

# MEMORANDUM

AAN / TO : Mayor, Clr ST Sthonga  
ONDERWERP/TOPIC : MFMA, SECTION 72 ASSESSMENT REPORT  
VAN / FROM : Municipal Manager  
LEËR / FILE : 5/1/1/13  
DATUM / DATE : 23 January 2017

**2016/2017 Mid-Year Budget and Performance Assessment report for the period 01 July 2016 ending 31 December 2016.**

## 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 2016 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

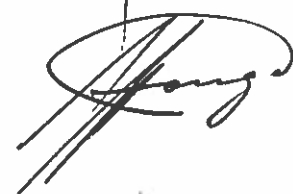
In terms of section 72, the mayor must –

- (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) Issue any appropriate instruction to the accounting offices 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;
- (d) Submit the report to the Council by 31 January of each year.
- (e) SDBIP report and annexures

I trust that this will reach your amicable approval.

Yours sincerely

  
ISAK VISSER  
MUNICIPAL MANAGER

  
Siphosiso Sthonga  
Executive Mayor

## Performance Report for the mid-year ending 31 December 2016

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### 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 2016/17 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 on 20 June 2016 which include the municipality's key performance indicators for 2016/17.

#### 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, organized 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 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.

# Emthanjeni Municipality

## Performance Report for the mid-year ending 31 December 2016

### 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 a healthy environment for all residents of Emthanjeni.
- ✘ Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality.
- ✘ Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area.
- ✘ Provision of access to all basic services rendered to residents within available resources.

#### a) Performance indicators set in the approved Top Layer SDBIP for 2016/17 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 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
TL35	Review the Disaster Management Plan and submit to the district municipality by 30 June 2017	Disaster Management Plan submitted to the District Municipality	All	1	0	0	0	1	1
TL38	Review the Community Safety Plan and submit to Council by 30 June 2017	Community Safety Plan submitted to Council	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 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
TL5	Provide free basic services to indigent	Number of indigent households receiving free basic	All	3 422	2 500	2 500	2 500	2 500	2 500

## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
	households as at 30 June 2017	services as at 30 June 2017							

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 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
TL8	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 2017	Number of people employed (newly appointed)	All	1	0	0	0	0	0
TL9	0.7% of the personnel budget spent on training as per the approved Skills Development Plan by 30 June 2017 [ (Actual total training expenditure/total personnel budget) x 100 ]	% of the personnel budget spent on training	All	0.70%	0%	0%	0%	0.70%	0.70%
TL29	Purchase one LDV vehicle for Infrastructure by 30 June 2017 [BSD47]	One LDV vehicle purchased	All	New performance indicator for 2016/17. No audited comparatives available	0	0	0	1	1
TL31	90% of approved budget spent for the addition of municipal buildings by 30 June 2017 [BSD34] { (Actual expenditure divided by the total approved project budget) x 100 }	% of approved project budget spent	All	New performance indicator for 2016/17. No audited comparatives available	5%	25%	60%	90%	90%

## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
TL33	Review the organigram and submit to Council by 30 June 2017	Revised organogram submitted to Council	All	1	0	0	0	1	1
TL34	Review, workshop and submit the delegation of powers to Council by 30 June 2017	Delegation of powers submitted to Council	All	1	0	0	0	1	1

#### iv) Maintaining a financially sustainable and viable municipality

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
TL10	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2017 ((Total operating revenue- operating grants received)/debt service payments due within the year))	% of debt coverage	All	2.77%	0%	0%	0%	7.50%	7.50%
TL11	Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	47.60%	0%	0%	0%	35%	35%
TL12	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 (Available cash+ investments)/ Monthly fixed operating expenditure)	Number of months it takes to cover fix operating expenditure with available cash	All	0.9	0	0	0	0.9	0.9
TL43	Submit the annual financial statements to the	Statements submitted to the	All	1	1	0	0	0	1

## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
	Auditor-General by 31 August 2016	AG by 31 August 2016							
TL44	Achievement of a payment percentage of above 80% quarterly ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved	All	118.22%	80%	80%	80%	80%	80%
TL45	Prepare and submit the adjustments budget to Council by the 28 February 2017	Adjustments budget submitted by 28 February 2017	All	1	0	0	1	0	1
TL46	Prepare and submit the draft budget to Council by 31 March 2017	Draft budget submitted by 31 March 2017	All	1	0	0	1	0	1
TL47	Prepare and submit the final budget to Council by 31 May 2017	Final budget submitted by 31 May 2017	All	1	0	0	0	1	1

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
TL42	Develop Risk based audit plan (RBAP) for 2017/18 and submit to the audit committee for approval by 30 June 2017	RBAP for 2017/18 submitted	All	1	0	0	0	1	1

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
TL7	Create temporary jobs - FTE's in terms of EPWP by 30 June	Number of FTE's created	All	110	0	0	0	47	47

## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
	2017 (Person days / FTE (230 days))								
TL32	Revise the LED Strategy and submit to Council by 31 May 2017	Revised strategy submitted to Council	All	0	0	0	0	1	1

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
TL1	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 2017	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2017	All	8 168	8 000	8 000	8 000	8 000	8 000
TL2	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 2017	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2017	All	8 168	8 000	8 000	8 000	8 000	8 000
TL3	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 2017	Number of residential properties which are billed for sewerage as at 30 June 2017	All	8 030	8 000	8 000	8 000	8 000	8 000
TL4	Number of formal residential properties for which	Number of residential properties which	All	8 273	8 000	8 000	8 000	8 000	8 000

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### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
	refuse is removed once per week and billed for the service as at 30 June 2017	are billed for refuse removal as at 30 June 2017							
TL6	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2017 $\{[(\text{Actual amount spent on projects} / \text{Total amount budgeted for capital projects}) \times 100]\}$	% of capital budget spent by 30 June 2017	All	62.10%	0%	0%	0%	80%	80%
TL13	90% of the water maintenance budget spent by 30 June 2017 $\{[(\text{Actual expenditure divided by the approved budget}) \times 100]\}$	% of approved water maintenance budget spent	All	63.16%	5%	25%	60%	90%	90%
TL14	Limit % water unaccounted for quarterly to 19,5% $\{[(\text{Number of Kiloliters Water Purchased or Purified} - \text{Number of Kiloliters Water Sold}) / (\text{Number of Kiloliters Water Purchased or Purified}) \times 100]\}$	% water unaccounted for	All	24.34%	24%	22%	21%	19.50%	19.50%
TL15	Achieve a 95% water quality quarterly as per SANS 241 requirements for all water sampling points	% water quality level	All	66.86%	95%	95%	95%	95%	95%
TL16	90% of the waste water maintenance budget spent by 30 June 2017 $\{[(\text{Actual expenditure divided by the approved budget}) \times 100]\}$	% of approved waste water maintenance budget spent	All	76.09%	5%	25%	60%	90%	90%
TL17	Construct 0.5 km new surfaced roads in De-Aar East by 30 June 2017 [BSD77]	Kilometers of new surfaced roads constructed	1; 2	New performance indicator for 2016/17.	0	0	0	0.5	0.5



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### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
				No audited comparatives available					
TL18	90% of the roads and stormwater maintenance budget spent by 30 June 2017 ((Actual expenditure divided by the approved budget)X100)	% of approved roads and stormwater maintenance budget spent	All	57.06%	5%	25%	60%	90%	90%
TL19	Reseal 1km existing tar roads by 30 June 2017 [BSD30]	Kilometers of existing tar roads resealed	All	1.29	0	0	0	1	1
TL20	Limit % electricity unaccounted for to 18% by 30 June 2017 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased ] × 100]	% of electricity unaccounted for	All	13.30%	22%	21%	20%	18%	18%
TL21	90% of the recreational and swimming pool maintenance budget spent by 30 June 2017 ((Actual expenditure divided by the approved budget)X100)	% of approved recreational areas and swimming pool maintenance budget spent	All	39.58%	5%	25%	60%	90%	90%
TL22	90% of the electricity maintenance budget spent by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of approved electricity maintenance budget spent	All	109.60%	5%	25%	60%	90%	90%
TL23	90% of approved budget spent for the upgrade of the electricity network in Nonzwakazi & portion of De Aar East by 30 June 2017 [BSD51] ((Actual expenditure divided by the total	% of approved project budget spent	3; 5	New performance indicator for 2016/17. No audited comparatives available	5%	25%	60%	90%	90%

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### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
	approved project budget) x 100}								
TL24	Replace 400 prepaid electricity meters by 30 June 2017 [BSD81]	Number of meters replaced	All	New performance indicator for 2016/17. No audited comparatives available	0	0	0	400	400
TL25	90% of approved budget spent for the upgrade of the stormwater drainage by 30 June 2017 [BSD62] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	3; 5	New performance indicator for 2016/17. No audited comparatives available	5%	25%	60%	90%	90%
TL26	90% of approved budget spent for the upgrade of the De Aar Waste Water Works by 30 June 2017 [BSD26] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	7	New performance indicator for 2016/17. No audited comparatives available	5%	25%	60%	90%	90%
TL27	90% of approved budget spent for the ward development programme by 30 June 2017 [BSD73] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	All	New performance indicator for 2016/17. No audited comparatives available	5%	25%	60%	90%	90%
TL28	90% of approved budget spent for the replacement of equipment and machinery by 30 June 2017 [FVFM8] {(Actual expenditure divided by the total	% of approved project budget spent	All	New performance indicator for 2016/17. No audited comparatives available	5%	25%	60%	90%	90%

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### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Target				
					Q1	Q2	Q3	Q4	Annual
	approved project budget) x 100}								
TL30	Install 5 high mast and 80 street lights to improve lighting in dark areas by 30 June 2017 [BSD58]	Number of lights installed	All	New performance indicator for 2016/17. No audited comparatives available	0	0	0	85	85
TL36	Review the Integrated Waste Management Plan and submit to Council by 30 June 2017	Integrated Waste Management Plan submitted to Council	All	1	0	0	0	1	1
TL37	Review the Human Settlement Plan and submit to Council by 30 June 2017	Human Settlement Plan reviewed and submitted to Council	All	New performance indicator for 2016/17. No audited comparatives available	0	0	0	1	1
TL39	90% of the maintenance budget of waste management spent by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of the budget spent ((Actual expenditure divided by the approved budget)x100)	All	45.09%	0%	0%	0%	90%	90%
TL40	Erect 4 dumping signs to prevent illegal dumping by 31 March 2017	Number of signs erected	All	1	0	0	4	0	4
TL41	Submit the application for funding of housing projects to the Provincial Department of Housing by 30 September 2016	Housing application submitted	All	1	1	0	0	0	1

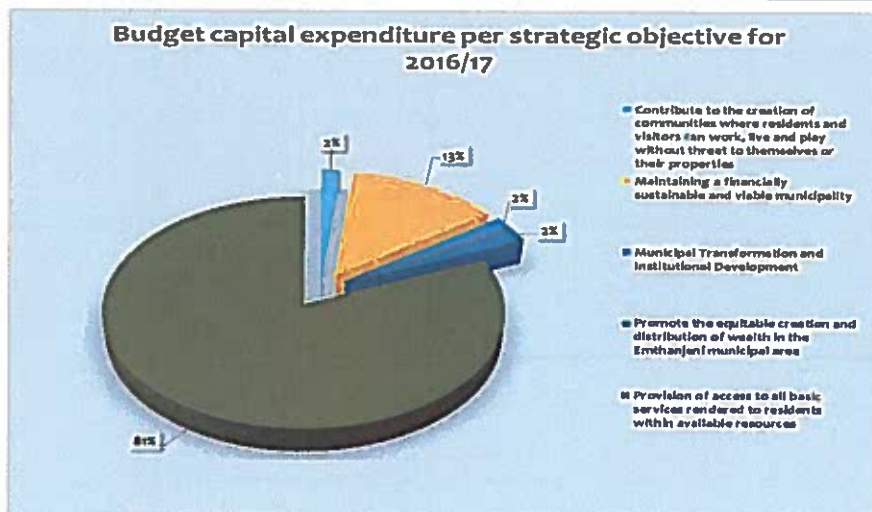
# Emthanjeni Municipality

## Performance Report for the mid-year ending 31 December 2016

### b) Budget spending per IDP strategic objective

The table below provide an analysis of the budget allocation per strategic objective (Opex excludes internal transfers)

Strategic Objective		Capital Budget	Operational Budget
		R'000	R'000
1	Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	322	8 845
2	Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	0	6 377
3	Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives	0	7 602
4	Maintaining a financially sustainable and viable municipality	2 785	18 982
5	Municipal Transformation and Institutional Development	333	3 079
6	Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	0	11 029
7	Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	387	18 084
8	Provision of access to all basic services rendered to residents within available resources	16 912	141 966
<b>Total</b>		<b>20 739</b>	<b>215 964</b>



## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

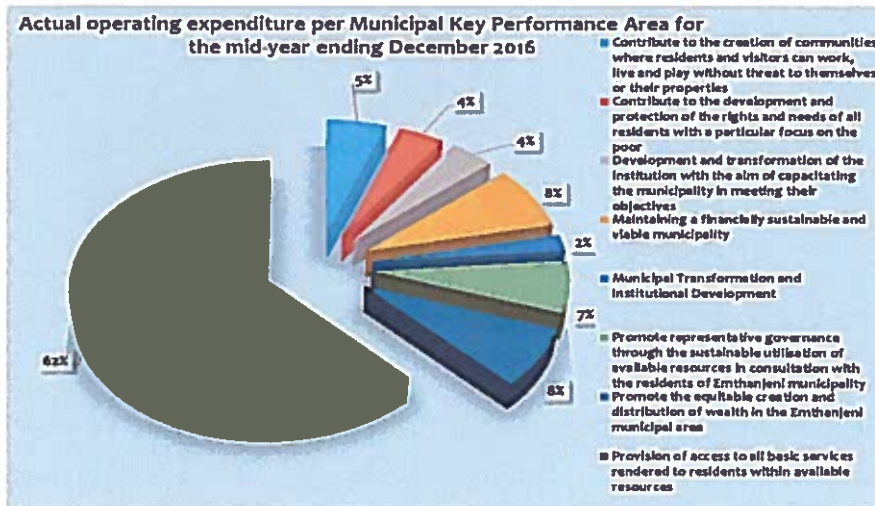
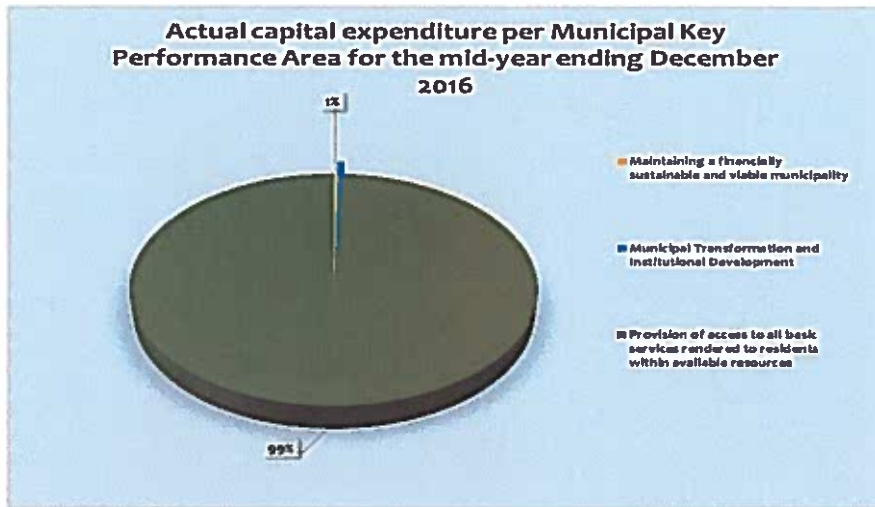


The table below provide an analysis of the actual spending per strategic objective for the mid-year ending 31 December 2016

Municipal Strategic Objective		Actual Capital Expenditure as at 31 December 2016 R'000	Actual Operating Expenditure as at 31 December 2016 R'000
1	Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	0	5 197
2	Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	0	3 976
3	Development and transformation of the Institution with the aim of capacitating the municipality in meeting their objectives	0	3 882
4	Maintaining a financially sustainable and viable municipality	17	7 821
5	Municipal Transformation and Institutional Development	15	2 037
6	Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni municipality	0	6 514
7	Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area	16	7 319
8	Provision of access to all basic services rendered to residents within available resources	6 032	60 378
<b>Total</b>		<b>6 080</b>	<b>97 124</b>

# Emthanjeni Municipality

## Performance Report for the mid-year ending 31 December 2016

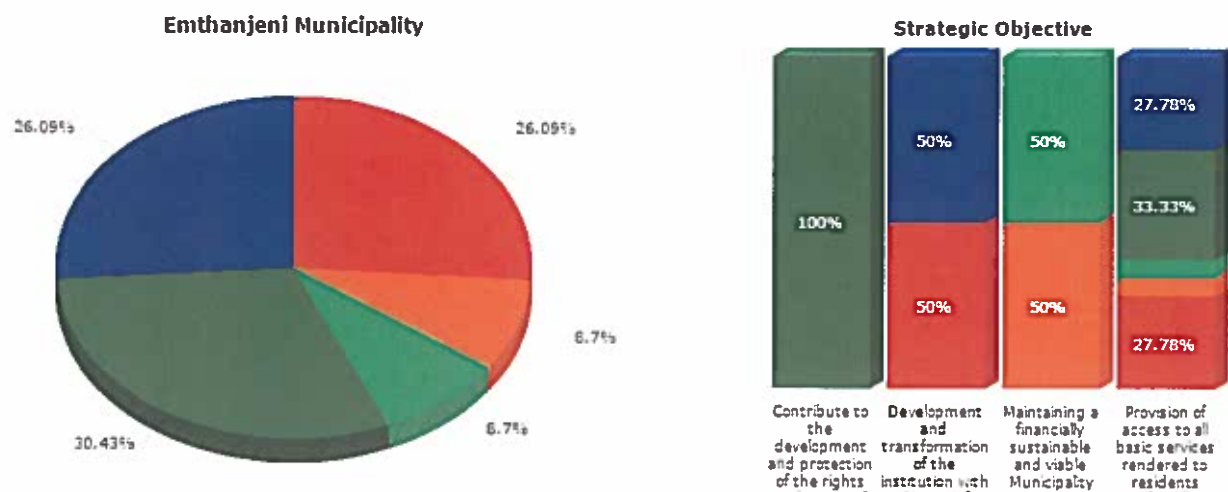


# Emthanjeni Municipality

## Performance Report for the mid-year ending 31 December 2016

### 2. MID-YEAR PERFORMANCE AGAINST THE PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDBIP FOR 2016/17

#### 2.1 OVERALL ACTUAL PERFORMANCE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2016



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 2016

Detailed below is the unaudited Top Layer SDBIP for the first half of the financial year ending 31 December 2016 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 65.22% (15 of 23) of the applicable KPI's for the period as at 31 December 2016. The remainder of the KPI's (24) on the Top Layer SDBIP out of the total number of 47 KPI's do not have targets for this period and will be reported on in future quarters when they are due. Only 34.78% (8 of 23) kpi targets were not achieved as at 31 December 2016 of which the details are included in the tables below.

## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

The Top Layer SDBIP will be revised and submitted with the Adjustments Budget to Council by the end of February 2016 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 2015/16.

**i) 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 2015/16	Overall performance for the mid-year ending 31 December 2016					
					Q1	Q2	Target	Actual	R	Corrective actions
TL5	Provide free basic services to indigent households as at 30 June 2017	Number of indigent households receiving free basic services as at 30 June 2017	All	3 422	2500	2 500	2 500	3 358	G2	N/A

**ii) 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 2015/16	Overall performance for the mid-year ending 31 December 2016					
					Q1	Q2	Target	Actual	R	Corrective actions
TL29	Purchase one LDV vehicle for Infrastructure by 30 June 2017 [BSD47]	One LDV vehicle purchased	All	New performance indicator for 2016/17 No audited comparatives available	0	0	0	1	B	N/A
TL31	90% of approved budget spent for the addition of municipal buildings by 30 June 2017 [BSD34] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	All	New performance indicator for 2016/17 No audited comparatives available	5%	25%	25%	0%	R	Still in planning phase. Busy with building plans



## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

**iii) Maintaining a financially sustainable and viable Municipality**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Overall performance for the mid-year ending 31 December 2016					
					Q1	Q2	Target	Actual	R	Corrective actions
TL43	Submit the annual financial statements to the Auditor-General by 31 August 2016	Statements submitted to the AG by 31 August 2016	All	1	1	0	1	1	G	N/A
TL44	Achievement of a payment percentage of above 80% quarterly ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved	All	118.22%	80%	80%	80%	74.47%	O	Payment and collection efforts will be enforced during the next few months

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

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Overall performance for the mid-year ending 31 December 2016					
					Q1	Q2	Target	Actual	R	Corrective actions
TL1	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 2017	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2017	All	8 168	8,000	8,000	8,000	9,035	G2	N/A
TL2	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2017	All	8 168	8,000	8,000	8,000	9,137	G2	N/A

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### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Overall performance for the mid-year ending 31 December 2016					
					Q1	Q2	Target	Actual	R	Corrective actions
	billed for the service as at 30 June 2017									
TL3	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 2017	Number of residential properties which are billed for sewerage as at 30 June 2017	All	8 030	8,000	8,000	8,000	8,208	G2	N/A
TL4	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2017	Number of residential properties which are billed for refuse removal as at 30 June 2017	All	8 273	8,000	8,000	8,000	8,157	G2	N/A
TL13	90% of the water maintenance budget spent by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of approved water maintenance budget spent	All	63.16%	5%	25%	25%	28.19%	G2	N/A
TL14	Limit % water unaccounted for quarterly to 19.5% [(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / (Number of Kiloliters Water Purchased or Purified) × 100]	% water unaccounted for	All	24.34%	24%	22%	22%	41.74%	R	Urgent meeting will be held between finance department and infrastructure department to sort this out. Leakages are repaired immediately by infrastructure department

## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Overall performance for the mid-year ending 31 December 2016					
					Q1	Q2	Target	Actual	R	Corrective actions
TL15	Achieve a 95% water quality quarterly as per SANS 241 requirements for all water sampling points	% water quality level	All	66.86%	95%	95%	95%	73.30%	O	We have added some extra chlorine to rectify the failures and to bring it within the limits of DWS
TL16	90% of the waste water maintenance budget spent by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of approved waste water maintenance budget spent	All	76.09%	5%	25%	25%	18.45%	R	We will improve on the spending
TL18	90% of the roads and stormwater maintenance budget spent by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of approved roads and stormwater maintenance budget spent	All	57.06%	5%	25%	25%	15.17%	R	We will improve on the spending
TL20	Limit % electricity unaccounted for to 18% by 30 June 2017 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased] x 100]	% of electricity unaccounted for	All	13.30%	22%	21%	21%	0%	B	N/A
TL21	90% of the recreational and swimming pool maintenance budget spent by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of approved recreational areas and swimming pool maintenance budget spent	All	39.58%	5%	25%	25%	25.85%	G2	N/A
TL22	90% of the electricity maintenance budget spent by 30 June 2017 ((Actual expenditure divided by the approved budget)x100)	% of approved electricity maintenance budget spent	All	109.60%	5%	25%	25%	37.77%	B	N/A

## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Overall performance for the mid-year ending 31 December 2016					
					Q1	Q2	Target	Actual	R	Corrective actions
TL23	90% of approved budget spent for the upgrade of the electricity network in Nonzwakazi & portion of De Aar East by 30 June 2017 [BSD51] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	3; 5	New performance indicator for 2016/17 No audited comparatives available	5%	25%	25%	62.67%	B	N/A
TL25	90% of approved budget spent for the upgrade of the stormwater drainage by 30 June 2017 [BSD62] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	3; 5	New performance indicator for 2016/17 No audited comparatives available	5%	25%	25%	0%	R	MIG office in process of approving project. Better planning of projects
TL26	90% of approved budget spent for the upgrade of the De Aar Waste Water Works by 30 June 2017 [BSD26] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	7	New performance indicator for 2016/17 No audited comparatives available	5%	25%	25%	100%	B	N/A
TL27	90% of approved budget spent for the ward development programme by 30 June 2017 [BSD73] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	All	New performance indicator for 2016/17 No audited comparatives available	5%	25%	25%	41.61%	B	N/A

## Emthanjeni Municipality

### Performance Report for the mid-year ending 31 December 2016

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2015/16	Overall performance for the mid-year ending 31 December 2016					
					Q1	Q2	Target	Actual	R	Corrective actions
TL28	90% of approved budget spent for the replacement of equipment and machinery by 30 June 2017 [FVFM8] {(Actual expenditure divided by the total approved project budget) x 100}	% of approved project budget spent	All	New performance indicator for 2016/17 No audited comparatives available	5%	25%	25%	0%	R	Still in planning phase
TL41	Submit the application for funding of housing projects to the Provincial Department of Housing by 30 September 2016	Housing application submitted	All	1	1	0	1	1	G	N/A

## Performance Report for the mid-year ending 31 December 2016

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### 2.3 ADJUSTMENT OF THE TOP LAYER SDBIP FOR 2016/17

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 2015/16.

### 2.4 ANNUAL REPORT 2015/16

The draft Annual Report of the 2015/16 financial year was tabled on 19 January 2017

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.

MPAC meetings will take place in February and May 2017.