

2011/12



**MID-YEAR BUDGET AND
PERFORMANCE REPORT**

**EMTHANJENI
MUNICIPALITY**

25 January 2012

Mid-year Budget and Performance Assessment Report

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INTRODUCTION

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, he must submit the report to Council by 31 January in terms of Section 54 of the MFMA.

The audit of the 2010/11 financial year included various findings of matters that require correction to the Service Delivery Budget Implementation Plan and we are currently in the process of finalizing these corrections. As a result the assessment of the first half of the financial year performance has been delayed and we are in the process of finalizing these assessments. The mid-year performance reports and supporting tables of Emthanjeni Municipality, prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations, to illustrate the performance in graphical and tabular format will be submitted in a supplementary report.

During the 1st six months we worked with a total staff compliment of 347. Although we have budgeted for an amount of R47 '528' 090 for the total establishment of ± 365 we have experienced challenges to recruit people with the required skills and capacity.

Although we have structured ourselves to deliver the services required, we could not deliver in all instances due to the lack of appropriate funds but we continuously strive to deliver on the objectives and targets approved by the Mayor as set out in the Service Delivery and Budget Implementation Plan (SDBIP).

BUDGET PERFORMANCE ANALYSIS

OPERATIONAL EXPENDITURE AND INCOME PERFORMANCE

Approximately 41.06% of the budgeted operating expenditure of the R158' 684' 434 was spent as at the end of December 2011. Indications are that the budgeted amount will be 100% spent as at the end of the 2011/12 financial year.

Whilst projections have been conservatively made, an overall forecasted surplus of approximately R2.5 million, before transfers to fund capital, is being anticipated.

The budgeted income and expenditure for the Electricity Vote has to be recalculated, taking the analytical, actual and current patterns into consideration. The other minor income sources together with expenditure patterns are necessary to be re-looked and recalculated as an Adjustment Budget for 2011/2012 is much needed.

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The payment percentage level of Emthanjeni Municipality is above the 80% on average for the past six months. This will contribute to budgeted income that will not be fully generated. This is also evident in the increase of debtors control balances of the different services.

The establishment of SCM unit has been finalised and is in operation. More capacitation programmes need to be undertaken by the SCM officials in order to fully capacitates them. Only then will the unit be fully operational and functional.

A summary of Budgeted Income and Budgeted Expenditure vs. Actual Income and Actual Expenditure in tabular format for the six months ending 31 December 2011 are as follows:

INCOME

Main source	Total Annual Budget	Six months Budget	Six months Actual	Reasons for Variance
Operating Income				
Assessment Rates	15' 320'928	8'937'208	10'311'679	
Electricity				Budgeted income overstated due to price increases. Consumer's consumption decreases due to higher tariffs.
-Conventional	38'554'902	22'529'444	19'120'148	
-Prepaid	12'458'319	7'267'351	7'048'589	
Water	14'791'147	8'628'165	9'380'947	Increase due to new households connections and occupations
Sewerage	11'182'780	6'523'286	6'678'458	Increase due to new households connections and occupations
Refuse	6'663'788	3'887'205	3'950'029	Increase due to new households connections and occupations
Rental of Facilities	472'123	275'387	352'374	
Interest Earned				Capitalisation of

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-External Investment	678'400	395'731	203'482	interest on investments will only be done in June 2012.
-Outstanding Debtors	801'360	467'453	767'584	
Fines	9'524'238	5'555'795	2'706'175	Fines Income did not realized as per budgeted amounts and will be re-looked at during the first quarter of 2012.
Licenses and Permits	1'094'640	638'519	584'756	
Grants and Subsidies	34'885'000	21'649'581	25'038'578	
Capital Grants	11'386'667	7'913'493	10'000'000	Revenue will be recognized at end of financial year. Reconciliation between spent vs. unspent will be done once expenditure is incurred. Major expenses will be incurred during March 2012.
Other Revenue	1'483'514	2'186'177	378'034	
<i>Income Forgone</i>				
Total Revenue	157'814'292	96'854'795	86'520'833	

Electricity Actual income of R26'168'737 for the six months are lower than expected. The budgeted income is over budgeted with almost 4,5%. The following factors are contributing towards the shortfall of budgeted income vs. actual income:

- a) Conscious reduction of electricity usage by all consumers of Emthanjeni Municipality.
- b) The economic slowdown of Households to drastically reduce electricity consumption of domestic usage and the non-payment of municipal services.
- c) Eskom's initiatives of electricity saving mechanisms in the national media and television.
- d) The bulk installation and conversion of prepaid meters of indigent households from conventional meters.

The Adjustment Budget for electricity income will take these and other factors in consideration when the budget will be tabled to Council.

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OPERATIONAL EXPENDITURE

Main source	Total Annual Budget	Six months Budget	Six months Actual	Reasons for Variance
Operating Expenditure				
Employee costs				Employee costs are in line with the budgeted expenditure. Bonuses are being paid out during the year but the month of November the majority of bonuses are being paid. This affects the Cash flow slightly.
-Salaries and Wages	38'531'991	22'476'517	19'306'128	
-Social Contributions	8'996'099	5'247'207	4'058'802	
Council Remuneration	3'482'604	2'031'498	1'650'145	
Bad Debts	10'900'709	6'358'737	0	Amounts will be processed at year-end.
Collection Costs	177'384	103'460	0	This expense is due to the collection and increase sales of prepaid electricity.
Depreciation	11'516'064	6'717'648	0	Amounts will be processed at year-end.
Rehabilitation of Landfill site costs	160'000	93'331		
Repairs and Maintenance	9'262'096	5'402'621	3'311'577	Repair and maintenance is taking place on a continuous basis
Interest Paid	1'750'480	1'021'034	597'376	Amounts will be processed at year-end
Bulk Purchases				Eskom price

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-Electricity	32'985'339	19'241'446	18'784'591	increment influenced the budgeted expenditure.
-Water	1'042'928	608'370	414'858	
Contracted Services	6'272'346	3'658'851	2'582'418	TVS payments is continuously being paid
Grant expenditure				Operating exp will be processed also at end of financial year
-Operating	12'671'028	7'348'974	4'657'471	MIG tenders will be awarded in January 2012 and project start in Jan 2012. Major expenditure will be incurred or paid in March 2012.
-Capital	13'566'000	7'913'493	2'668'683	
-Own Revenue Capital Acquisitions	7'091'094	4'769'750	1'444'852	
Other Expenditure	21'095'364	13'329'418	9'791'681	
Total Expenditure	158'684'434	106'229'024	69'268'586	

The total actual expenditure of R69'268'586 are well within the budgeted limits for the six months. Proper expenditure control mechanisms are in place. Within these controls, a serious danger of under budgeting can also occur.

The total depreciation amount will only be allocated at year end.

The following expenditure items will, however, require adjustment due to the following:

(i) Fuel and Oil

The actual expenditure for the six months is slightly more than the budgeted amount. This expenditure is driven by macro economic factors beyond our control.

(ii) Municipal Rates Valuation Expenditure

This valuation process has to be completed by the end of January 2013 of which a Final Valuation Roll needs to be completed and to be handed to the Municipal Manager before the end of January 2013. A New Service Provider for the compilation of a general valuation roll will be appointed within the next month and the new GVR will be implemented by 01 July 2013. This process is crucial, as it will rectify all challenges

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experienced with the provision in the Municipal Property Rates Act (**MPRA**) to the original Municipal Valuation Roll.

(iii) Subsistence and Travel

The actual expense paid during the past six months of R1'168'520 represents almost 58,6% of the total budgeted expense for the various departmental expenses. The current actual expenditure includes the SAIMSA Games that was attended by our Municipal Councilors and Officials during September 2011 in Mbabane, Swaziland.

Strict measures will be applied by the office of the Municipal Manager and the Directors over the next six (6) months. Only absolutely necessary claims will be authorized by the Municipal Manager and the Directors according to the approved budget. The Subsistence and Travel budgeted expenditure for Councilors and Officials need to be adjusted.

(iv) Ward and Capital expenditure

Huge amounts are already committed to this expenditure, but will only reflect after the invoices and payments have been finalised. All the expenditure will be fully realised before the end of the financial year as several tenders have been awarded during the past six months. Actual work and invoices will be paid after December 2011.

CAPITAL BUDGET PERFORMANCE

The capital expenditure as at the end of December 2011 is R4'113'534 which represents 20.1% of the total capital budgeted amount.

The main areas of capital spend are as follows:

CAPITAL EXPENDITURE BY GFS FUNCTION	CAPITAL BUDGETED EXPENDITURE	ACTUAL EXPENDITURE	REASONS FOR VARIANCE
Executive & Council	163'134	4'000	Project is continue
Finance & Admin	1'721'920	1'108'859	Continuous
Planning and Development	244'436	0	Project is Continuous
Community & Social Services	1'042'400	27'893	Continuous
Public Safety	427'768	0	In progress

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Sport & Recreation	103'615	20'500	In Progress
Road Transport	3'138'000	246'591	Continuous
Other	136'060	27'607	Continuous
Solid Waste Management	49'281	0	Continuous
Waste Water Management	6'000'000	1'579'456	MIG projects is underway
Electricity	1'108'000	18'009	Acquisition and construction is in process
Water	6'321'900	1'071'985	Project is underway
Housing	0	0	New housing project in Hanover is underway
TOTAL	20'657'094	4'113'534	

Spending mainly reflect the projects that were financed out of own funding sources. However, the ward development projects only started in the first quarter, but all budgeted amounts will realize at year end.

Several tenders have been awarded and MIG expenditure will only be incurred during the first quarter of 2012. Bidders, contractors and service providers have been appointed and capital expenditure will kick off with a bang during the first few months of 2012.

SERVICE DELIVERY PERFORMANCE ANALYSIS

The service delivery performance analysis will be submitted in a supplementary report once the evaluation of performance is finalized.

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FINANCIAL PERFORMANCE ANALYSIS

OUTSTANDING DEBTORS

Analyses of outstanding debtors

	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Other	Total
	R'000	R'000	R'000	R'000	R'000
As at 31 December 2011	8, 718, 078	36, 741, 784	18, 356, 062	5, 509, 817	66, 325, 741

Age analyses

	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
As at 31 December 2011	4, 210, 886	5, 708, 125	3, 078, 998	53, 327, 736	66, 325, 741
% representation	6.4	8.2	5.3	80.1	100

The current international and national economic situation has enormously impacted on the socio-economic conditions within the community of Emthanjeni Municipality.

The increase in all tariffs, lead to the increase in consumer debtors. The reflection and history shown that the "same type of consumer debtor" continues not to pay for municipal services.

The following list of debtors will be presented to Council for possible consideration to write off debts which are:

- (i) Untraceable and irrecoverable debtors;
- (ii) Indigent Households;

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- (iii) Deceased owners who have no assets, cash or property in the deceased will;
- (iv) Consumers who left the towns without leaving valid and reputable contacted details and forwarding addresses.
- (v) Recovery of debt
 - The overall payment percentage is above the 80 %.
 - The continuous monthly shortfall of ± R1, 800 000 remains a worrying factor. Although credit control policies are implemented, much more needs to be done all the staff, finance, administration, infrastructure, etc.
 - The re-introduction and of the popularisation of “payment Campaigns” need to be established and developed by all internal stakeholders of the Emthanjeni Municipality. Credit Control is taking place, but more focuses will be placed on Businesses and economic active consumers.

Council is very adamant about the collection of outstanding monies and has agreed or resolved that in order to maximize revenue, that a Debt Collection firm be appointed to recover outstanding monies from all economic active consumers, businesses and institutions.

MUNICIPAL TURNAROUND STRATEGY

Quarterly progress reports were submitted to COGTA and Pixley Ka Seme District municipality on the identified KPI's of the Municipal Turnaround Strategy. These indicators are on track and ongoing. The financial challenges are being dealt with in accordance with the strategy.

The improvement of the audit opinion remains one of the top priorities of the TAS and Council:

- a) Although we improved our audit opinion from a Disclaimer of Opinion to Qualification of opinion, continuous processes are needed by all stakeholders and more specific internal stakeholders to improve on the weaknesses identified in the audit opinion of 30 June 2011. The tackling of this challenge must be a collective effort from Council, management and staff.
 - Management and the whole work force must be committed and strive to improve its internal controls and mechanisms.
 - This performance target is of a very high priority of Management together with the Council of Emthanjeni.
 - The fully implementation of GRAP Accounting standards remains one of the biggest challenges facing the municipality and more specific the Finance Directorate. These identified factors will be overcome with the co-operation and assistance and dedication of all staff in Emthanjeni Municipality.

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- At the same, acknowledgement was given by the auditors that major improvements were very evident during the audit of 2011 and also in the audit management letter, in comparison to the previous years. The challenge now is to rise to the occasion and work towards an Unqualified Audit of Opinion and to achieve a Clean Audit by 2014.

ADJUSTMENTS BUDGET

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

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

The following matters will, *inter alia*, be included in the Adjustments Budget:

- 1) Expenditure for the Operation Clean-Audit and the maintenance of the Fixed Asset Register in order to comply with GRAP standards and GRAP 17 in particular, on a continuous basis. The maintenance of a better audit opinion is of critical importance as we do not want to go back to a Disclaimer of Audit Opinion.
- 2) Subsistence and Travel Allowances for Councillors and officials needs to be upwardly adjusted.
- 3) The budgeted income for the following must be amended.
 - a) Electricity Revenue
 - b) Other Revenue
- 4) The impact of the Supplementary and General Valuation roll for the current financial year and also next financial year.
- 5) The current economic situation also does not stimulate the payment levels of the consumers. Vigorous efforts from all need to be employed to improve the payment percentage as it must not just be seen as a credit control unit function.
- 6) The expenses for the general expenses need to be augmented, as the original amount budgeted for was totally under budgeted. Ward project expenditure needs to be looked at as these votes are currently overspent.
- 7) Some capitalisation of assets vote is also overspent. Provision for the Mayor Vehicle of R201 500 must be made
- 8) The PMS Framework expenditure needs to be budgeted for as the original budget is totally insufficient.

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Accordingly a report on adjustments to the budget will be submitted for consideration by Council before 28 February 2012.

COMMENTS ON THE ANNUAL REPORT

The annual report of the 2010/11 financial year will be tabled to Council on 31 January 2012. Corrective actions that will be identified will be addressed in an Action Plan. The Draft Annual Report will be advertised for public comment.

This plan will be presented to our Municipal Public Accounts Committee (MPACC) and monitored by the Municipal Manager on a monthly basis.

Oversight Report on the Annual Report will be submitted to Council by 31 March 2012.

Isak Visser

MUNICIPAL MANAGER

Mid-year Budget and Performance Assessment Report

ANNEXURE A — STATEMENT OF CAPITAL AND OPERATING EXPENDITURE -
OPERATING REVENUE AND EXPENDITURE (PART 1)

ANNEXURE B — STATEMENT OF CAPITAL AND OPERATING EXPENDITURE -
CAPITAL EXPENDITURE (PART 2)

ANNEXURE C — CONDITIONAL GRANTS TRANSFERRED FROM NATIONAL
DEPARTMENTS AND ACTUAL PAYMENTS MADE BY MUNICIPALITIES

ANNEXURE D — SUMMARY OF PERSONNEL NUMBERS (TABLE SA24)

ANNEXURE E — MID YEAR TOP LAYER SDBIP REPORT

EMTHANJENI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE -
OPERATING REVENUE AND EXPENDITURE FOR SIX MONTHS ENDING
DECEMBER 2011

	Actual December 2012 R	Budget 2011/12 R
REVENUE		
Revenue from Non-exchange Transactions		
Property Rates	10 311 679	15 320 928
Fines	2 706 175	9 524 238
Licences and Permits	584 756	1 094 640
Government Grants and Subsidies Received	25 038 578	34 885 000
Revenue from Exchange Transactions		
Service Charges	39 362 731	71 390 943
Rental of Facilities and Equipment	352 374	1 094 640
Interest Earned - External Investments	203 482	678 400
Interest Earned - Outstanding Debtors	767 584	801 360
Other Income	7 426 623	14 027 280
Total Revenue	86 753 982	148 817 429
EXPENDITURE		
Employee Related Costs	23 364 930	47 528 090
Remuneration of Councillors	1 650 145	3 482 604
Collection Costs	-	177 384
Depreciation and Amortisation	-	11 516 064
Impairment Losses	-	10 900 709
Repairs and Maintenance	3 311 577	9 262 096
Finance Costs	597 376	1 750 480
Bulk Purchases	19 199 450	34 028 267
Contracted Services	2 582 418	6 272 346
Grants and Subsidies Paid	4 657 471	12 671 027
General Expenses	9 791 681	20 719 177
Total Expenditure	65 155 048	158 308 244
SURPLUS / (DEFICIT) FOR THE YEAR	21 598 934	(9 490 815)
Refer to Appendix E(1) for explanation of budget variances		

EMTHANJENI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE - AFTER CAPITAL EXPENDITURE FOR SIX MONTHS ENDING DECEMBER 2011

	Actual December 2012 R	Budget 2011/12 R
REVENUE		
Revenue from Non-exchange Transactions		
Property Rates	10 311 679	15 320 928
Fines	2 706 175	9 524 238
Licences and Permits	584 756	1 094 640
Government Grants and Subsidies Received	25 038 578	34 885 000
Revenue from Exchange Transactions		
Service Charges	39 362 731	71 390 943
Rental of Facilities and Equipment	352 374	1 094 640
Interest Earned - External Investments	203 482	678 400
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Finance Costs	597 376	1 750 480
Bulk Purchases	19 199 450	34 028 267
Contracted Services	2 582 418	6 272 346
Grants and Subsidies Paid	4 657 471	12 671 027
General Expenses	9 791 681	20 719 177
Total Operating Expenditure	65 155 048	158 308 244
Capital Expenditure	4 113 534	20 657 094
Grants expenditure	2 668 682	13 566 000
Own capital expenditure	1 444 852	7 091 094
SURPLUS / (DEFICIT) FOR THE YEAR	17 485 400	(30 147 909)

Emthanjeni Local Municipality
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003
Grants and Subsidies Received for the six months ending December 2011

Name of Grant	Name of Organ of State or Municipal Entity	QUARTERLY RECEIPTS		QUARTERLY PAYMENTS		Grants and Subsidies Delayed / Withheld	Reason for Delay / Withholding of Funds	Compliance to Revenue Act	Reason for Non-compliance
		Sept	Dec	Sept	Dec				
FMG	Nat Treasury	1 450 000	-	393 439	435 480	None	N/A	Yes	N/A
MIG Projects	Nat Treasury	5 500 000	5 000 000	67 300	2 955 344	None	N/A	Yes	N/A
Equitable Share	Nat Treasury	12 683 000	10 146 000	1 626 105	1 580 572	None	N/A	Yes	N/A
Electrification Project	Nat Treasury	260 000	429 736	-	-	None	N/A	Yes	N/A
MSIG	Nat Treasury	790 000	-	341 949	81 165	None	N/A	Yes	N/A
Total Grants and Subsidies Received		20 683 000	15 575 736	2 428 793	5 052 561				

Northern Cape: Emthanjeni(NC073) - Table SA24 Summary of Personnel Numbers for six months ending 31 December 2011

Summary of Personnel Numbers Number	01 July 2011 to 31 December 2011		
	Positions	Permanent Employees	Contract Employees
Municipal Council and Boards of Municipal Entities			
Councillors (Political Office Bearers plus Other Councillors)	14		14
Board Members of municipal entities			
Municipal employees			
Municipal Manager and Senior Managers	5		5
Other Managers	7	3	4
Professionals	2		2
<i>Finance</i>	1		1
<i>Spatial/town planning</i>			
<i>Information Technology</i>			
<i>Roads</i>			
<i>Electricity</i>	1		1
<i>Water</i>			
<i>Sanitation</i>			
<i>Refuse</i>			
<i>Other</i>			
Technicians	20	11	9
<i>Finance</i>	9		9
<i>Spatial/town planning</i>			
<i>Information Technology</i>			
<i>Roads</i>	3	3	
<i>Electricity</i>	6	6	
<i>Water</i>	2	2	
<i>Sanitation</i>			
<i>Refuse</i>			
<i>Other</i>			
Clerks (Clerical and administrative)	120	120	
Service and sales workers			
Skilled agricultural and fishery workers			
Craft and related trades	36	36	
Plant and Machine Operators	24	24	
Elementary Occupations	127	117	10
TOTAL PERSONNEL NUMBERS	355	311	44
% increase	1.4%	(2.1%)	33.3%
Total municipal employees headcount			
Finance personnel headcount	46	38	8
Human Resources personnel headcount	22	15	7

Emthanjeni Municipality
SDBIP 2011/2012: Top Layer Report

Ref	Directorate	KPI	Unit of Measurement	Baseline	POE	KPI Calculation Type	Sep-11				Dec-11				
							Target	Actual	R	Departmental SDBIP Comments	Target	Actual	R	Departmental SDBIP Comments	
							Departmental Corrective Measures	Departmental Corrective Measures	Departmental Corrective Measures	Departmental Corrective Measures					
TL1	Corporate, Community and Development	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed	3		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A
TL2	Corporate, Community and Development	Targeted skills development measured by the implementation of the workplace skills plan	Value of the budget spent on implementation of the WSP	300000		Carry Over	R 0	R 0	N/A	R 0	R 0	N/A	R 0	R 0	N/A
TL7	Corporate, Community and Development	Effective labour relations by facilitating regular LUF meetings per annum	No of meetings of the LUF per annum	2		Accumulative	1	0	R	1	1	G	1	1	R
TL8	Corporate, Community and Development	Revise identified HR policies by the end of June to ensure compliant and up to date HR policies	No of policies revised	8		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A
TL9	Corporate, Community and Development	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training (%)	40		Carry Over	0%	10%	B	0%	0%	N/A	0%	10%	B
TL5	Corporate, Community and Development	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per ward per annum	4		Accumulative	1	0	R	1	1	G	1	1	R
TL6	Corporate, Community and Development	Facilitate youth development in the municipality by establishing a youth council by the end of September	Youth council established(New Kpi)			Stand-Alone	100%	0%	R	0%	0%	N/A	100%	0%	R
TL4	Corporate, Community and Development	The municipality listens and talks back to its people by ensuring that the IDP is endorsed by all wards	No of ward committees endorsing the IDP	7		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A

Ref	Directorate	KPI	Unit of Measurement	Baseline	POE	KPI Calculation Type	Sep-11				Dec-11				Overall Performance for Sep 2011 to Dec 2011				
							Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R
TL3	Corporate, Community and Development	IDP reviewed and approved annually by the end of May	IDP approved by the end of May	100%		Carry Over	0%	N/A			0%	N/A		0%	0%	N/A			
TL0	Corporate, Community and Development	Local Economic Development is driven by a strategy	LED strategy completed and approved by the end of December			Carry Over	0%	N/A			100%	G		100%		G			
TL11	Corporate, Community and Development	No of initiatives implemented in terms of the approved LED strategy	No of initiatives implemented in terms of the approved LED strategy	Newkpi		Accumulative	0	N/A			0	N/A		0	0	N/A			
TL13	Corporate, Community and Development	Develop and implement a comprehensive law enforcement strategy to decrease high risk violations	Strategy completed by the end of June	Newkpi		Carry Over	0%	N/A			0%	N/A		0%	0%	N/A			
TL12	Corporate, Community and Development	Disaster Management Plan reviewed by the end of September	Plan reviewed by the end of September	Approved Disaster Management Plan		Stand-Alone	100%	R			0%	N/A		0%	0%	R			
TL75	Council	The adjustment budget is approved by Council by the legislative deadline	Approval of adjustments budget before the end of February	100%		Carry Over	0%	N/A			0%	N/A		0%	0%	N/A			
TL74	Council	The main budget is approved by Council by the legislative deadline	Approval of Main budget before the end of May	100%		Carry Over	0%	N/A			0%	N/A		0%	0%	N/A			
TL72	Council	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum			Accumulative	1	G	Council: The new Council held its first meeting on 2 June 2011 [31 Jul 2011]		1	0	R	2	1	R			
TL73	Council	Effective functioning of the committee system measured by the number of committee meetings per committee per quarter	No of sec 79 committee meetings per committee per annum	6		Accumulative	2	0			1	0	R	3	0	R			
TL24	Financial Services	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash - investments)/ Monthly fixed operating expenditure)	1.1		Stand-Alone	1.1	1.1	Director: Financial Services: See Annual Financial Statements for ratio's [30 Sep 2011]		1.1	0	R	1.1	0.95	R			
TL22	Financial Services	Debt coverage ((Total operating revenue - municipality's ability to received/debt service payments due within the year)	Debt coverage ((Total operating revenue - Total outstanding service debtors)/ revenue received for services)	2		Stand-Alone	2	2.1	Director: Financial Services: See Annual Financial Statements [30 Sep 2011]		2	0	R	2	1.05	R			
TL23	Financial Services	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue - Total outstanding service debtors/ revenue received for services)	67.80%		Stand-Alone	R 67.80	R 0			R 67.80	R 0	R	R 67.80	R 0	R			
TL18	Financial Services	Provision of free basic electricity in terms of the equitable share requirements	No of kWh receiving free basic electricity	2300		Stand-Alone	2,300	2,475	Director: Financial Services: See monthly account of Inaugural households [30 Sep 2011]		2,300	2,475	G2	2,300	2,475	G2			

Ref	Directorate	KPI	Unit of Measurement	Baseline	POE	KPI Calculation Type	Sep-11			Dec-11			Overall Performance for Sep 2011 to Dec 2011						
							Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R
TL19	Financial Services	Provision of free basic electricity in terms of the equitable share requirements	Quantum of free basic electricity per household	50		Stand-Alone	50	50	G	Director: Financial Services: 50 Kw/h of Electricity is being provided to all Registered Indigent Households [31 Jul 2011]	Director: Financial Services: On the 1st of each month, 50 Kw/h is being automatically registered on the Prepaid Meter and is available for collection [31 Jul 2011]	50	50	G	Director: Financial Services: The Free Basic Electricity is being credited against the IHH Prepaid Electricity meter and is available for collection [31 Oct 2011]	Director: Financial Services: The FBE is available on the 1st of each month on all registered IHH Prepaid Electricity meters [31 Oct 2011]	50	50	G
TL20	Financial Services	Provision of free basic refuse removal in terms of the equitable share requirements	No of IHH receiving free basic refuse removal	2,300		Stand-Alone	2,300	2,475	G2	Director: Financial Services: All Indigent Households do received their monthly FBE [30 Sep 2011]	Director: Financial Services: See Indigent register [30 Sep 2011]	2,300	2,475	G2	Director: Financial Services: Upon receipt of IHH applications from the Ward Councillor, the updating and processing starts [31 Dec 2011]	Director: Financial Services: The monthly service accounts will be linked to the Financial system [31 Dec 2011]	2,300	2,475	G2
TL21	Financial Services	Provision of free basic refuse removal in terms of the equitable share requirements	Quantum of free basic refuse removal per month per household	R 74,99		Stand-Alone	R 79,64	R 79,64	G	Director: Financial Services: Free Basic Refuse removal is being credited against the IHH monthly service account [31 Jul 2011]	Director: Financial Services: The monthly service account will be credited with the Free Basic Refuse Removal tariff [31 Jul 2011]	R 79,64	R 79,64	G	Director: Financial Services: Free Basic Refuse removal is being credited against the IHH monthly service account [31 Oct 2011]	Director: Financial Services: The monthly service account will be credited with the Free Basic Refuse Removal tariff [31 Oct 2011]	R 79,64	R 79,64	G
TL16	Financial Services	Provision of free basic sanitation in terms of the equitable share requirements	No of IHH receiving free basic sanitation	2,300		Stand-Alone	2,300	2,475	G2	Director: Financial Services: See monthly account of indigent households [30 Sep 2011]	Director: Financial Services: See Indigent Register [30 Sep 2011]	2,300	2,475	G2	Director: Financial Services: Upon receipt of IHH applications from the Ward Councillor, the updating and processing starts [31 Dec 2011]	Director: Financial Services: The monthly service accounts will be linked to the Financial system [31 Dec 2011]	2,300	2,475	G2
TL17	Financial Services	Provision of free basic sanitation in terms of the equitable share requirements	Quantum of free basic sanitation provided per IHH	R 120,26		Stand-Alone	R 127,72	R 127,72	G	Director: Financial Services: Free Basic Sewerage is being credited against the IHH monthly service account [31 Jul 2011]	Director: Financial Services: The monthly service account will be credited with the Free Basic Sewerage tariff [31 Jul 2011]	R 127,72	R 127,72	G	Director: Financial Services: Free Basic Sewerage is being credited against the IHH monthly service account [31 Oct 2011]	Director: Financial Services: The monthly service account will be credited with the Free Basic Sewerage tariff [31 Oct 2011]	R 127,72	R 127,72	G

Ref	Directorate	KPI	Unit of Measurement	Baseline	POE	KPI Calculation Type	Sep-11			Dec-11			Overall Performance for Sep 2011 to Dec 2011					
							Target	Actual	R	Target	Actual	R	Target	Actual	R			
TL14	Financial Services	Provision of free basic water in terms of the equitable share requirements	No of HH receiving free basic water	2,300		Stand-Alone	2,300	2,475	G2	2,300	2,475	G2	2,300	2,475	G2			
TL15	Financial Services	Quantum of free basic water per household in terms of the equitable share requirements	Quantum of free basic water provided per household	6		Stand-Alone	6	6	G	6	6	G	6	6	G			
TL28	Financial Services	Approved financial statements submitted by 31 August	Approved financial statements submitted	100%		Stand-Alone	0%	100%	B	0%	N/A	0%	0%	100%	B			
TL26	Financial Services	Compliance with GRAP 15, 17 & 102 to ensure effective asset management	% compliance	New KPI		Stand-Alone	0%	0%	N/A	0%	N/A	0%	0%	0%	N/A			
TL31	Financial Services	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	0%		Zero	0	0	G	0	0	G	0	0	G			
TL29	Financial Services	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	100%		Carry Over	20%	22%	G2	40%	20%	R	40%	22%	R			
TL30	Financial Services	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	100%		Carry Over	20%	20%	G	40%	40%	G	40%	40%	G			
TL27	Financial Services	No of Root causes of issues raised by AG in AG report of the previous financial year addressed to promote a clean audit	% of Root causes addressed	Qualified audit opinion for 2009/10 financial year		Stand-Alone	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A			

Ref	Directorate	KPI	Unit of Measurement	Baseline	POE	KPI Calculation Type	Sep-11			Dec-11			Overall Performance for Sep 2011 to Dec 2011		
							Target	Actual	R	Target	Actual	R	Target	Actual	R
TL25	Financial Services	The municipality comply with all the relevant legislation	% compliance	New kpi		Stand-Alone	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
TL35	Infrastructure and Housing Services	Provision of electricity that are connected to the national grid to all formal areas	No of formal areas that meet agreed service standards	7500		Stand-Alone	7,500	7,500	G	7,500	7,500	G	7,500	7,500	G
TL36	Infrastructure and Housing Services	No of HH for which removal, refuse dumps and solid waste disposal to all areas	No of HH for which refuse is removed at least once a week	7500		Stand-Alone	7,500	7,500	G	7,500	7,500	G	7,500	7,500	G
TL33	Infrastructure and Housing Services	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal HH	No of formal HH that have at least VIP on site	7500		Stand-Alone	7,500	7,500	G	7,500	15,000	B	7,500	11,250	B
TL32	Infrastructure and Housing Services	Provision of cleaned piped water to all formal HH within 20m from the household	No of formal HH that meet agreed service standards for piped water	7500		Stand-Alone	7,500	7,500	G	7,500	7,500	G	7,500	7,500	G
TL61	Infrastructure and Housing Services	Develop a business plan for the provision of sufficient street lights for dark areas	Completed business plan by the end of September 2011	New kpi		Accumulative	1	0	R	0	0	N/A	1	0	R
TL56	Infrastructure and Housing Services	Completion of the High voltage power capacity in Be Aar to improve distribution capacity	% completed	New kpi		Carry Over	0	0	N/A	0	0	N/A	0	0	N/A
TL59	Infrastructure and Housing Services	Effective electricity capital spending measured by the % of budget spent	% spent of approved electricity capital projects	30%		Carry Over	5%	100%	B	30%	100%	B	30%	100%	B
TL58	Infrastructure and Housing Services	Effective management of electricity provisioning systems	% of electricity unaccounted for	22.67		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A
TL60	Infrastructure and Housing Services	Electricity assets is maintained in terms of the maintenance budget spent	% of maintenance budget of electricity spent	70%		Carry Over	5%	20%	B	30%	49%	B	30%	49%	B
TL57	Infrastructure and Housing Services	Electricity connections to provide electricity reticulation to new developments	No of new electricity connections	33		Carry Over	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
TL38	Infrastructure and Housing Services	Effectively plan to eradicate current housing backlog with formalised and use plans for economic and social facilities and with the provision of permanent basic services	No of households without	3000		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A

Ref	Directorate	KPI	Unit of Measurement	Baseline	POE	KPI Calculation Type	Sep-11			Dec-11			Overall Performance for Sep 2011 to Dec 2011		
							Target	Actual	R	Target	Actual	R	Target	Actual	R
TL37	Infrastructure and Housing Services	Implementation of Integrated Human Settlement Strategy measured by the no of projects complying with approved strategy by the end of June	No of houses built by the end of June 2012	165		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A
TL47	Infrastructure and Housing Services	Effective municipal roads capital spending measured by the % of budget spent	% spent of approved roads capital projects	30%		Carry Over	5%	6%	G2	35%	23%	R	35%	23%	R
TL49	Infrastructure and Housing Services	Maintenance of municipal roads	% of maintenance budget of municipal roads spent	70%		Carry Over	25%	15%	R	50%	32%	R	50%	32%	R
TL48	Infrastructure and Housing Services	Municipal roads is maintained measured by the square meters of roads patched and ressealed according to approved maintenance plan	Kms of roads patched and ressealed	12000		Carry Over	0	0	N/A	0	0	N/A	0	0	N/A
TL46	Infrastructure and Housing Services	Provision of municipal roads measured by the km of new road for previously un-serviced areas	No of kilometres	1km		Accumulative	0	0	N/A	0	1	B	0	1	B
TL45	Infrastructure and Housing Services	Improvement of refuse sites' capacity by the end of June ensuring that all sites have a permit	No of sites with permits	1 site		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A
TL41	Infrastructure and Housing Services	Develop a maintenance schedule for aging infrastructure and day to day maintenance for electricity, water and roads	No of maintenance schedules completed	No formal existing plans		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A
TL40	Infrastructure and Housing Services	Effective stormwater capital spending measured by the % of budget spent	% spent of approved stormwater capital projects	1%		Carry Over	5%	9%	B	35%	17%	R	35%	17%	R
TL39	Infrastructure and Housing Services	Implementation of a Stormwater Master Plan by the end of June	No of works completed in terms of the business plan by June 2012	Approved Storm Water Master Plan		Accumulative	0	0	N/A	0	0	N/A	0	0	N/A
TL44	Infrastructure and Housing Services	Sanitation assets is maintained in terms of the maintenance budget spent	% of maintenance budget of sanitation	50%		Carry Over	5%	9%	B	35%	24%	R	35%	24%	R
TL42	Infrastructure and Housing Services	Stormwater assets is maintained in terms of the maintenance budget spent	% of maintenance budget of stormwater	50%		Carry Over	5%	38%	B	35%	0%	R	35%	38%	G2
TL34	Infrastructure and Housing Services	Upgrade current sanitation systems for domestic waste water and sewerage disposal in Bricketown from the bucker system to a full sanitation system	Completion of an approved business plan by the end of December	New Kpi		Carry Over	0%	0%	N/A	100%	0%	R	100%	0%	R
TL43	Infrastructure and Housing Services	Quality of waste water discharge measured by the % water quality level	% water quality level of waste water discharge	69%		Stand-Alone	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A

Ref	Directorate	KPI	Unit of Measurement	Baseline	POE	KPI Calculation Type	Sep-11				Dec-11				Overall Performance for Sep 2011 to Dec 2011				
							Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R
TL51	Infrastructure and Housing Services	Effective management of water provisioning systems to limit unaccounted water	% of water unaccounted for	19.4		Zero	0	0	G			0	0	G			0	0	G
TL53	Infrastructure and Housing Services	Effective water capital spending measured by the % of budget spent	% spent of approved water capital projects	30%		Carry Over	5%	0%	R			30%	0%	R			30%	0%	R
TL62	Infrastructure and Housing Services	Implement the water feasibility study to ensure sustainable water provision in the municipality	Appointment of appropriate service providers by the end of September 2011	Completed feasibility study		Carry Over	100%	0%	R			0%	0%	N/A			100%	0%	R
TL50	Infrastructure and Housing Services	New water connections to provide for potable water supply systems	No of new water connections per quarter	165		Accumulative	0	0	N/A			115	0	R			115	0	R
TL54	Infrastructure and Housing Services	Water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of water spent	70%		Carry Over	25%	23%	O			50%	41%	O			50%	41%	O
TL55	Infrastructure and Housing Services	Implementation of the Water Conservation Demand Management plan by the end of June	No of water saving initiative implemented in terms of the plan	New kpi		Accumulative	1	1	G			1	1	G			2	2	G
TL52	Infrastructure and Housing Services	Excellent water quality measured by the quality of water as per blue drop	% water quality level	70%		Stand-Alone	0%	0%	N/A			0%	0%	N/A			0%	0%	N/A
TL69	Municipal Manager	Annual report and oversight report of council submitted before the end of January	Report submitted to Council	100%		Carry Over	0%	0%	N/A			0%	0%	N/A			0%	0%	N/A
TL68	Municipal Manager	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	4		Accumulative	4	4	G			0	0	N/A			4	4	G
TL67	Municipal Manager	Conduct a citizen satisfaction survey by June 2012 to determine citizen satisfaction	Survey conducted	New kpi		Accumulative	0	0	N/A			0	0	N/A			0	0	N/A
TL65	Municipal Manager	Development of public participation policy by June 2012 to ensure effective communication with the communities	Policy completed by the end of June	New kpi		Carry Over	0%	0%	N/A			0%	0%	N/A			0%	0%	N/A
TL70	Municipal Manager	Functional performance audit committee measured by the number of meetings per annum	No of meetings held	2		Accumulative	1	0	R			1	1	G			2	1	R
TL64	Municipal Manager	The SDBIP is approved by the Mayor within 28 days after the budget has been approved	SDBIP approved before the end of June	100%		Carry Over	0%	0%	N/A			0%	0%	N/A			0%	0%	N/A
TL66	Municipal Manager	Initiatives in the anti-corruption policy is successfully implemented	No of initiatives implemented in terms of the approved strategy	Approved anti-corruption policy		Accumulative	0	0	N/A			0	0	N/A			0	0	N/A

Ref	Directorate	KPI	Unit of Measurement	Baseline	POE	KPI Calculation Type	Sep-11			Dec-11			Overall Performance for Sep 2011 to Dec 2011				
							Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target	Actual	R	Departmental SDBIP Comments	Departmental Corrective Measures	Target
TL63	Municipal Manager	Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	New KPI		Carry Over	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A
TL71	Municipal Manager	Risk based audit plan approved by October 2011	Plan approved	Shared internal audit		Carry Over	0%	0%	N/A		100%	0%	R	Municipal Manager: Not yet compiled. 31 Dec 2011	100%	0%	R

