

Chief Albert Luthuli Municipality

*The transparent, innovative and developmental municipality
that improves the quality of life of its people*



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT 2020/21 FINANCIAL YEAR

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INTRODUCTION

In terms of Section 72(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), the accounting officer of a municipality must by 25 January of each year – *assess the performance of the Municipality during the first half of the financial year, taking into account – the monthly statements referred to in section 71 for the first half of the financial year; 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; the past year's annual report, and progress on resolving problems identified in the annual report*

(b) *Submit a report on such assessment to - the mayor of the municipality; the National Treasury; and the relevant provincial treasury.*

Sub-section 3 states that, as part of the review, the accounting officer must - *make recommendations as to whether an adjustment budget is necessary; and recommend revised projections for revenue and expenditure to the extent that this may be necessary.*

The assessment envisaged above is outlined below.

ASSESSMENT TAKING INTO ACCOUNT MONTHLY STATEMENTS FOR THE FIRST HALF OF THE FINANCIAL YEAR (MFMA S71) FINANCIAL OVERVIEW

The Mid-Year Performance Review is an assessment of the first six months of the financial year against the milestones projected at the beginning of the financial year. It includes a financial review as well as a service delivery performance review.

In order to provide an overview of the Chief Albert Luthuli Municipality Mid-Year Performance Assessment, it is imperative to compare the budget, the actual financial results, the actual cash inflows and outflows, and the actual spending and revenue trends for the period July 2020 to December 2020.

It is also very critical in reviewing and taking national priorities into consideration when conducting the Mid-Year Performance Assessment for Chief Albert Luthuli Municipality. This approach seeks to transform the quality of public expenditure by shifting resources to implement National Development Plan Priorities, improving infrastructure allocations, and stepping up efforts to combat waste and inefficiency.

Government has prepared cost-curtailment instructions to limit wasteful expenditure. This cost curtailment measures are highlighted in a variety of circulars issued by the National Treasury. Municipalities are urged to implement the costs curtailment measures and to curb all non - priority expenditure.

We are further encouraged to act towards ensuring financial sustainability. This is paramount for sound municipal decision making in order to enable long term sustainability of municipal finances and that service delivery is timeously achieved. Municipal finances are presently volatile and there is severe pressure to maintain healthy cash flows and maintain effective cost containment measures.

Chief Albert Luthuli Municipality has committed itself in assisting in the continued sustainability of Eskom. The municipality has fully implemented the debt repayment plan which was entered into two years ago. Eskom arrear debt has now been fully settled. The Municipality is now stream lining its revenue enhancement initiatives in order to ensure that the current account is paid on a regular basis in order to avoid the escalation thereof.

Municipalities have also been cautioned about the weak economic growth forecasts globally and domestically. The global growth forecast for 2020 is at its lowest since the 2008 financial crisis as a result of mounting tensions and political uncertainty. In South Africa economic growth has also continued to stagnate which has resulted in an escalation of our challenges. The economy has continued to weaken with growth forecasted at 1.2% for the 2020/21 financial year.

Throughout the COVID-19 Pandemic, the South African public finances have been in turmoil with the country, its major departments and most municipalities running budget deficits. This is a phenomenon that Local Government is not immune to and ways to exist must be found. Chief Albert Luthuli Municipality is aiming to strengthen its financial management and to ensure the non-negotiable adoption of funded budgets in order to be a positive contributor to the South African economy.

Overall Financial Performance

Taking into account issues such as COVID-19 and the depletion of economic activities around the world. Chief Albert Luthuli Municipality has managed to record a decent performance for the first six months of the financial year under review with an interim surplus of **R46,691,945.93**. All Municipal activities have been accordingly funded.

Table 1: Consolidated Mid Term Performance

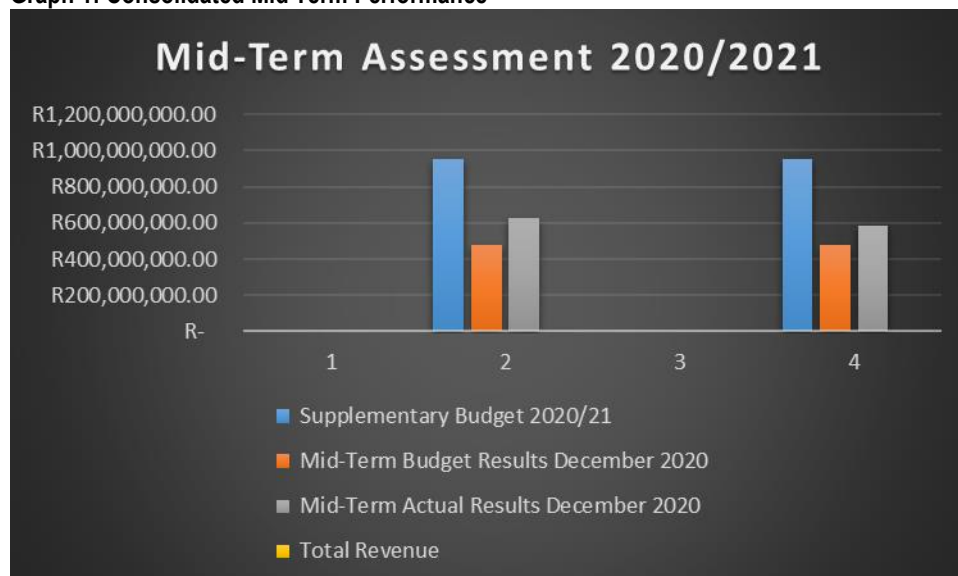
Mid-Term Assessment (s72) 2020/2021					
R	Budget Year 2020/21	Supplementary Budget 2020/21	Mid-Term Budget Results December 2020	Mid-Term Actual Results December 2020	Variance
Total Revenue	R 974,908,475.00	R 952,809,685.00	R 476,404,842.50	R 630,589,896.00	66%
Total Expenditure	R 974,423,580.00	R 952,753,580.00	R 476,376,790.00	R 583,897,950.07	61%
Surplus/Deficit	R 484,895.00	R 56,105.00	R 28,052.50	R 46,691,945.93	

Source: Chief Albert Local Municipality

The Budget was prepared based on the expected revenue to be generated from exchange and non- exchange transactions. Operating revenue for the past six months which amounted to **R630,589,896.00**. This amounts to **66%** of the anticipated revenue.

The operating expenditure amounted to **R583,897,950.07**. This results to **61%** of the anticipated expenditure forecast. This therefore results in an operational surplus of **R46,691,945.93** for the first six months of the financial year.

Graph 1: Consolidated Mid Term Performance



Source: Chief Albert Local Municipality

The major sources for the income were from the following components:

- Transfers Recognised
 - Equitable Share
 - Financial Management Grant (FMG)
 - Expended Public Works Programme (EPWP)
- Transfers from Capital Grants
 - Regional Infrastructure Grant
 - Municipal Infrastructure Grant
 - Water Services Infrastructure Grant
- Municipal Services
 - Property Rates
 - Electricity
 - Water

Revenue by Source

This component is intended to provide an overview of the revenue activities for the Municipality. This component also entails a comparison of the performance of each component in line the supplementary budget and the performance for the first six months of the financial year under review.

Table 2: Revenue by Source

Mid-Term Assessment (s72) 2020/2021: Revenue By Source					
R	Budget Year 2020/21	Supplementary Budget 2020/21	Mid-Term Budget Results December 2020	Mid-Term Results December 2020	Variance
Property rates	R 99,663,775.00	R 99,663,775.00	R 49,831,887.50	R 48,807,393.09	49.0%
Service charges - electricity revenue	R 37,834,495.00	R 37,834,495.00	R 18,917,247.50	R 18,341,370.10	48.5%
Service charges - water revenue	R 45,586,628.00	R 45,586,628.00	R 22,793,314.00	R 22,032,857.05	48.3%
Service charges - sanitation revenue	R 12,194,228.00	R 12,194,228.00	R 6,097,114.00	R 6,121,770.27	50.2%
Service charges - refuse revenue	R 10,447,969.00	R 10,447,969.00	R 5,223,984.50	R 5,205,270.58	49.8%
Rental of facilities and equipment	R 13,891.00	R 126,101.00	R 63,050.50	R 132,892.67	105.4%
Interest earned - external investments	R 2,170,774.00	R 2,170,774.00	R 1,085,387.00	R 1,173,290.00	54.0%
Interest earned - outstanding debtors	R 10,638,209.00	R 10,638,209.00	R 5,319,104.50	R 5,248,727.24	49.3%
Fines	R 179,247.00	R 179,247.00	R 89,623.50	R 70,325.00	39.2%
Transfers recognized	R 329,123,225.00	R 388,051,225.00	R 194,025,612.50	R 313,675,000.00	80.8%
Other own revenue	R 794,034.00	R 794,034.00	R 397,017.00	R -	0.0%
Capital Projects	R 426,262,000.00	R 345,123,000.00	R 172,561,500.00	R 209,781,000.00	60.8%
Total Revenue	R 974,908,475.00	R 952,809,685.00	R 476,404,842.50	R 630,589,896.00	66%

Source: Chief Albert Local Municipality

PROPERTY RATES

The Municipality bills property rates once per annum in July every year. It is then brought forward and allocated on a monthly basis. Property rates currently **1%** below the benchmark figure with a year to date actual of **R48,807,393.09**. Mid-Terms results are currently at **49%** in comparison to the Supplementary Budget figures

ELECTRICITY REVENUE

Electricity revenue is currently at an amount of **R18 341 370.10** which is a **48.5%** basis points in line with the adopted supplementary budget. This component is **1.5%** shy of the benchmark figure which is an indication of fair performance by the Municipality. This is a fairly positive result which has led to the decreasing in the debt due to Eskom.

In comparison to bulk purchases there is still a dire need for the Municipality to intensify on its revenue enhancement initiatives and to be robust in terms of the enforcement of Municipal Credit Control and Debt Collection Policy. The Municipality needs to seriously consider the conversion of electricity service delivery points to alternative energy sources. Bulk Purchases were at an amount of **R50,289,504.00**. Electricity Distribution Losses are therefore at **63.5%**.

WATER REVENUE

Actual water revenue billed was **1.7%** less than the projected amount. This is indeed a fair result taking into account the overall budget performance of the Municipality. Revenue from water service charges was at an interim high of R22,032,857.05 which is at 48.3% in line with the adopted Supplementary Budget of the Municipality. There is much room for improvement within this component taking into account unmetered areas which contributes to the challenges in terms of water distribution losses. Prepaid functionality of the water services unit must be urgently activated as a means of expanding on the current water revenue base.

SANITATION REVENUE

Actual sanitation/waste water has displayed moderate results for the past 6 months of the current financial year. The budgeted amount is **0.2%** above the forecasted amounts at an overall amount of **R6,121,770.27** which takes the overall performance of this component to **50.2%** for the period under review.

REFUSE REMOVAL REVENUE

The actual amount billed for refuse removal service delivery component is at **49.8%** which is a fairly good moderate performance taking into account the challenges experienced by the economy of South Africa. This is a tad below the projected amount by a measly **0.2%**. This component has performed well and will have a pleasing result on the overall budget figures at an amount of **R5,205,270.58**

OPERATING AND CONDITIONAL GRANTS

The Municipality is currently heavily grant dependent and relies on allocations in terms of the Division of Revenue Act. The following Grants have been received for the period under review

Equitable Share,
Municipal Infrastructure Grant
Municipal Systems Improvement Grant
Financial Management Grant
Integrated National Electricity Program
Energy Efficiency Demand Side Management Grant
Water Service Infrastructure Grant
Regional Infrastructure Grant

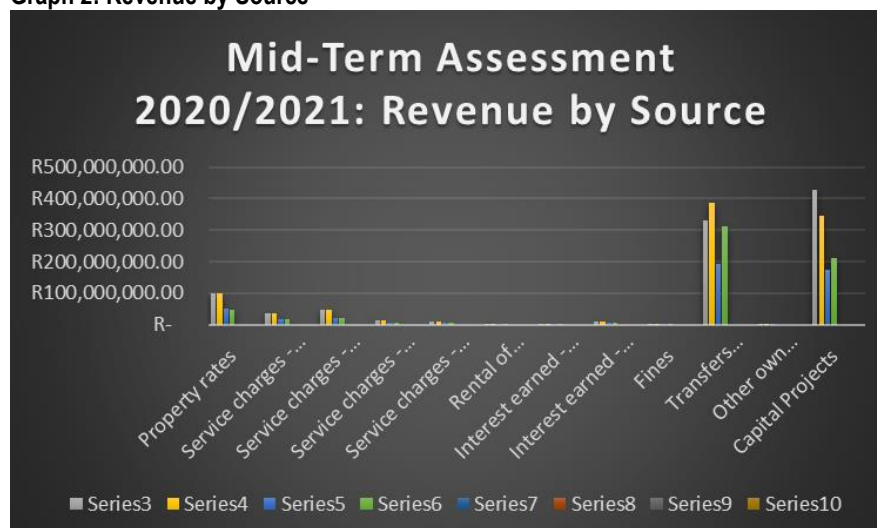
Details	DoRa Allocation 2020/21	Received: December 2020
Financial Management Grant (FMG)	R 2,000,000.00	R 2,000,000.00
Integrated National Electrification Programme (INEP)	R 10,000,000.00	R 10,000,000.00
Expanded Public Works Programme (EPWP)	R 1,914,000.00	R 1,340,000.00
Water Services Infrastructure Grant (WSIG)	R 26,375,000.00	R 16,375,000.00
Municipal Infrastructure Grant (MIG)	R 86,480,000.00	R 72,406,000.00
Regional Infrastructure Grant (RBIG)	R 219,568,000.00	R 110,000,000.00
Energy Efficiency Demand Side Management (EEDSM)	R 2,700,000.00	R 1,000,000.00
Equitable Share	R 394,135,000.00	R 310,335,000.00
Total	R 349,037,000.00	R 213,121,000.00

OTHER REVENUE

Other revenue consists of the following income sources:

Insurance claims,
Sale of proof of residence
Sale of stands
Building Plans

Graph 2: Revenue by Source



Expenditure by Source

This component is intended to provide an overview of the expenditure activities for the Municipality. This component also entails a comparison of the performance of each component in line the supplementary budget and the performance of each source for the first six months of the financial year under review.

Table 3: Expenditure by Source

Mid-Term Assessment (s72) 2020/2021: Expenditure By Source					
R	Budget Year 2020/21	Supplementary Budget 2020/21	Mid-Term Budget Results December 2020	Mid-Term Results December 2020	Variance
Employee related costs	R 171,135,225.00	R 171,135,225.00	R 85,567,612.50	R 93,055,733.00	54.4%
Remuneration of councillors	R 27,948,386.00	R 27,948,386.00	R 13,974,193.00	R 13,983,788.00	50.0%
Debt impairment	R 56,658,443.00	R 56,658,443.00	R 28,329,221.50	R 28,329,221.50	50.0%
Depreciation & asset impairment	R 47,405,346.00	R 47,405,346.00	R 23,702,673.00	R 23,702,673.00	50.0%
Finance charges	R 1,460,312.00	R 1,460,312.00	R 730,156.00	R 225,085.62	15.4%
Bulk purchases	R 94,626,251.00	R 94,626,251.00	R 47,313,125.50	R 50,289,504.00	53.1%
Other materials/ Repairs and Maintenance	R 22,113,986.00	R 22,113,986.00	R 11,056,993.00	R 14,143,267.00	64.0%
Contracted services	R 91,713,209.00	R 91,713,209.00	R 45,856,604.50	R 48,498,442.00	52.9%
General Expenditure	R -	R 58,938,000.00	R 29,469,000.00	R 91,087,259.50	154.5%
Other expenditure	R 35,631,422.00	R 35,631,422.00	R 17,815,711.00	R 16,506,823.92	46.3%
Capital Projects	R 425,731,000.00	R 345,123,000.00	R 172,561,500.00	R 204,076,152.53	59.1%
Total Expenditure	R 974,423,580.00	R 952,753,580.00	R 476,376,790.00	R 583,897,950.07	61%

Source: Chief Albert Local Municipality

Employee Related Costs

The actual employee related costs interim results were at a **54.4%** performance. These results demonstrate a marginal **4.4%** above the interim norm due to various staff bonuses, overtime, standby allowances and other critical staff allowances and benefits. The amount registered was at **R85,567,612.50** with an average monthly cost of **R14.2 Million** for employee related costs.

Depreciation and Asset Impairment

This is a year-end procedure. The actual calculations will therefore be considered when we are in the process of closing our books. Interim figures have therefore been projected at **50%** of the budgeted figures in order to ensure inclusion at a realistically anticipated figure.

Bulk Purchases

The actuals for the purchasing of Bulk electricity are **3.1%** more than the budgeted amount. The fluctuation is as a result of new connections been facilitated and completed by Technical Services. It is also critical to note that the past six-month results have been based on off peak tariffs. It is therefore expected that the amounts to be incurred during the last six months will more than double due to the peak season. The amount incurred for bulk electricity purchases amounted to **R50,289,504.00** for the first six months of the financial year.

Other Expenditure

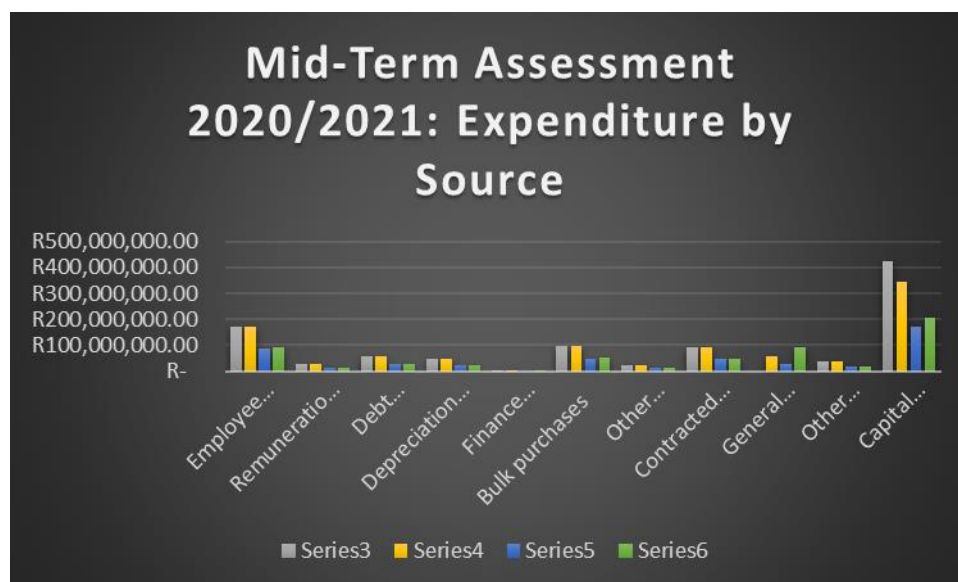
The Municipality is currently severely overspending on general and other expenditure. It is therefore imperative to implemented cost curtailment measures to ensure financial viability. The major areas of concern are with respect to the procurement of essential protective clothing for employees in compliance to the COVID-19 regulation.

Taking into account the effects of the pandemic it is still vital to ensure the implementation of cost containment measures in an effort to address the impact of the country's economic challenges as advised by the National Treasury. It is no longer negotiable to implement measures to contain operational costs and eliminate all non-essential expenditure. The continued overspending will place our financial management excellence at severe risk. This will have a negative impact on the Municipal funded budget if not attended to as a matter of urgency. COVID-19 essential procurement will however remain a priority expenditure source.

Contracted Services

Contracted services have exceeded interim benchmarks by more than **14%**. This is as a result of unanticipated breakdowns due to the dilapidated municipal infrastructure. Technical Services is implored to assist with the implementation of long-term sustainable maintenance plans. If not attended to this will have a negative impact on the Municipal funded budget if not attended to as a matter of urgency. Contracted services have registered a **R48,498,442.00** performance for the first 6 months of the financial year.

Graph 3: Depiction of Expenditure by Source



Source: Chief Albert Local Municipality

Overview Conclusion

The Budget was prepared based on the expected revenue to be generated from exchange and non- exchange transactions. Operating revenue for the past six months which amounted to **R630,589,896.00**. This amounts to **66%** of the anticipated revenue.

The operating expenditure amounted to **R583,897,950.07**. This results to **61%** of the anticipated expenditure forecast. This therefore results in an operational surplus of **R46,691,945.93** for the first six months of the financial year.

Taking into account issues such as COVID-19 and the depletion of economic activities around the world. Chief Albert Luthuli Municipality has managed to record a decent performance for the first six months of the financial year under review. All Municipal activities have been accordingly funded.

Receivables

The outstanding debtors or receivables for the second quarter amounted to a staggering **R869 million** which reflects a massive increase compared to the previous quarter. This increase is mainly due to failure of customers to pay for Municipal services as they fall due and the impact of COVID-19. Additional billing which refers to flat rates in informal areas is the biggest contributor comprising of more than 40% of the debt book. Most accounts have been outstanding for more than 36 months.

The Municipality is however strictly implementing its credit control and debt management policy and has appointed two debt collectors to speedily collect all monies owed to the Municipality.

This is a concerning phenomenon which has the potential of plunging the Municipality into a potential liquidity crisis. Immediate and prompt action must be taken in order to accelerate a solution for the growing issue. This has become a trend which will have to be eliminated.

Table 4: Debtors Age Analysis

Detail	0 - 30 Days		31 - 60 Days		61 - 90 Days		91 - 120 Days		121 - 150 Days		151 - 180 Days		181 Days -1 Year		Over 1Year		Total	
Debtors Age Analysis By Income Source																		
Trade and Other Receivables from Exchange Transactions - Water	R	981,467.00	R	608,616.00	R	460,205.00	R	350,193.00	R	406,558.00	R	482,959.00	R	2,418,617.00	R	23,673,286.00	R	29,381,901.00
Trade and Other Receivables from Exchange Transactions - Electricity	R	1,383,067.00	R	881,134.00	R	631,985.00	R	525,624.00	R	415,708.00	R	739,634.00	R	4,282,957.00	R	13,053,186.00	R	21,913,295.00
Receivables from Non-exchange Transactions - Property Rates	R	28,557,621.00	R	29,536,722.00	R	6,785,319.00	R	5,861,362.00	R	12,914,401.00	R	12,910,885.00	R	16,427,619.00	R	205,695,571.00	R	318,689,500.00
Receivables from Exchange Transactions - Waste Water Management	R	2,296,012.00	R	1,163,469.00	R	1,144,348.00	R	1,129,968.00	R	1,306,192.00	R	972,458.00	R	1,848,976.00	R	59,259,227.00	R	69,120,650.00
Receivables from Exchange Transactions - Waste Management	R	2,259,568.00	R	1,132,414.00	R	1,108,582.00	R	1,090,579.00	R	1,219,889.00	R	888,986.00	R	1,732,889.00	R	67,817,978.00	R	77,250,885.00
Receivables from Exchange Transactions - Property Rental Debtors	R	330,711.00	R	165,942.00	R	164,480.00	R	163,385.00	R	163,124.00	R	162,026.00	R	3,789,843.00	R	348,282,660.00	R	353,222,171.00
Interest on Arrear Debtor Accounts																	R	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure																	R	-
Other	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Total By Income Source	R	35,808,446.00	R	33,488,297.00	R	10,294,919.00	R	9,121,111.00	R	16,425,872.00	R	16,156,948.00	R	30,500,901.00	R	717,781,908.00	R	869,578,402.00
Debtors Age Analysis By Customer Group																		
Organs of State	R	9,907,108.00	R	11,867,506.00	R	1,446,390.00	R	1,275,134.00	R	4,152,547.00	R	4,080,629.00	R	4,654,007.00	R	110,469,871.00	R	147,853,192.00
Commercial	R	2,297,746.00	R	1,967,778.00	R	612,042.00	R	511,860.00	R	920,338.00	R	939,914.00	R	987,398.00	R	24,292,090.00	R	32,529,166.00
Households	R	16,195,279.00	R	10,247,408.00	R	7,242,118.00	R	6,801,835.00	R	7,983,395.00	R	7,769,104.00	R	7,908,924.00	R	427,658,122.00	R	491,806,185.00
Other	R	7,408,313.00	R	9,405,605.00	R	994,369.00	R	532,282.00	R	3,369,592.00	R	3,367,301.00	R	16,950,572.00	R	155,361,825.00	R	197,389,859.00
Total By Customer Group	R	35,808,446.00	R	33,488,297.00	R	10,294,919.00	R	9,121,111.00	R	16,425,872.00	R	16,156,948.00	R	30,500,901.00	R	717,781,908.00	R	869,578,402.00

Source: Chief Albert Local Municipality

Payment of Municipal Creditors

In terms of S65 of the MFMA, all invoices must be paid within 30 days after receipt of an invoice. The payment of creditors is under control with Eskom being the biggest contributor with an outstanding figure of **R24.8 million**. It is very important to take note that the Debt Repayment Plan between the Municipality and Eskom has been fully implemented with all arrears being paid. This is a massive achievement despite the continued distribution losses from the sale of electricity.

In the instance of other outstanding creditors, it is with pleasure to report that they are all within a period of **0-30 days**. The Department of Labour issue is yet to be dealt with. Management will make a commitment to secure a meeting in order to facilitate the write down of the fine as an initial option or to sign an adequate debt repayment plan in order to mitigate the debt.

Mid-term results therefore demonstrate an outstanding creditors book of **R29 447 800.00**.

Table 5: Creditors Age Analysis

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days -1 Year	Over 1Year	Total
Bulk Electricity	R 5,891,242.00	R 272,136.00	R 11,858,385.00	R 6,798,136.00	R -	R -	R -	R -	R 24,819,899.00
Bulk Water	R -	R -	R -	R -	R -	R -	R -	R -	R -
PAYE deductions	R -	R -	R -	R -	R -	R -	R -	R -	R -
VAT (output less input)	R -	R -	R -	R -	R -	R -	R -	R -	R -
Pensions / Retirement deductions	R -	R -	R -	R -	R -	R -	R -	R -	R -
Loan repayments	R -	R -	R -	R -	R -	R -	R -	R -	R -
Trade Creditors	R -	R -	R -	R -	R -	R -	R -	R -	R -
Auditor General	R -	R -	R -	R -	R -	R -	R -	R -	R -
Other	R 85,395.00	R -	R -	R -	R -	R -	R -	R -	R 85,395.00
Department of Labour	R -	R -	R -	R 4,542,505.00	R -	R -	R -	R -	R 4,542,505.00
Total	R 5,976,637.00	R 272,136.00	R 11,858,385.00	R 11,340,641.00	R -	R -	R -	R -	R 29,447,799.00
Bulk Electricity	R 5,891,242.00	R 272,136.00	R 11,858,385.00	R 6,798,136.00	R -	R -	R -	R -	R 24,819,899.00
Busi Ntuli	R 47,389.20		R -	R -	R -	R -	R -	R -	R 47,389.20
Hercules Motors	R 3,171.14		R -	R -	R -	R -	R -	R -	R 3,171.14
Indukulu Auto	R 12,450.00		R -	R -	R -	R -	R -	R -	R 12,450.00
Dot Com Printers	R 2,357.50		R -	R -	R -	R -	R -	R -	R 2,357.50
SAIPA	R 10,027.37		R -	R -	R -	R -	R -	R -	R 10,027.37
Southern Business School	R 10,000.00		R -	R -	R -	R -	R -	R -	R 10,000.00
Department of Labour	R -	R -	R -	R 4,542,505.98	R -	R -	R -	R -	R 4,542,505.98
Total	R 5,976,637.21	R 272,136.00	R 11,858,385.00	R 11,340,641.98	R -	R -	R -	R -	R 29,447,800.19

Source: Chief Albert Local Municipality

Investments

Chief Albert Luthuli Municipality investments are at Sanlam, RMB Momentum and STANLIB. Below is the audited Investment Register for the year ended 31 December 2020.

The Municipality had a positive investment portfolio to the value of **R4 340 781.85**.

Table 6: Investment Register

UNIT TRUSTS HELD BY THE MUNICIPALITY										
Account no	Description		Opening balance	Invested	Withdrawn	Charges	Dividends	Interest	Fair value adjustment	Closing Balance
9921774x7	Sanlam Unit Trust		R 108,437.67	R -	R -	R -	R -	R 6,456.84		R 114,894.51
28263	RMB Momentum		R 276,245.00	R -	R -	R -	R -	R 18,367.54	R -	R 294,612.54
IP0006247	Coronation Strategic Income Fund D		R 290,723.07	R -	-R 290,723.07	R -	R -	R -	R -	R -
IP0006247	Investec Diversified income Fund A		R 65,523.94	R -	-R 65,696.55	R -	R -	R -	R -	-R 172.61
IP0006247	Stanlib Nedgroup Flexible Income Fund A		R 195,900.67	R -	-R 195,900.67	R -	R -	R -	R -	R -
IP0006247	Stanlib Extra Income Fund R		R 48,952.72	R -	R -	R -	R -	R 3,358.21	R -	R 52,310.93
IP0006247	Stanlib Flexible Income A		R 19,334.95	R -	R -	R -	R -	R 1,187.66	R -	R 20,522.61
IP0006247	Stanlib Income Fund R		R 42,710.26	R -	R -	R -	R -	R 3,263.80	R -	R 45,974.06
IP0006247	Nedgroup inv Flex income B1		-	R 290,723.07	R -	R -	R -	R 13,753.84	R -	R 304,476.91
IP0006247	Stanlib Flexible Income ABIL Retention fund		R -	R 65,696.55	R -	R -	R -	R 4,424.02	R -	R 70,120.57
IP0006247	Stanlib Income ABIL Retention Fund		R -	R 195,900.67	R -	R -	R -	R 12,701.92	R -	R 208,602.59
552051643	Stanlib Extra Income Fund B1		R 2,300,376.00	R -	R -	R -	R -	R 148,447.84	R -	R 2,448,823.84
552486975	Stanlib Extra Income ABIL retention fund		R -	R -	R -	R -	R -	R -	R -	R -
	Sub total		R 3,348,204.28	R 552,320.29	-R 552,320.29	R -	R -	R 211,961.67	R -	R 3,560,165.95
SHARES HELD BY THE MUNICIPALITY										
Account no	Number of shares	Number of shares	Opening balance	Share price	Additions	Charges	Dividends	Interest	Fair value adjustment	Closing Balance
U0061096351		13,242	R 1,034,994.72	58.95					R 254,378.82	R 780,615.90
	Sub total		R 1,034,994.72		-	-	-	-	R 254,378.82	R 780,615.90
	Grand total		R 4,383,199.00	R 552,320.29	-R 552,320.29	R -	R -	R 211,961.67	R 254,378.82	R 4,340,781.85

Source: Chief Albert Local Municipality

Cashflow Analysis

Chief Albert Luthuli Municipality has also managed to effectively manage its cashflow position ending the second quarter 31 December 2020 with a positive liquidity position of **R264 619 379.84**.

The Municipality was able to settle all core obligations whilst all conditional grants remain ring fenced and utilised for the sole purposes as intended through the Division of Revenue Act (DORA). It is also anticipated that there will be sufficient cash available to adequately end the year on a positive note.

Table 7: Cashflow Analysis

Detail	Month 1:July	Month 2:Aug	Month 3:Sept	Month 4:Oct	Month 5:Nov	Month 6:Dec
Cash Receipts by Source						
Property rates	R 3,721,329.00	R 4,860,276.00	R 8,363,809.00	R 2,903,259.00	R 2,634,686.00	R 2,880,936.00
Service charges - electricity revenue	R 1,765,780.00	R 2,816,991.00	R 2,259,588.00	R 1,158,906.00	R 1,807,699.00	R 2,419,513.00
Service charges - water revenue	R 1,384,810.00	R 340,913.65	R 1,253,539.00	R 190,384.00	R 486,998.00	R 263,757.00
Service charges - sanitation revenue	R 278,862.00	R 193,458.25	R 297,519.00	R 179,689.00	R 254,637.00	R 128,920.00
Service charges - refuse revenue	R 293,329.00	R 326,937.98	R 991,654.00	R 159,067.00	R 405,176.00	R 138,240.00
Service charges - other	R 234,979.00	R 221,062.00	R 312,548.00	R 113,993.00	R 194,803.00	R 106,798.00
Fines	R 4,465.00	R 10,820.00	R 11,900.00	R 10,850.00	R 13,670.00	R -
Licences and permits	R 27,478.00	R -	R 455,000.00	R 45,885.00	R 14,775.00	R 28,475.00
Transfer receipts - operational	R 150,839,000.00	R 2,479,000.00	R -	R 50,607.00	R -	R 101,419,000.00
Other revenue	R 1,213,222.00	R 3,598,465.00	R 10,559,616.00	R 3,639,499.00	R -	R 7,921,944.00
Cash Receipts by Source	R 159,763,254.00	R 14,847,923.88	R 24,505,173.00	R 8,452,139.00	R 5,812,444.00	R 115,307,583.00
Transfer receipts - capital	R 48,340,665.00	R 50,000,000.00	R 20,499,500.00	R 10,000,000.00	R 90,500,000.00	R -
Total Cash Receipts by Source	R 208,103,919.00	R 64,847,923.88	R 45,004,673.00	R 18,452,139.00	R 96,312,444.00	R 115,307,583.00
Cash Payments by Type						
Employee related costs	R 15,956,108.00	R 15,956,108.00	R 15,956,108.00	R 15,994,615.00	R 15,879,272.00	R 16,313,522.00
Remuneration of councillors	R 1,527,332.00	R 2,340,224.00	R 1,779,058.00	R 1,779,058.00	R 1,779,058.00	R 1,779,058.00
Interest paid	R 51,190.62	R -	R 41,783.00	R 51,915.00	R 45,654.00	R 34,543.00
Bulk purchases - Electricity	R 15,000,321.00	R 22,721.00	R 4,967,389.00	R 15,253,584.00	R 14,588,700.00	R 456,789.00
Other materials	R 287,569.00	R -	R 576,221.00	R 365,789.00	R 2,345,791.00	R 3,567,897.00
Contracted services	R 2,561,872.00	R 1,672,398.00	R 9,764,561.00	R 5,382,000.00	R 5,643,290.00	R 3,474,321.00
General expenses	R 23,275,246.50	R 10,452,054.00	R 31,828,865.00	R 17,500,050.00	R 43,343,503.00	R 4,687,541.00
Cash Payments by Type	R 58,659,639.12	R 30,443,505.00	R 64,913,985.00	R 56,327,011.00	R 83,625,268.00	R 30,313,671.00
Capital assets	R 5,342,711.00	R -	R 8,845,672.00	R 6,289,700.00	R 28,543,778.00	R 4,338,039.00
Other Cash Flows/Payments	R 3,506,823.92	R -	R -	R -	R -	R -
Total Cash Payments by Type	R 67,509,174.04	R 30,443,505.00	R 73,759,657.00	R 62,616,711.00	R 112,169,046.00	R 34,651,710.00
Net Increase/(Decrease) in Cash Held	R 140,594,744.96	R 34,404,418.88	-R 28,754,984.00	-R 44,164,572.00	-R 15,856,602.00	R 80,655,873.00
Cash/cash equivalents at the month/year begin:	R 97,740,501.00	R 238,335,245.96	R 272,739,664.84	R 243,984,680.84	R 199,820,108.84	R 183,963,506.84
Cash/cash equivalents at the month/year end:	R 238,335,245.96	R 272,739,664.84	R 243,984,680.84	R 199,820,108.84	R 183,963,506.84	R 264,619,379.84

Status of Audit Action Plans

Chief Albert Luthuli Municipality received an unqualified audit opinion from the Auditor-General. An audit action plan has been developed to address those other matters of emphasis raised by the Auditor-General.

Weekly monitoring of the Status of the Audit Action Plan will be conducted through weekly Top Management meetings. A Monthly report on the status of implementation will be sent to Finance Portfolio, Mayoral Committee and Council.

Portfolio of evidence for matters resolved will be non-negotiable as Internal Audit is anticipated to conduct the review of the Audit Action plan by the end of the third quarter.

Table 8: Summary of Findings – Auditor General: 2018/19

Description of Finding	Number of Findings	Resolved	In progress	Not yet commenced	TOTAL
Quality of AFS	30	30	-	-	30
Asset Management	5	5	-	-	5
AOPO	23	23	-	-	23
Compliance	2	-	2	-	2
SCM	12	12	-	-	12
Internal Control	42	40	2	-	42
TOTAL	114	110	4	0	
Percentage Completion		96%	4%	0%	100%

Source: Chief Albert Local Municipality

For the **2019/2020** financial year, the municipality has ensured the submission of the Annual Financial Statements to the Auditor-General of South Africa. Due to the impact of COVID-19 the Audit is currently ongoing. The Audit Report is anticipated to be issued on the 28 February 2020.

Implementation Status of the mSCOA Regulations

Chief Albert Luthuli Municipality is 100% live in terms of the implementation of the Municipal Standard Chart of Accounts (mSCOA).

All modules are active and the municipality is transacting on the Enterprise Management System (EMS).

To date Chief Albert Luthuli Local Municipality has made significant progress with regards to the implementation of the mSCOA regulations and has achieved 100% status in terms of transacting and going live on all critical modules.

There are currently NO technical issues on the reporting side of the system which are of significant concern. All systematic issues have been resolved. Only day to day Implementation issues are currently being dealt with on a regular basis. These are however dealt with within a reasonable turnaround time.

The Chief Albert Luthuli Local Municipality and Sebata have reached consensus around the synergy of basics such as the general ledger, trail balance, National Treasury templates.

Grants Performance

Table 9: Conditional Grant Register

Details	DoRa Allocation 2020/21	Roll-Over Approved	Received: December 2020	Expenditure: December 2020	Closing Balance: December 2020	% Allocation	% Receipts
Financial Management Grant (FMG)	R 2,000,000.00	R -	R 2,000,000.00	R 1,000,000.00	R 1,000,000.00	50%	50%
Integrated National Electrification Programme (INEP)	R 10,000,000.00	R -	R 10,000,000.00	R 2,412,088.45	R 7,587,911.55	24%	24%
Expanded Public Works Programme (EPWP)	R 1,914,000.00	R -	R 1,340,000.00	R 861,438.00	R 1,052,562.00	45%	64%
Water Services Infrastructure Grant (WSIG)	R 26,375,000.00	R -	R 16,375,000.00	R 21,712,852.20	R 4,662,147.80	82%	133%
Municipal Infrastructure Grant (MIG)	R 86,480,000.00	R -	R 72,406,000.00	R 60,120,305.18	R 26,359,694.82	70%	83%
Regional Infrastructure Grant (RBIG)	R 219,568,000.00	R 97,000,000.00	R 110,000,000.00	R 117,293,602.20	R 102,274,397.80	53%	107%
Energy Efficiency Demand Side Management (EEDSM)	R 2,700,000.00	R -	R 1,000,000.00	R 675,866.50	R 2,024,133.50	25%	68%
Total	R 349,037,000.00	R 97,000,000.00	R 213,121,000.00	R 204,076,152.53	R 144,960,847.47	58%	96%

Source: Chief Albert Local Municipality

Conditional Grant expenditure as at the end of the second quarter ending 31 December 2020 has been sufficiently good in terms of performance.

In comparison to Receipts the Municipality has received a total of **R213 121 000** in line with the Division of Revenue and has spent a total of **R204 076 152** which amount to an overall **96%** of the funds received.

From an overall perspective a total of **R349 037 000** has been allocated via the Division of Revenue whilst a total of **R204 076 152** has been spent which gives an overall performance of **58%**. The major grant of concern is the Integrated National Electrification Programme (INEP) and the Energy Efficiency Demand Side Management (EEDSM). An acceleration plan has been put together and an increase in performance is anticipated within the next 2 months. All other Grant Expenditure are sufficient and there is no prospect of underperformance or any roll-overs.

1. SUMMARY OF STRATEGIC OBJECTIVES AND KEY PERFORMANCE AREAS AND TARGETS

NO	STRATEGIC OBJECTIVE	NUMBER OF TARGETS PLANNED FOR THE YEAR	NUMBER OF TARGETS PLANNED AT MID YEAR	NUMBER OF TARGETS ACHIEVED	PERCENTAGE ACHIEVED
1.	To ensure good leadership and governance	38	29	14	48%
2.	To ensure efficient and effective Information Communication Technology (ICT)	4	4	3	75%
3.	To ensure transformed institution with competent and capable human capital	12	8	6	75%
4.	To ensure financial healthier and sustainable environment	23	19	15	79%
5.	To ensure provision of basic services	24	23	17	74%
6.	To ensure sustainable Local Economic Development	17	16	5	29%
Total		118	99	61	62%

NO	STRATEGIC OBJECTIVE	KEY PERFORMANCE AREA	NUMBER OF TARGETS PLANNED FOR THE YEAR	NUMBER OF TARGETS PLANNED AT MID YEAR	NUMBER OF TARGETS ACHIEVED	PERCENTAGE ACHIEVED
1.	To ensure good leadership and governance	KPA: Policies and Procedures	2	2	0	0%
		KPA: Governance Structures	1	0	0	0%
		KPA: Good Governance and Leadership	7	6	3	50%
		KPA: Legal and Compliance	2	2	1	50%
		KPA: Public Participation	6	2	0	0%
		KPA: Disaster Management	2	2	2	100%
		KPA: Traffic Management	2	2	2	100%
		KPA: Marketing and Communication	5	5	2	40%
		KPA: Performance Reporting	7	5	3	60%
		KPA: Risk Management	2	2	1	50%
		KPA: Internal Audit	2	1	0	0%
2.	To ensure efficient and effective Information Communication Technology (ICT)	KPA: Data Integrity and Security	4	4	3	75%
3.	To ensure transformed institution with competent and capable human capital	KPA: Learning and Development	5	4	2	50%
		KPA: Management of vacancies	6	3	3	100%
		KPA: Leave Management	1	1	1	100%
4.	To ensure financial healthier and sustainable environment	KPA: Supply Chain Management (SCM)	3	2	1	50%
		KPA: Revenue Management	6	5	4	80%
		KPA: Expenditure Management	5	4	4	100%
		KPA: Financial Management	2	2	2	100%
		KPA: Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF)	3	3	3	100%

		KPA: Asset Management	2	1	1	100%
		KPA: Debt Management	1	1	0	0%
		KPA: Creditors Management	1	1	0	0%
5.	To ensure provision of basic services	KPA: Access to Electricity	6	6	6	100%
		KPA: Access to Water and Sanitation	4	4	2	50%
		KPA: Access to Roads and Transportation System	5	4	0	0%
		KPA: Waste Management	4	4	4	100%
		KPA: Project Management	5	5	5	100%
6.	To ensure sustainable Local Economic Development	KPA: Social Development	4	4	1	25%
		KPA: Economic Development	3	3	1	33%
		KPA: Land use management	4	4	0	0%
		KPA: Job Opportunities	2	1	1	100%
		KPA: Healthy and Safer Environment	4	4	2	50%
Total number of targets			118	99	61	62%

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
2. STRATEGIC OBJECTIVE 1: TO ENSURE GOOD LEADERSHIP AND GOVERNANCE										
KPA: POLICIES AND PROCEDURES										
1.	Number of developed and reviewed policies	Corporate Services	38	5	2	0	Not Achieved	Departments Policies to be reviewed.	HR were submitted Policies and By-law Committee for reviewal	Policies and By-law resolutions
2.	Number of departmental of service charters developed	Corporate Services	2	3	1	0	Not Achieved	The charter was referred by Council to Stract Plan for reviewal.	The Municipality has to ensure that the Strategic Planning session is convened to take into consideration the charter	Council Resolution/ Strategic Plan resolutions

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
KPA: GOVERNANCE STRUCTURES										
3.	Number of departmental strategies and department plans approved	All Departments	9	1	0	0	Not Applicable	Not Applicable	Not Applicable	Council Resolution
KPA: GOOD GOVERNANCE AND LEADERSHIP										
4.	Number of management reports submitted to relevant governance structures	All Departments/ Council and Executive	60	96	48	193	Achieved	Not Applicable	Not Applicable	Minutes of the structures of Council/ Indexes
5.	Number of meetings attended	All Departments/ Council and Executive	417	443	222	166	Not Achieved			Signed Notices/ Attendance Registers
6.	Percentage of forum meetings attended as per invitation	All Departments	100%	100%	100%	100%	Achieved	Not Applicable	Not Applicable	Signed Notices/ Attendance Registers
7.	Percentage of internal audit findings resolved within 90 days after internal audit	Office of the Municipal Manager	100%	100%	100%	20%	Not Achieved			

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
	report has been issued									
8.	Percentage of external audit findings resolved within legislated 60 days (31 January)	Office of the Municipal Manager	100%	100%	100%	100%	Achieved	Not Applicable	Not Applicable	
9.	Number of annual report approved within legislated timeframe	Office of the Municipal Manager	1	1	0	1	Achieved	Not Applicable	Not Applicable	
10.	Number of unqualified audit opinion received	Office of the Municipal Manager	1	1	1	0	Not Achieved	Audit opinion was issued in second quarter due to covid		
KPA: LEGAL AND COMPLIANCE										
11.	Percentage of Service Level Agreements (SLAs) finalised within 30 days of awarding the contract	Corporate Services	100%	100%	100%	100%	Achieved	Not Applicable	Not Applicable	Copies of SLA's

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
12.	Number of by-laws reviewed and drafted	Corporate Services	2	4	2	1	Not achieved	Department did not submit by-laws to be reviewed.	The Department will continue to remind departments to submit by-laws for reviewal.	Copy of the Draft Land invasion By-law
KPA: PUBLIC PARTICIPATION										
13.	Number of IDP, Budget, process plan and framework plan approved on 31 August	Planning and Economic Development	1	1	1	1	Achieved	Not Applicable	Not Applicable	
14.	Number of IDP process plan and consultations conducted	Planning and Economic Development	25	25	25	25	Achieved			
15.	Number of next year's IDP first draft approved by 31 March	Planning and Economic Development	1	1	0	0	Not Applicable	Not Applicable	Not Applicable	

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No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
21.	Number of traffic law enforcement programmes implemented	Community and Safety Services	12	6	6	13	Achieved			
22.	Percentage increase in traffic fines issued	Community and Safety Services	23.6%	20%	20%	21%	Achieved			
KPA: MARKETING AND COMMUNICATION										
23.	Number of internal monthly newsletters produced	Executive Mayor office	12	12	6	3	Not Achieved			Copies of Newsletters on Facebook Page
24.	Number of external quarterly newsletters produced	Executive Mayor office	4	4	2	0	Not Achieved	Not enough budget	Budget provision will be made available during the adjustment.	Copy of the news letter.
25.	Number of satisfaction surveys conducted.	Corporate services	1	4	2	0	Not achieved			Copies of the Completed forms.
26.	Number of display of national symbols in all buildings.	Corporate services	5	4	2	10	Achieved	Not Applicable	Not Applicable	Pictures of National Symbols
27.	Number of awareness programmes conducted on municipal services	Corporate services	4	4	2	6	Achieved	Not Applicable	Not Applicable	Attendance registers.

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
3. KPA: PERFORMANCE REPORTING										
28.	Number of next year's SDBIP approved before 30 June	Performance Management	1	1	0	0	Not Applicable	Not Applicable	Not Applicable	Signed dates on the document
29.	Number of PMS Frameworks approved by 30 September	Performance Management	1	1	1	1	Achieved	Item was prepared and sent to clr	Preparations of items before the start of the F/Y	
30.	% of senior management performance agreements approved by 31 July	Performance Management	100%	100%	100%	100%	Achieved			Signed dates on the document
31.	% of senior management performance agreements submitted to relevant stakeholders by 14 August	Performance Management	5%	100%	100%	100%	Achieved			proof of emails COGTA
32.	% of annual performance assessment of senior management by 30 July	Performance Management	0%	100%	100%	0	Not Achieved			

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No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
39.	Number of Firewall and anti-virus installations completed	Corporate Services	1	4	2	1	Not Achieved			Screenshots
40.	Number of monthly offsite backup storage conducted	Corporate Services	12	12	6	6	Achieved			Backup report
41.	Number of compliance to Section 75 (MFMA) requirements in terms of the Website updating monthly	Corporate Services	12	12	6	36	Achieved	Documents that are regulated by the MFMA were not submitted by Departments to be uploaded in the Municipal Website.		Screenshots of uploaded documents
42.	Percentage of ICT related devises maintained	Corporate Services	100%	100%	100%	100%	Achieved	Not Applicable	Not Applicable	Monthly reports
5. STRATEGIC OBJECTIVE 3: TO ENSURE TRANSFORMED INSTITUTION WITH COMPETENT AND CAPABLE HUMAN CAPITAL										
KPA: LEARNING AND DEVELOPMENT										
43.	Number of Workplace Skills Plan (WSP) and Annual Training Plan (ATP) to LG SETA before 30 April 2020	Corporate Services	1	1	0	0	Not Applicable	Not Applicable	Not Applicable	Copy of the WSP
44.	Number of employees trained as per the WSP	Corporate Services	72	20	10	24	Achieved	Not Applicable	Not Applicable	ATR/ Monthly Activity Report

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
45.	Number of councillors trained as per the WSP	Corporate Services	10	10	4	3	Not Achieved		A programme on training for Members of the Municipal Council will be implemented.	ATR/ Monthly Activity Report
46.	Number of library awareness programme implemented	Community And Safety	30	30	18	0	Not Achieved			
47.	Number of environmental campaigns conducted	Community and Safety Services	4	4	2	4	Achieved			
KPA: MANAGEMENT OF VACANCIES										
48.	Number of critical, vacant and funded positions filled	Corporate Services	5	30	16	49	Achieved		Recruitment and Acceleration plans will be implemented.	Offer Letters
49.	Number of women, youth, racial groups and people with disability appointed	Corporate Services	0	1	0	2	Achieved	Not Applicable	Not Applicable	Offer Letter
50.	Number of female appointments in Senior Management positions (To be in line with Employment Equity Plan)	Corporate Services	0	1	0	1	Achieved	Not Applicable	Not Applicable	Offer Letter

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
51.	Number of female appointments in Middle Management positions (To be in line with Employment Equity Plan)	Corporate Services	0	1	0	0	Not Applicable	Not Applicable	Not Applicable	Offer Letters
52.	Staff turnover rate maintained below 5%	Corporate Services	2.1%	5%	5%	0.5%	Not Achieved			VIP Report
53.	Number of intern positions filled	All Departments	4	5	2	0	Not Achieved			Appointment Letters
KPA: LEAVE MANAGEMENT										
54.	Number of monthly leave registers approved	All Departments	12	12	6	10	Achieved			Copy of the leave register
6. STRATEGIC OBJECTIVE 4: TO ENSURE FINANCIAL HEALTHIER AND SUSTAINABLE ENVIRONMENT										
KPA: SUPPLY CHAIN MANAGEMENT (SCM)										
55.	Number of procurement plans approved by 30 May	Financial services	1	1	0	0	Not Applicable	Not Applicable	Not Applicable	Procurement Plan
56.	Number of quarterly contract registers submitted to MMs office	Financial services	4	4	2	2	Achieved	Not Applicable	Not Applicable	Contract Register

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No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
84.	Number of boreholes repaired	Technical Services	42	42	24	35	Achieved		Consumable parts to be readily available in stores	Job cards, Inspection forms and pictures
85.	Number of pumps & Motors maintained	Technical Services	40	87	47	18	Not Achieved			Job cards, Inspection sheets and pictures
86.	Number of meters of water network maintained	Technical Services	21 780	12 000	6 000	778m	Not Achieved	No material	Procurement	Job Card
87.	Percentage of new households water connection received and responded to	Technical Services	New	100%	100%	100%	Achieved	Not Applicable	Not Applicable	Application form received & Job Card
KPA: ACCESS TO ROADS AND TRANSPORTATION SYSTEM										
88.	Number of KMs of gravel roads maintained	Technical Services	235.3	400	200	154.3 km have been attended	Not Achieved	Breakdown of Yellow Fleet	Expedite the issuing of orders	Signed progress report
89.	Number of square meters of road repaired	Technical Services	684	500	250	213m2	Not Achieved			Copy of Materials requisition
90.	Number of foot bridges constructed	Technical Services	2	2	0	None	Not Applicable	Not Applicable	Footbridges will be constructed on the 3 rd and 4 th Quarter	Signed progress report
91.	Number of vehicles bridges maintained	Technical Services	0	1	1	None	Not Achieved	Maintenance of ward 19 bridge will commence on the 3 rd quarter	none	Signed progress report

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
92.	Number of speed humps constructed	Technical Services	16	10	4	2 Speed humps constructed at ward 09	Not Achieved		More speed humps be constructed on the 3 rd quarter	Operation and maintenance report
KPA: WASTE MANAGEMENT										
93.	Number of areas receiving refuse removal services	Community and Safety Services	6	6	6	6	Achieved	Not Applicable	Not Applicable	Trip Authorities and Weekly Programs
94.	Number of refuse bins supplied to billable households.	Community and Safety Services	501	500	250	400	Achieved	Not Applicable	Not Applicable	Distribution Register
95.	Number of disposal sites maintained	Community and Safety Services	1	5	5	5	Achieved	Not Applicable	Not Applicable	Weekly Reports
96.	Number of cemeteries maintained	Community and Safety Services	6	6	6	6	Achieved	Not Applicable	Not Applicable	Notice of Internment spreadsheet
KPA: PROJECT MANAGEMENT										
97.	Number of water programs monitored	Project Management	5	3	3	6	Achieved	Not Applicable	Not Applicable	Site Visit Reports
98.	Number of sanitation programs monitored	Project Management	2	3	3	2	Not Achieved	Not Applicable	Not Applicable	Site Visit Reports

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
99.	Number of electrification programs monitored	Project Management	3	3	2	2	Achieved	Not Applicable	Not Applicable	Site Visit Reports
100.	Number of roads programs monitored	Project Management	3	3	3	3	Achieved	Not Applicable	Not Applicable	Site Visit Reports
101.	Number of public facilities programs monitored	Project Management	2	1	1	1	Achieved	Not Applicable	Not Applicable	Site Visit Reports
8. STRATEGIC OBJECTIVE 6: TO ENSURE SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT										
KPA: Social Development										
102.	Number of employee wellness programmes conducted	Corporate Services	12	12	6	18	Achieved	Not Applicable	Not Applicable	Medical surveillance attendance registers and pictures of COVID-19 health protocols signs that were placed in all municipal buildings entrances,
103.	Number of personnel/ Skills development	Project Management	9	9	3	0	Not Achieved			

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
104.	Number of sports and cultural events organised for the community	Community and Safety Services	4	4	2	0	Not Achieved	Lockdown		Registers
105.	Number of Moral Regeneration Movement structures supported	Community and Safety Services	8	8	4	0	Not Achieved	Lockdown		Regisers
KPA: ECONOMIC DEVELOPMENT										
106.	Number of LED strategy projects implemented	Planning and Economic Development	1	1	1	0	Not Achieved			Report
107.	Number of Co-ops offered support	Planning and Economic Development	38	40	20	21	Achieved			List of Coops
108.	Number of tourism awareness campaigns conducted	Planning and Economic Development	12	12	6	0	Not Achieved			Attendance Registers
KPA: LAND USE MANAGEMENT										
109.	Number of cemetery established (Carolina)	Planning and Economic Development	1	1	1	0	Not Achieved			Project initiation
110.	Number of cemetery established (eManzana)	Planning and Economic Development	1	1	1	0	Not Achieved			Project initiated

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
111.	Number of Land-audit conducted and finalised	Planning and Economic Development	1	1	1	0	Not Achieved			Land audit report
112.	Percentage of RDP houses Monitored	Planning and Economic Development	1	100%	100%	100%	Not Achieved			Attendance Register
KPA: JOB OPPORTUNITIES										
113.	Number of programmes implemented for job opportunities	Planning and Economic Development	4	4	2	4	Achieved			Attendance Registers & Contracts
114.	Number of employment Equity Report (EER) submitted before 15 January	Corporate Services	1	1	0	0	Not Applicable	Not Applicable	Not Applicable	Copy of the submitted EEA 2 and EEA 4 report
KPA: HEALTHY AND SAFER ENVIRONMENT										
115.	Number of monthly Occupational Health and Safety (OHS) reports submitted to the Office of the Municipal Manager	Corporate Services	12	12	6	4	Not achieved	Subcommittee did not sit.	Schedule of meetings is developed.	Copy of the reports

No	Key Performance Indicator	Department	Baseline	Annual Target	Mid-term target	Mid-term performance	Target achieved/ Not achieved	Reason for Not Achieving	Measures Taken to Improve Performance	Portfolio of Evidence
116.	Number of health and safety inspections and awareness's conducted	Corporate services	31	31	16	25	Achieved			Memo COVID-19 health protocol and Requisition forms
117.	Number of HIV and AIDS campaigns conducted	Office of the Executive Mayor	4	4	2	0	Not Achieved	Due to COVID-19	Programme will continue after COVID-19	Attendance registers
118.	Percentage of findings as per the directives responded to	Corporate Services	100%	100%	0%	100%	Achieved	Not Applicable	Not Applicable	Internal Audit Report.

Recommendation of an adjustment budget

- I. Regulation 23 of the Municipal Budget AND Reporting Regulations provides, inter alia for the following:
- II. "An adjustment budget be tabled in the Municipal Council at any time after the Mid-year Budget and
- III. Performance Assessment has been tabled in the council, but not later than 28 February of each year"
- IV. The need for the preparation of an adjustment of the 2020/21 financial year is as follows:
- V. Appropriation of funds towards infrastructure repair and maintenance;
- VI. Appropriation of funds towards under/over spent votes;
- VII. Appropriation of additional revenues and underperformance of the revenue sources
- VIII. Authorizing of unforeseeable and unavoidable expenditure;
- IX. Funding of overspent votes like general expenditure and contracted services



MANDLA S DLAMINI
Accounting Officer

22 January 2021
Date



CLR DANIEL P NKOSI
Executive Mayor

22 January 2021
Date