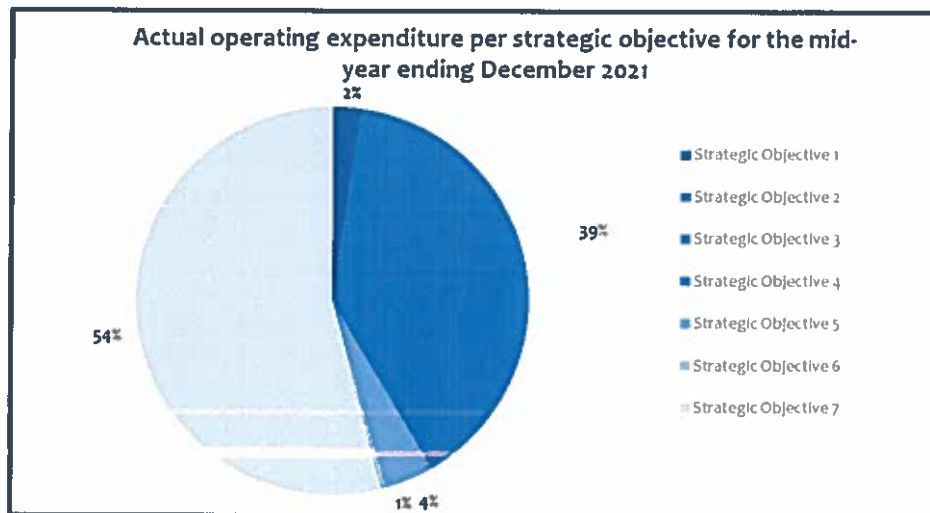
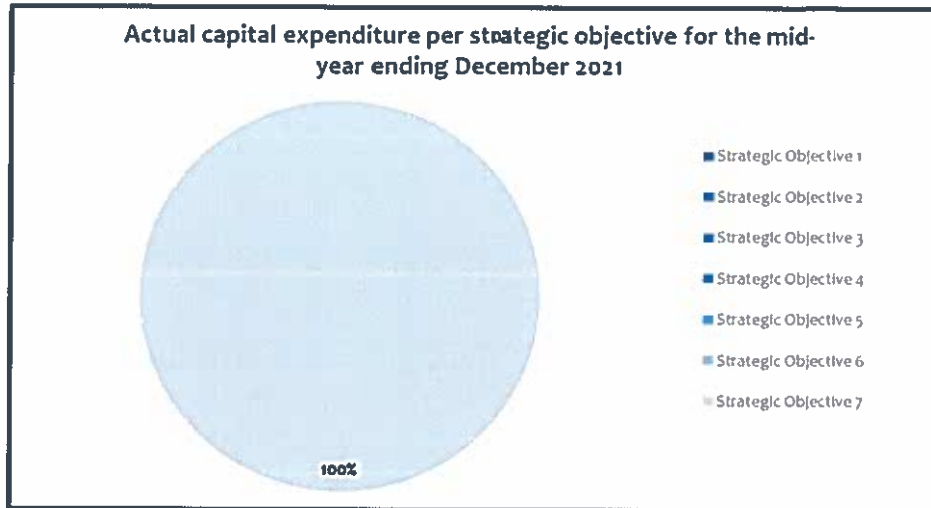
The graphs below indicate the budget operating and capital expenditure per strategic objective for 2021/22:



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The graphs below indicate the actual operating and capital expenditure per strategic objective for the mid-year ending December 2021:

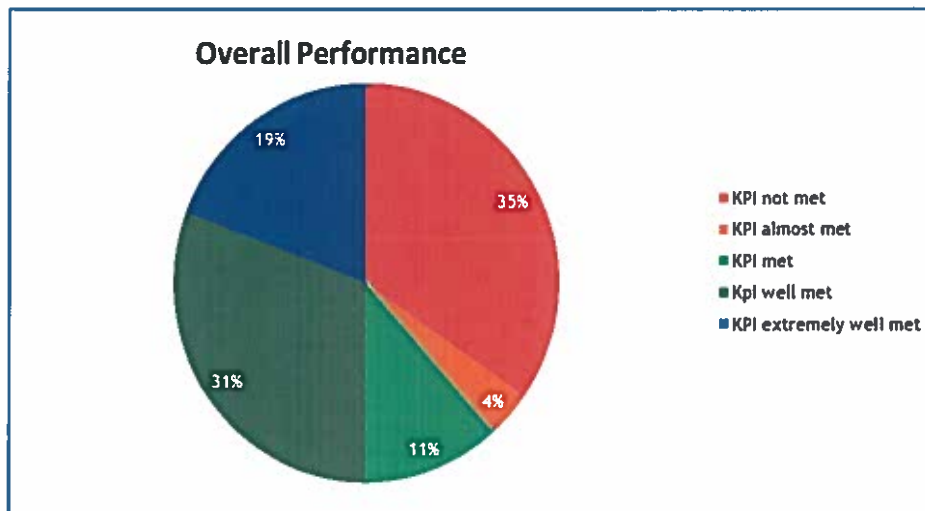


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Performance Report for the mid-year ending 31 December 2021

10. MID-YEAR PERFORMANCE AGAINST THE PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDIP FOR 2021/22

2.1 OVERALL ACTUAL PERFORMANCE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2021



Measurement Category	Objectives					Total
	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	Provision of access to all basic services rendered to residents within the available resources	
KPI Not Met	1	0	1	0	7	9
KPI Almost Met	0	0	0	0	1	1
KPI Met	0	0	0	1	2	3
KPI Well Met	0	1	0	1	6	8
KPI Extremely Well Met	0	0	1	0	4	5
Total	1	1	2	2	20	26

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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%

ACTUAL PERFORMANCE PER STRATEGIC OBJECTIVE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2021

Detailed below is the unaudited Top Layer SDBIP for the first half of the financial year ending 31 December 2021 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 61.5% (16 of 26) of the applicable KPI's for the period as at 31 December 2021. The remainder of the KPI's (24) on the Top Layer SDBIP out of the total number of 50 KPI's do not have targets for this period and will be reported on in future quarters when they are due. 38.5% (10 of 26) KPI targets were not achieved as at 31 December 2021 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 2021 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 2020/21.

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 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
TL7	60% of the maintenance budget for Community Halls spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of approved Community Halls maintenance budget spent by 30 June 2022	All	15.57%	0.00%	10.00%	10.00%	5.64%	R
Corrective action		Low spending is due to cashflow challenges. Once revenue improve, spending will improve							

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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 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
TL25	Provide free basic services to indigent households as at 30 June 2022	Number of indigent households receiving free basic services as at 30 June 2022	All	3 916	3 000	3 000	3 000	3 317	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 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
TL5	Limit vacancy rate to 15% of budgeted posts by 30 June 2022 [(Number of funded posts vacant divided by budgeted funded posts)x100)	[(Number of funded posts vacant divided by budgeted funded posts)x100)	All	7.48%	0.00%	15.00%	15.00%	6.37%	B
TL11	Submit quarterly reports to the HR Portfolio Committee on the implementation of the COVID-19 response plan	Number of reports submitted	All	4	1	1	2	0	R
Corrective action		HR portfolio committee meeting was not held during this period because local government elections. Meeting to take place after induction of new Councillors							

iv) Maintaining a financially sustainable and viable Municipality

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
TL30	Submit the annual financial statements to the Auditor-General by 31 August 2021	Statements submitted to the AG by 31 August 2021	All	1	1	0	1	1	G

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Performance Report for the mid-year ending 31 December 2021

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
TL31	Achievement of a payment percentage of above 70% by 30 June 2022 ((Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100)	Payment % achieved	All	33.13%	70.00%	70.00%	70.00%	72.00%	G2

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
TL14	Conduct quarterly housing consumer education programs	Number of housing consumer education programs conducted	All	4	1	1	2	2	G
TL15	Conduct a quarterly verification of the housing needs register	Number of verification of the housing needs register conducted	All	4	1	1	2	2	G
TL17	60% of the maintenance budget of waste management spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of the budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	All	102.14%	0.00%	10.00%	10.00%	15.00%	B
TL21	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 2022	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2022	All	8 183	8 000	8 000	8 000	8 183	G2
TL22	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom	All	10 220	6 000	6 000	6 000	6 748	G2

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
	Eskom areas) and billed for the service as at 30 June 2022	areas) as at 30 June 2022							
TL23	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 2022	Number of residential properties which are billed for sewerage as at 30 June 2022	All	6 931	7 200	7 200	7 200	6 962	O
Corrective action		The number of accounts of households levied for the period							
TL24	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2022	Number of residential properties which are billed for refuse removal as at 30 June 2022	All	7 261	7 200	7 200	7 200	8 247	G2
TL26	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2022 ((Actual amount spent on projects /Total amount budgeted for capital projects)X100)	% of capital budget spent by 30 June 2022	All	9.00%	0.00%	15.00%	15.00%	5.00%	R
Corrective action		Contractors were not appointed							
TL36	60% of the water maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of approved water maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	All	51.37%	0.00%	10.00%	10.00%	26.00%	B
TL38	Achieve a 90% water quality quarterly as per SANS 241 requirements for all water sampling points	% water quality level	All	25.00%	90.00%	90.00%	90.00%	65.00%	R
Corrective action		The Municipality ran out of floaters. To procure more floaters							
TL39	60% of the waste water maintenance budget spent by 30 June 2022 ((Actual expenditure divided	% of approved waste water maintenance budget spent by 30 June 2022 ((Actual	All	100.00%	0.00%	10.00%	10.00%	4.00%	R

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
	by the approved budget)x100}	expenditure divided by the approved budget)x100)							
Corrective action		We foresee financial constraints in spending the budget for the items anticipated to be procured. Target to be readjusted							
TL40	60% of the roads and stormwater maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of approved roads and stormwater maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	All	81.84%	0.00%	10.00%	10.00%	12.40%	G2
TL42	60% of the recreational and swimming pool maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of approved recreational areas and swimming pool maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	All	73.00%	0.00%	10.00%	10.00%	12.60%	G2
TL43	60% of the electricity maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	% of approved electricity maintenance budget spent by 30 June 2022 ((Actual expenditure divided by the approved budget)x100)	All	63.00%	0.00%	10.00%	10.00%	33.00%	B
TL45	70% of approved budget spent by 30 June 2022 to install energy saving lights ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	All	81.00%	0.00%	15.00%	15.00%	50.00%	B
TL46	70% of approved budget spent by 30 June 2022 for the development of 12 boreholes in De Aar (Northern scheme) ((Actual expenditure divided by the total	% of approved budget spent	1,2,3,4,5 and 8	New KPI for 2021/22	0.00%	15.00%	15.00%	0.00%	R

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Ref	KPI	Unit of Measurement	Wards	Actual performance of 2020/21	Overall performance for the mid-year ending 31 December 2021				
					Q1	Q2	Target	Actual	R
	approved budget) x 100)								
Corrective action		Draw up scope of work and request quotation from the panel of consultants- this will delay the process but according to Finance it has to be done							
TL47	70% of approved budget spent by 30 June 2022 for the construction of internal Sewer reticulation for Mziwabantu in Britstown ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	7	New KPI for 2021/22	0.00%	15.00%	15.00%	2.00%	R
Corrective action		Speed up procurement - advertising of tender							
TL48	70% of approved budget spent by 30 June 2022 for the electrification of stands in De Aar ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	1; 2	New KPI for 2021/22	0.00%	15.00%	15.00%	0.00%	R
Corrective action		Speed up processes of evaluation							
TL49	70% of approved budget spent by 30 June 2022 for the paving of Street ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	All	New KPI for 2021/22	0.00%	15.00%	15.00%	15.60%	G2
TL50	70% of approved budget spent by 30 June 2022 for the procurement of new De Aar West electricity transformer and refurbishment of existing De Aar West transformer ((Actual expenditure divided by the total approved budget) x 100)	% of approved budget spent	1,2,3,4,5 and 8	New KPI for 2021/22	0.00%	15.00%	15.00%	0.00%	R
Corrective action		Speed up processes of evaluation							

ADJUSTMENT OF THE TOP LAYER SDBIP FOR 2021/22

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 2021/22.

ANNUAL REPORT 2020/21

The draft Annual Report of the 2020/21 financial year was tabled on 27 January 2022.

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 will appoint an Oversight Committee, who will compile an Oversight Report. This report will include a summary of comments and conclusions on the Annual Report of the Municipality for 2020/21.

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.
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Emthanjeni Municipality

Performance Report for the mid-year ending 31 December 2021

SUBMISSION BY THE MUNICIPAL MANAGER

Municipal Finance Management Act: Sections 72(1)(a)(ii)

The assessment of the Municipality's service delivery performance for the first half of the financial year is herewith submitted in terms of Section 72(1)(a)(ii) of the Municipal Finance Management Act (MFMA). This submission further serves to inform the Executive Mayor that an adjustment budget will be tabled to Council.

Print Name

Isak Visser

MUNICIPAL MANAGER OF EMTHANJENI MUNICIPALITY

Signature

[Handwritten Signature]

Date

25.01.2022

Acknowledgment of receipt by the Executive Mayor

Print Name

GLADWELL LULAMILI NKUMBI

EXECUTIVE MAYOR OF EMTHANJENI MUNICIPALITY

Signature

[Handwritten Signature]