



# **MID –YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT**

**2021/22 FY**

<b>Table of Contents</b> .....	<b>2</b>
Glossary.....	3
Section 1-Introduction.....	4
Section 2 – Legislative Framework.....	5
Section 3 – Report of the Executive Mayor.....	6-7
Section 4 – Executive Summary.....	8
Section 5 – Financial Performance Analysis.....	9
Section 6– Revenue Management.....	11-13
Section 7 – Expenditure Management.....	14-15
Section 8 – Conditional Grant Management.....	16-17
Section 9 – Asset Management.....	18-20
Section 10 – Service Delivery and Budget Implementation Plan.....	21
Section 11 – Municipal Manager’s Quality Certification.....	

## **Glossary**

**Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Vote** – One of the main segments into which a budget. In Kgatelopele Local Municipality this means at directorate level.

## **SECTION 1**

### ***Introduction***

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Section 72, and
- The Municipal Budget and Reporting Regulations, 35.

The MBRR highlights the format of the mid-year budget and performance assessment.

*“33. A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”*

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

## **SECTION 2**

### **Legislative framework**

In terms of Section 72 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 budget and 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.

We like to highlight and request council to take note that the Section 52, Quarterly Budget Monitoring Report for the second quarter will be incorporated in this report. The requirements of section 52(d) will be met in this Mid-year Budget and Assessment Report.

## SECTION 3

### Executive Mayor's report

The core mandate for local municipality's like ours is to provide services to the communities in our jurisdiction. Which makes local government, municipalities, by virtue of the three spheres of the government the closed sphere of government to the people. This is where the community interactions directly with government. It is therefore our responsibility to continue serving our communities to the best of our ability utilising our resources and infrastructure at our disposal.

The Mid -Year Budget and Performance Assessment for 2021/2022 financial year is prepared in accordance with the Municipal Finance Management Act (Section72 of MFMA).

The table below is the current approved budget for the 2021/22 financial year.

<b>Description</b>	<b>Total Budget 2020/2021 R'000</b>
<b>Total Revenue (Excluding Capital Transfers)</b>	R 116 715
<b>Total Operating Expenditure</b>	R 116 205
<b>Total Capital Expenditure</b>	R 21 845

The mid-year performance assessment, assess our performance as a municipality to ensure that the projects and assumptions made at the time of the original budget can still be achieved and for new unforeseen circumstance can be included into the budget projection and assumptions. We cannot move forward without knowing how far we have come and if we are still on the right track.

The mid-year assessment report is divided in four section which is based on the section 72 done on the finance section.

- Revenue
- Operational Expenditure
- Capital expenditure

## *Revenue*

The municipality's main source of revenue stems from rendering of basic services to Danielskuil and Lime Acres. The collection rate for the financial year at the end of December 2021 focusing solely on what was billed and receipted for that period is 87,35%. Total outstanding debtors remains relatively high at R 69 366 273 which is lower than the December 2020 figure of R 69 418 000. This is not a good sign, as the movement over a period of a year is relatively low. Water services remains the highest owed service at the municipality, drastic measure needs to be implemented to ensure that we collect on the services we provide.

Awareness on the importance of paying municipal accounts remains a crucial aspect in improving the payment culture in our community, which will result in better service delivery to the residents of Kgatelopele Local Municipality. Educating the community about their municipal accounts and ensuring that credit control is implemented will ensure that we decrease this outstanding debt. Being financially sustainable and viable is a goal we have to achieve in this lifetime.

## *Operating expenditure by type*

The municipality had a total of R 18 461 000 as at the end of December 2021, this is significantly higher than the R 15 852 078 as at end of December 2020. There has been an increase in expenditure and the low collection rate has placed immense pressure on the municipality's cashflow. Implementation of improved controls such as cashflow forecasting has assisted the municipality in better planning for expenditure it wishes to incur. A drastic reduction in expenditure is needed to ensure the municipality remains financially stable again. For the first time since 2019, the municipality is in arrears with their Eskom account. Our municipality is fortunate to be the sole supplier of electricity in the Danielskuil area, which allows the municipality to be able to implement credit control.

In the 2021/22 financial year the municipality remains committed to this objective, to ensure creditors are paid within 30 days. We need to start prioritising expenditure and reduce the nice to have expenditure. Expenditure should be incurred in a manner where service delivery is prioritised.

## **Capital expenditure**

The municipality performed poorly in two of the conditional grants it received namely EPWP and EE&DM which is an energy efficiency grant. This had a considerable impact on the over percentage as at end December 2021. It is also concerning that the RBIG grant which was allocated at R 62 000 000 for the 2021/22 financial year still has not been transferred.

As I conclude I would like Council members to bear in mind the need to provide quality services to our community not only when considering this Mid –Year Budget and Performance Assessment, but in all that they do especially as the community is having high expectation in terms of service delivery standard. I thank you for the opportunity granted to me to present this report to the Council of Kgatelopele Local Municipality.

## Section 4

### EXECUTIVE SUMMARY

This report is a summary of the main budget issues arising from the budget monitoring process. It compares the progress of the budget in terms of actual income and expenditure to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

### PURPOSE

The purpose of this report is for Council to note the mid-year budget and performance assessment for the 2020/21 financial year and service delivery actual performance against the set targets.

	<b>Adjustment Budget year 2020/21</b>	<b>Final Budget year 2021/2022</b>	<b>Final Budget year +1 2022/2023</b>	<b>Final Budget year +2 2023/2024</b>
<b>Total Operating Revenue</b>	R 116 715 269	R 128 416 566	R 138 859 614	R 140 663 103
<b>Total Operating Expenditure</b>	R 116 205 235	R 126 308 455	R 136 315 300	R 133 178 038
<b>Surplus</b>	<b>R 510 033</b>	<b>R 2 108 111</b>	<b>R 2 544 314</b>	<b>R 7 485 065</b>
<b>Total Capital Expenditure</b>	R 53 345 000	R 90 594 000	R 131 612 000	R 157 462 000

Furthermore, this report serves to comply with 72 (1) (a) (b), (2) and (3) (a) (b) of the Municipal Finance Management Act (MFMA) and the requirements of the Municipal Budget and Reporting Regulations which requires that specific financial particulars be reported on and in the formats prescribed.

The accounting officer must as part of the review make recommendation as to whether an adjustment budget is necessary and recommended revised projections for revenue and expenditure to the extent that this may be necessary.

## SECTION 5

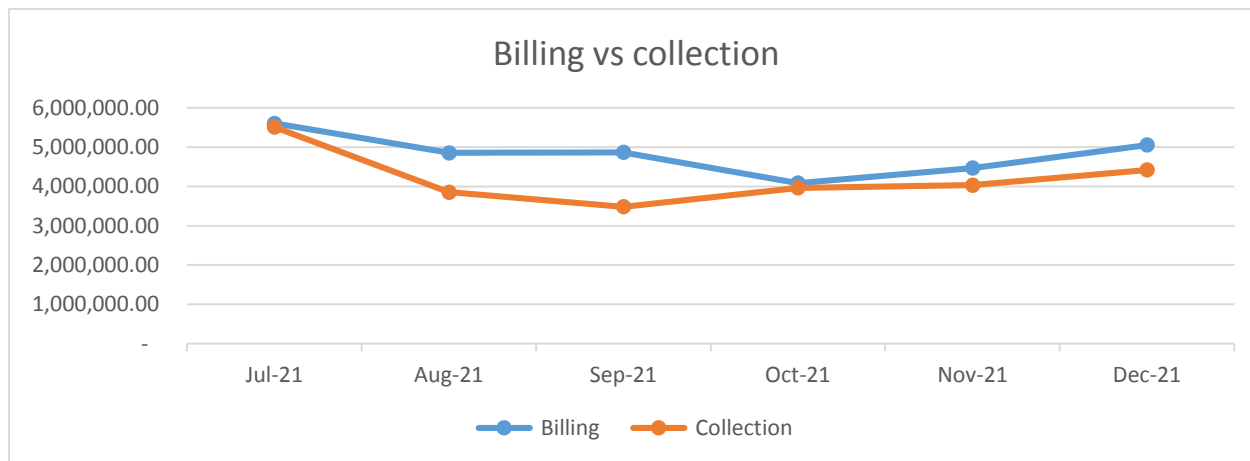
### FINANCIAL PERFORMANCE ANALYSIS

In considering the performance of the Municipality for the first half of the financial year various reports were taken into account; inter-alia the Section 71 monthly reports, the Service Delivery and Budget Implementation Plan, Grant Reconciliations etc.

The following table presents the overall municipal budget for 2021/2022 financial year:

Total Operating Budget for the year 2021/22 is R 128 416 566 on anticipated revenue and R 126 308 455 on anticipated expenditure.

The municipality's collection rate remains relatively low and bares motivation to a downward adjustment on the anticipated revenue. With contributing factors such as poor payment culture, unemployment and historical debt accumulated by households, the impact of the effort made to increase the collection rate have been minimal.



Based on the above illustration, the collection remain below the billing, it should further be noted that this collection further means that very little is collected on the arrears, historical debt that has accumulated over the years. In terms of credit control there is an increasing trend of account holders making arrangements on their arrears and defaulting by the second month of payment. The above clearly confirms this, as very little is collected on the arrears and only the current account being serviced. KPI 26, collection as per the target of 50% of what is billed, is currently at 71%, we wish to strive for 100% of what is billed in the next financial year. In relation to KPI 25 on the SDBIP, the municipality has achieved 51% of the total anticipated service chargers, the target is 80% as at year end. The municipality is on track with the billing, meaning we are billing the households as projected in the compilation of the original budget.

With a low collection, the anticipated expenditure has to decrease slightly, the adjustment budget has to be developed to take the above into account. However, Service chargers remains unchanged as there are no changes to the number of meters and the tariff charged. Water and electricity the most owed service when considering the outstanding debt owed to the municipality.

The capital budget has adjusted upwards due to the rollover for conditional grant, Municipal Infrastructure Grant that was approved. This has been adjusted upwards in the adjustment budget for 2021/22. The municipality still awaits for the RBIG grants to be removed from the gazette in order for it to be removed from the capital expenditure grant.

### Grants and Subsidies:

Grants and subsidies will increase to R 109 117 195 due to the approval of the MIG and WSIG grant to a total of R 18 523 195. The municipality has maintained all grant deposits in separate call accounts with

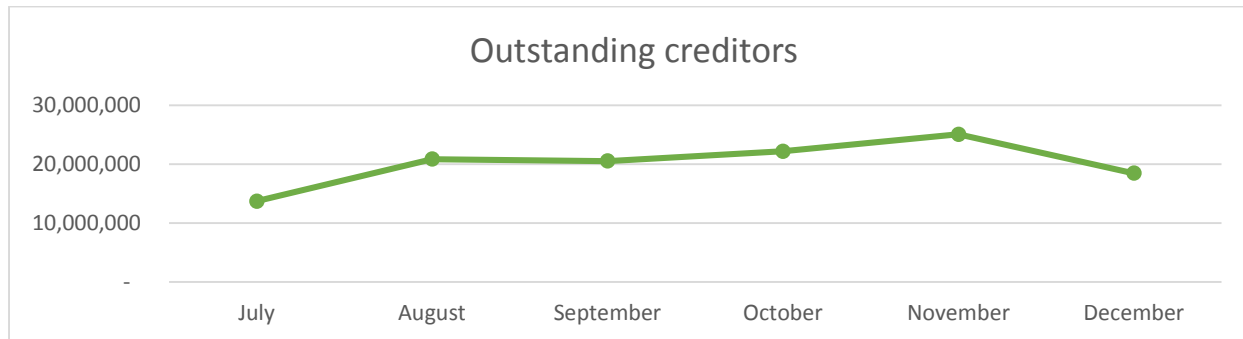


withdrawals only being made when the grant expenditure is approved by the municipal manager and chief financial officer.

### General Expenditure

Total outstanding creditors was at R 18 461 000 as at end December 2021, which is a R 2 609 000 increase compared to the December 2020 closing of R 15 852 078. An increase in expenditure was experienced as a result of aging infrastructure and vehicles.

The graph below illustrates the movement in creditors from the first 6 months of the financial year.



Department of Safety and Liaison and Auditor General remains the two highest creditor the municipality has. Efforts to reduce the number of creditors remains a priority.

## SECTION 6

### Revenue

The municipal final annual budget was approved with a total revenue by source of R 116 715 269.

Below table illustrated the performance of the revenue department for the first 6 months of the financial year.

The year to date actual reflects an achievement of overall 87.35% collection rate on the current account, which does not include arrears.

	Billing	Collection	Percentage
Jul-21	5,605,399	5,511,692	98.33
Aug-21	4,853,986	3,855,852	79.44
Sep-21	4,866,611	3,485,418	71.62
Oct-21	4,086,350	3,962,372	96.97
Nov-21	4,469,994	4,034,538	90.26
Dec-21	5,055,428	4,422,041	87.47
<b>Total</b>	<b>28,937,769</b>	<b>25,271,912</b>	<b>87.35</b>

During the first 6 month of the year financial year, the municipality billed a total amount of R 28 937 769 which is more than December 2020, however less than December 2019 which was R 29 610 125 in revenue from all basic services including property rates.

Total debtors as per end December 2021 was R 69 366 274 which is higher than December 2020 and December 2019 which was R 69 090 828 and R 67 848 723 respectively. Outstanding debt owed to the municipality is supposed to reduce, however, in our case it continues to climb as community member fail to pay for the services rendered to them.



Service chargers that show high levels of unrecovered debt is Water Service with the amount of R 28 658 067 and Sanitation on R 11 818 538. The outstanding debtors has increased monthly, with indigent households being the main contributor. Water and Property Rates charges remain the lowest services being paid. Electricity billed is primarily on businesses and properties owned by the mine. We envision to have all residential properties converted to prepaid by the end of the financial year.

Service	180 Days	150 Days	120 days	90 Days	60 Days	30 Days	Current	Balance
Property Rates	6,172,832.10	583,393.02	835,249.45	867,483.16	914,875.72	1,315,559.50	986,707.70	11,676,100.65
Electricity Basic	0.00	30,095.22	33,148.13	33,853.44	41,885.37	50,753.74	79,479.46	269,215.36
Water Basic	0.00	115,615.67	119,649.33	121,888.86	133,124.58	147,967.19	182,164.83	820,410.46
Water Consumption	26,093,817.09	367,068.18	351,885.84	525,653.60	398,781.33	479,583.01	441,278.76	28,658,067.81
Elec Consumption KWH	3,365,347.60	93,303.53	97,116.14	67,484.27	27,117.71	489,977.48	501,107.28	4,641,454.01
Sewerage Basic	9,921,591.95	197,138.74	215,461.61	152,928.96	262,259.55	225,665.64	843,492.29	11,818,538.74
Refuse Removal	8,645,959.58	190,977.42	193,387.75	197,022.80	211,904.89	430,026.78	527,044.50	10,396,323.72
Elec Consumption KVA	0.00	19,768.31	16,928.83	8,805.88	13,648.72	158,842.37	434,808.93	652,803.04
Electricity Availability	0.00	24,201.60	24,328.81	24,328.81	24,564.65	25,509.84	30,416.42	153,350.13
Refuse Availability	0.00	35,851.92	37,964.15	37,964.15	38,403.90	40,762.67	47,198.62	238,145.41
Rent	0.00	5,689.69	5,689.69	5,689.69	5,689.69	6,189.69	12,915.88	41,864.33
<b>Grand Total</b>	<b>54,199,548.32</b>	<b>1,663,103.30</b>	<b>1,930,809.73</b>	<b>2,043,103.62</b>	<b>2,072,256.11</b>	<b>3,370,837.91</b>	<b>4,086,614.67</b>	<b>69,366,273.66</b>

Prepaid method of providing the service remains the best way in reducing outstanding debt owed to the municipality and managing the service. The share function on customers that owe the municipality still remains effective, the table below illustrates recovery from shared electricity. Close to R 1 000 000 was recovered through shared electricity.

July 2021	R200 494
August 2021	R160 858

September 2021	R129 638
October 2021	R200 494
November 2021	R109 581
December 2021	R134 176
<b>Total</b>	<b>R935 241</b>

The table below illustrates total prepaid sales for water and electricity.

ELECTRCITY	QUARTER 1	QUARTER 2	TOTAL
kWh Sold	1 315 998	1 795 305	3 111 303
kWh Free issue	3 244	5 058	8 302
<b>Amount</b>	<b>R4 472 497</b>	<b>3 963 601</b>	<b>8 436 098</b>

WATER			
KL Sold	1 832	1 756	3 588
KL Free issue	1 317	1 142	2 459
<b>Amount</b>	<b>R17 780</b>	<b>R16 690</b>	<b>R 34 470</b>

#### *Outstanding Debtors per category*

Service	180 Days	150 Days	120 days	90 Days	60 Days	30 Days	Current	Balance
(blank)	10,108.29	696.67	562.68	659.33	592.22	617.13	458.91	13,695.23
BUSINESS	784,035.95	62,272.76	61,702.45	38,345.45	125,789.07	766,675.50	1,342,657.62	3,181,478.80
LIME ACRES	80,550.02	4,961.37	1,660.20	1,653.15	1,660.52	1,710.66	1,095.17	93,291.09
DOMESTIC 3	8,460,587.76	252,881.81	286,116.78	353,939.82	358,534.96	440,282.15	434,523.68	10,586,866.96
DOMESTIC	2,977,770.08	131,982.71	144,745.23	171,066.52	204,298.32	281,243.58	351,347.20	4,262,453.64
DOMESTIC 4	8,624,340.42	243,668.25	271,191.05	300,770.47	319,255.20	394,146.21	333,258.36	10,486,629.96
DOMESTIC 2	5,368,208.02	186,379.02	266,363.90	269,016.80	233,672.48	432,486.00	739,108.32	7,495,234.54
INDIGENT	20,399,037.37	432,626.17	426,284.84	530,169.28	401,979.52	452,246.86	391,389.09	23,033,733.13
INDUSTRIES	1,172,576.06	72,902.03	146,074.73	108,208.16	124,219.63	217,399.29	164,642.44	2,006,022.34
DOMM	1,754,637.24	59,675.90	62,595.18	52,585.40	52,572.48	65,107.30	39,206.73	2,086,380.23
DOMESTIC 5	1,320,397.97	36,784.51	81,859.85	44,695.07	42,719.05	56,451.09	45,164.10	1,628,071.64
CHURCH	104,009.53	7,862.26	9,711.11	10,668.43	7,174.23	5,722.02	7,820.73	152,968.31
AGRICULTURE	1,308,204.16	46,537.26	51,877.52	56,537.37	71,491.22	88,775.68	135,877.14	1,759,300.35
GOVERNMENT	1,814,713.69	123,381.70	119,923.59	104,652.43	127,934.79	167,470.00	99,826.14	2,557,902.34
PUBLIC SERVICE INFRASTRURE	19,432.53	487.59	133.93	129.47	133.93	258.94	0.00	20,576.39
N	971.74	3.29	6.69	6.47	6.69	6.47	0.00	1,001.35
DOMESTIC 6	-32.51	0.00	0.00	0.00	221.80	239.03	239.03	667.35
<b>Grand Total</b>	<b>54,199,548.32</b>	<b>1,663,103.30</b>	<b>1,930,809.73</b>	<b>2,043,103.62</b>	<b>2,072,256.11</b>	<b>3,370,837.91</b>	<b>4,086,614.67</b>	<b>69,366,273.66</b>

- Organ of state – R 2 557 902
- Commercial – R 5 187 501
- Households – R 57 493 657
- Other – R 7 668 256

The income department is assessing other means to enhance the municipality's credit control measures to try and recover the outstanding debt which include a pilot project where a third party does collection through different channels including the legal route to recover debt owed to the municipality. One of the biggest challenges the credit control unit faces, is defaulting on payment arrangements by consumers. With the implementation of the new financial system saw the introduction of Debt pack. Debt pack is a Windows based product that helps to effectively manage the accounts receivable process. It creates emails and SMS's based on business rules and templates, it supports diary driven to do lists and allows for workflow escalation. The program has been implemented in November 2020.

### *Indigents*

We have a total of 1 794 indigents flagged on the financial system till end of December 2021 which are more than half of all our households.

- Applicants do not honour the R 200 pm agreement frequently.
- The indigent committee should do a verification on selected households per month as most of these indigents applied in 2019/20 financial year and their household status might have changed.
- The total outstanding arrear balance for indigent households are R23 033 733, which is 30% of the outstanding balances.

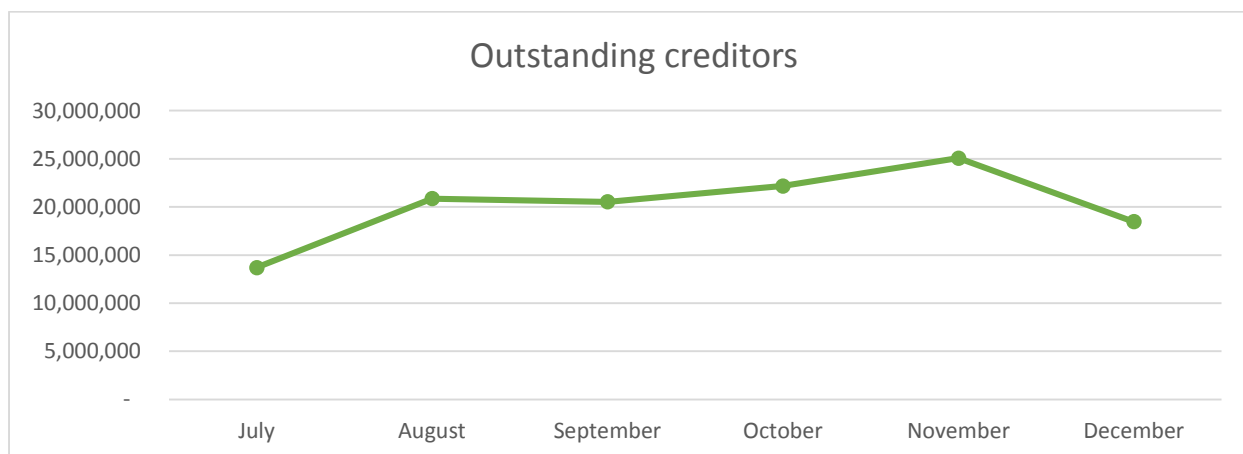
## **SECTION 8**

### **EXPENDITURE MANAGEMENT**

#### *Creditors Analysis*

The following information provides an understanding of the municipality's outstanding creditors as at 31 December 2021.

Total outstanding creditors was R 18 461 000 in December 2021.



Below are the top three creditors for the municipality have to date:

Dept. of Safety	–	R 7 880 063
Auditor General	–	R 7 207 837
Eskom	–	R 1 815 545

The municipality has incurred an increase in the number of expenditure during the first 6 months of the financial year, with unforeseen cost such as rental of sewerage trucks during the period when the municipality's sewerage trucks were deemed not to be road worthy resulting in them being removed from the road by the police. The rental of a water truck during the period where the Eskom substation was affected by the wild veld fires, resulting in there not being water nor electricity for a number of days.

### **Contractual Commitment**

On average our contractual agreements are R 6 328 979 a month, this excludes the cost for repairs and maintenance and other operational cost.

<b>CONTARCT NAME</b>	<b>AMOUNT</b>
Landfill site management	R 194 000
Security Services	R 204 106
Prepaid Vending	R 134 000
Water sample testing	R 30 211
IMIS	R 20 572
Inside Data	R 27 627
Fuel	R 79 050
Telkom	R 39 000
Eskom	R 1 960 489
Salaries	R 3 660 496
<b>TOTAL</b>	<b>R 6 328 979</b>

### **Decreasing debt recommendations:**

#### **Landfill Site Management**

The municipality is having a MIG registered project to establish a new landfill site which will cater for the maintenance of the landfill site. Currently outsourcing the management of the landfill site, while collection of waste removal is done by the municipality. The new landfill site will ensure that the municipality insources the services.

#### **Eskom account**

The municipality needs to do an assessment on the viability of having all electricity meters on the pole, this will drastically reduce the amount of theft of electricity by customer and it will be easier to identify tempering. Currently the municipal account keeps growing however, the income from it is seen. There is a number of bypasses that occur.

## SECTION 9

### CONDITIONAL GRANTS MANAGEMENT

Operational Grant Spending:

GRANT NAME	ALLOCATION 2021/22	TOTAL SPENT	TOTAL REMAINING	% SPENT
FMG	R 2 850 000	R 2 227 442	R 613 368	78%
LIBRARY GRANT	R 912 000	R 548 403	R 363 597	60%
EPWP	R 1 075 000	R 65 120	R 250 000	75%

#### Financial Management Grant

- The grant shows a percentage spent of 78% expenditure
- Funded projects include, Updating of the Asset Register, Supplementary Valuation Roll, Review of AFS, intern salaries, etc.

#### Library Grant

- The allocation for 2020/21 is R 912 000, however, only R 500 000 of this amount was received from the Department of Sports, Arts and Culture.
- The library remains dependent on the municipality for additional funding as the allocation does not cover the total cost.

#### EPWP Grant

- The grants performed at 75% as at the end of December 2020, municipality is awaiting the final trench of the allocation, R 250 000.
- Grant is used on security upgrades for municipal property.

## Capital Grants Spending:

GRANT NAME	ALLOCAT RECEIVED 2020/2021	TOTAL SPENT	TOTAL REMAINING	% SPENT
MIG	R 20 227 000	R 14 420 337	R 5 806 663	71%
EE&DM	R 3 000 00	R 801 647	R 2 198 353	27%
WSIG	R 5 000 00	R 2 071 052	R 2 928 948	41%
RBIG	R 62 367 000	R 0	R 62 367 000	0%
Disaster	R 1 830 000	R 0	R 1 830 000	0%

Capital grant expenditure has a decline in performance as at end December 2021, the following reasons contribute to the performance:

- EE&DM – delay in implementation of the 2021/22 financial year project as the municipality awaits the go ahead on the project from the Department of Energy and Minerals.
- WSIG – the bulk of the expenditure incurred has been recorded against the rollover that was approved. The municipality also experienced a delay in the transfer of funds relating to the grant. All expenditure took place in the 2<sup>nd</sup> quarter of the financial year when funds were transferred.
- RBIG – the municipality still has not received the funds that were allocated for the RBG grant from the funding department. A number of enquiries were done to establish the delay in transfer.
- Disaster – the disaster grants was awarded during the financial year as a result of the disaster the municipality experienced with storm Elosie. The funds have to be spent before the end of February 2022.

## SECTION 10

### ASSETS MANAGEMENT

Kgatelopele Local Municipality has insourced its movable assets management and only uses consultants for the infrastructure assets. Below is a summary of the different asset class.

Asset class	Cost	Accumulated Depreciation & Impairment	Carrying Value
Land & Buildings	R 15 802 897,20	(R 8 011 210,82)	R 7 791 686,38
Infrastructure	R 482 008 159,48	(R 213 849 057,91)	R 268 159 101,58
Community Assets	R 11 851 513,09	(R 9 977 708,74)	R 1 873 804,35
Heritage assets	R 1 151 057,64	R -	R 1 151 057,64
Other assets	R 13 519 778,28	(R 8 185 931,80)	R 5 333 846,47
Investment Properties	R 51 844 569,79	R -	R 51 844 569,79
Intangible Assets	R 531 619,00	(R 282 773,00)	R 248 846,00
<b>Grand Total</b>	<b>R 576 709 594,48</b>	<b>(R 240 306 682,28)</b>	<b>R 336 402 912,20</b>

The municipality awaits the outcome of the 2020/21 financial year audit to update the final asset figures. Additions such as the roller and stamper that was purchased to assist with filling of potholes will also be added to the register as new assets.

#### *Repairs and maintenance*

Department	Period					Grand Total
	July	September	October	November	December	
Community Halls and Facilities	552.72			14,040.00	1,040.00	15,632.72
Electricity	2,900.00	33,025.57	21,500.00	71,518.10	148,309.62	277,253.29
Finance	48,697.00			1,500.00		50,197.00
Maintenance of buildings	632.18					632.18
Recreational Facilities	-	6,950.00				6,950.00
Road and Traffic Regulation	-			6,392.00		6,392.00
Sewerage	14,005.00	2,280.00		37,600.00	21,669.00	75,554.00
Solid Waste Removal	39,020.00	601.00	556,340.00	75,880.00	201,878.73	873,719.73
Water Distribution	-		21,330.00	30,000.00	2,600.00	53,930.00
Grand Total	105,806.90	42,856.57	599,170.00	236,930.10	375,497.35	1,360,260.92

The main cost drive over the quarter was the repairs of the council sewerage truck and the rental of another while awaiting repairs. The municipality currently does not have maintenance plans, all maintenance are reactive and not plan and scheduled.



### Infrastructure Projects

Below is a list of projects that are under way in the current financial year and the total expenditure up until end of the second quarter.

Work in Progress	31 December 2021				Status
	Opening	Additions	Transfers	Closing	
Danielskuil: Solid waste disposal site (966)	R 25 287 096	R 0.00	R 0.00	R 25 287 096	Construction of phase 1 completed
Conversion of conventional water meters to prepaid water meters Phase 2	R 527 399	R 0.00	R 0.00	R 527 399	
Phase 2: Refurbishment of 7 Pump stations	R 8 251 516	R 0.00	R 0.00	R 8 251 516	Construction underway
Refurbishment of Main Office - Phase 2	R 722 086	R 0.00	R 0.00	R 722 086	Construction completed
Eradication of Conservancy Tanks and connection to municipal sewer network	R 2 890 433	R 7 619 394.87	R 0.00	R 10 509 827.87	Construction underway
Upgrading of Roads in Grater Danielskuil Area	R 1 527 510	R 8 424 754.89	R 0.00	R 9 952 264.59	Construction underway
Construction of Sports Facility	R 0.00	R 5 821 972.88	R 0.00	R 5 821 972.88	Construction underway
	<b>39 206 040.00</b>	<b>R 21 866 122.64</b>	<b>-R 0.00</b>	<b>R 61 072 162.64</b>	

Once the above is concluded, they will be added to the asset register of the municipality as new assets.

### **Progress on the procurement plan**

<b>No</b>	<b>Project</b>	<b>Procurement Method</b>	<b>Progress</b>	<b>Date of Advert</b>
1	Supply And Delivery Of 25kg Pothole Mix Bags and SS60% Anis table Drums	30 days tender advertisement	Draft Specifications	09-Sep-21
2	Supply And Delivery of Personal Protective Clothing	30 days tender advertisement	Draft Specifications	07-Dec-21
3	Provision Of Banking Services for Kgatelopele Municipality	60 days tender advertisement	Draft Specifications	04-Mar-22
4	Provision Of Short-Term Insurance	30 days tender advertisement	Appointed	11-Oct-21
5	Panel of Mechanics for Repairs and Maintenance of Municipal Vehicles	30 days tender advertisement	Draft Specifications	06-Aug-21
6	Auditing of Prepaid Electricity Meters	30 days tender advertisement	Draft Specifications	01-Oct-21
7	Renovation of Municipal Properties	Panel of Contractors	Appointed	06-Aug-21
8	Compilation of GRAP Compliant Fixed Asset Register, Updating of Ariel View and Development of Infrastructure Assets Maintenance Plans	30 days tender advertisement	Draft Specifications	14-Jan-22
9	Refurbishment of Street Lights	Panel of Contractors	Draft Specifications	06-Aug-21

The table below shows the items that need to be included in the procurement at adjustment stage.

<b>No</b>	<b>Project</b>	<b>Procurement Method</b>	<b>Progress</b>
1	Supply and Delivery of a Vibration Roller and Vibratory Rammer.	14 days tender advertisement	Appointed
2	Provision of Security Services for a period of 36 Months.	30 days tender advertisement	Appointed
3	Supply and Delivery of Stationery Items for a Period of 36 Months (as and when required).	30 days tender advertisement	Under evaluation
4	Supply and Delivery of Cleaning Materials for a Period of 36 Months (as and when required).	30 days tender advertisement	Under evaluation
5	Supply and Delivery of Furniture and Office Equipment for a Period of 36 Months (as and when required).	30 days tender advertisement	Appointed
6	Supply and Delivery of Information Technology and Communication Equipment for a Period of 36 Months (as and when required).	30 days tender advertisement	Appointed
7	Supply and Delivery of a Sewerage Truck	RT-57	Permission letter sent to National Treasury and awaiting response.

**Kgatelopele Local Municipality MID-YEAR  
SECTION 72 Report  
2021/2022**



# 1. Introduction

Performance Management is the institutional mechanism used to monitor and evaluate achievements and under achievements of the Kgatelopele Local Municipality's mid-year report performance. Performance Assessment assist management to take strategic decision, provide early warning signals also increase accountability of officials and institutional decision makers.

In terms of Section 40 of Local Government: Municipal Systems Act

Monitoring and review of performance management system-

A municipality must establish mechanisms to monitor and review its performance management system. Consequently each Quarter a performance report reflecting the municipality's performance against the approved SDBIP. The report must indicate the development and service delivery priorities and the performance targets set by the municipality for the current financial year and measures that were or are to be taken to improve performance. Effort have been made to ensure that this report is reflective of the above legislative requirements.

## 2. Executive Summary

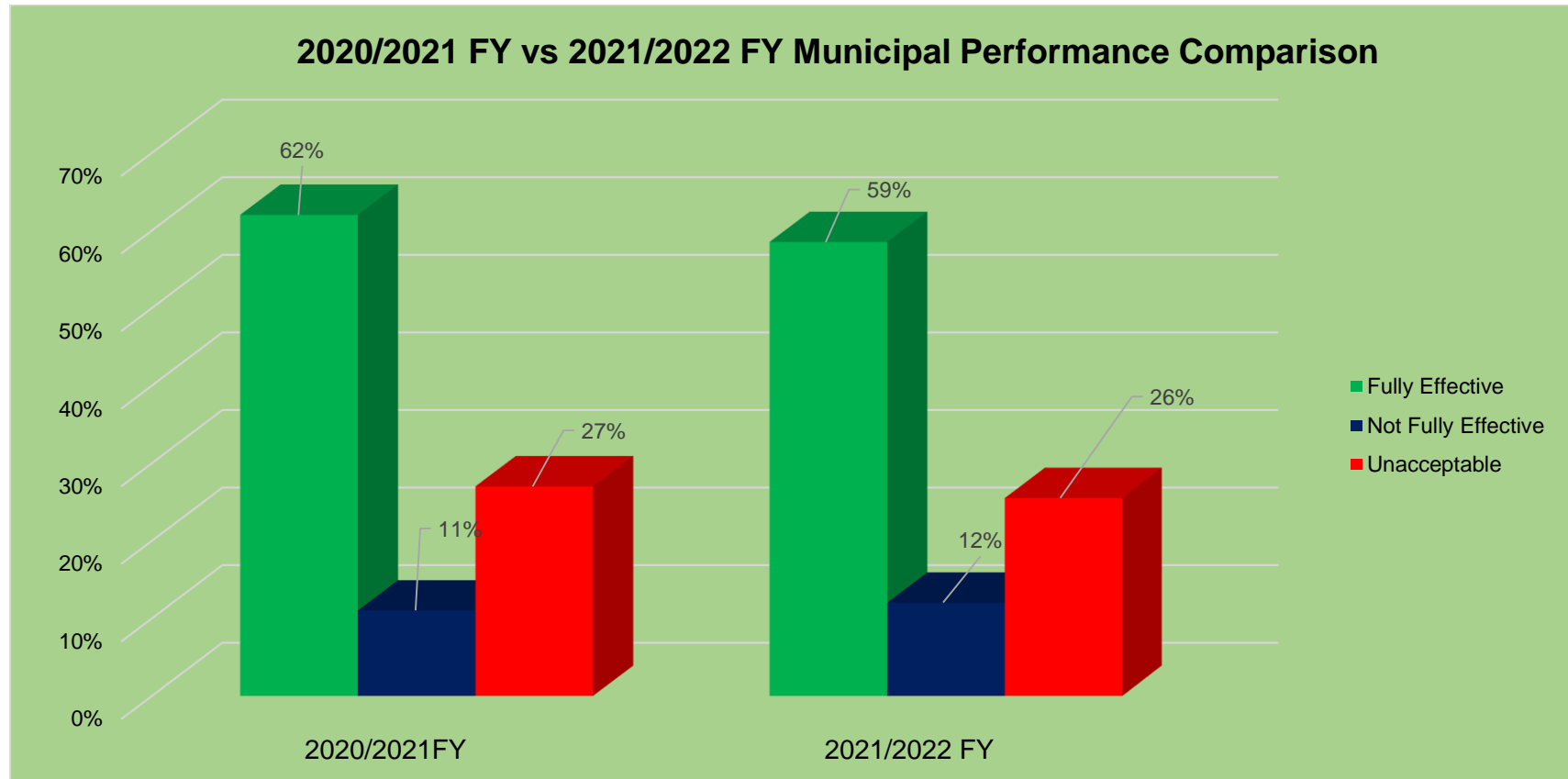
Performance Management and Reporting the organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at Directorate levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget. MFMA Circular No.13 prescribes that: The IDP and budget must be aligned; the budget must address the strategic priorities; The SDBIP should indicate what the municipality is going to do during next 12 months; and The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes. The SDBIP were prepared by the Accounting Officer and approved by the Mayor. The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

## Description

Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above fully effective results against all performance criteria and indicators as specified in the performance plan and maintained this in all areas of responsibility throughout the year.
Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the performance plan.
Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the performance plan.
Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

### 3. HIGH LEVEL SUMMARY OF 2020/2021 and 2021/2022 MID-YEAR PERFORMANCE COMPARISON

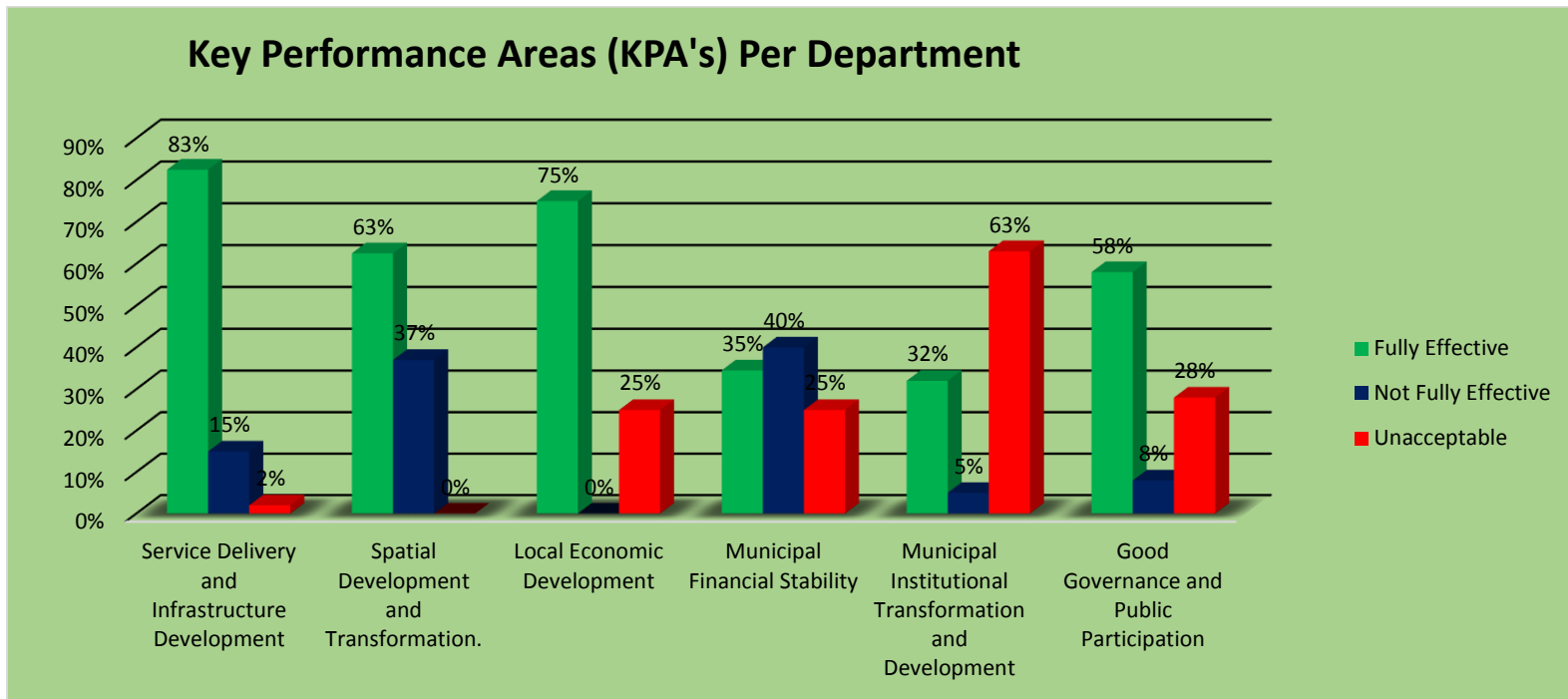
Figure 1: High level summary of 2020/2021 and 2021/2022 mid-year performance comparison



The municipality has translated the national key performance areas into strategic objectives. These strategic objectives assisted the institution to refocus in achieving the developmental agenda. Performance Management System is the key element in ensuring implementation and realization of the Integrated Development Plan. The mid-year 2021/2022 financial year performance review realized a 3 % decline on institutional performance whereas 2020/2021 was at 62% fully effective in relation to 59% of 2021/2022 financial year. The total of 68 Key performance indicators applicable were measured and evaluated for 2021/2022 mid-year 59% were fully effective, 12% Not fully effective and 26% were unacceptable. The institution could not implement its Key performance indicators as planned and local government election has well impacted the municipality.

## 4. MID-YEAR INSTITUTIONAL PERFORMANCE PER KEY PERFORMANCE AREAS (KPA'S) FOR 2021/2022 FINANCIAL YEAR

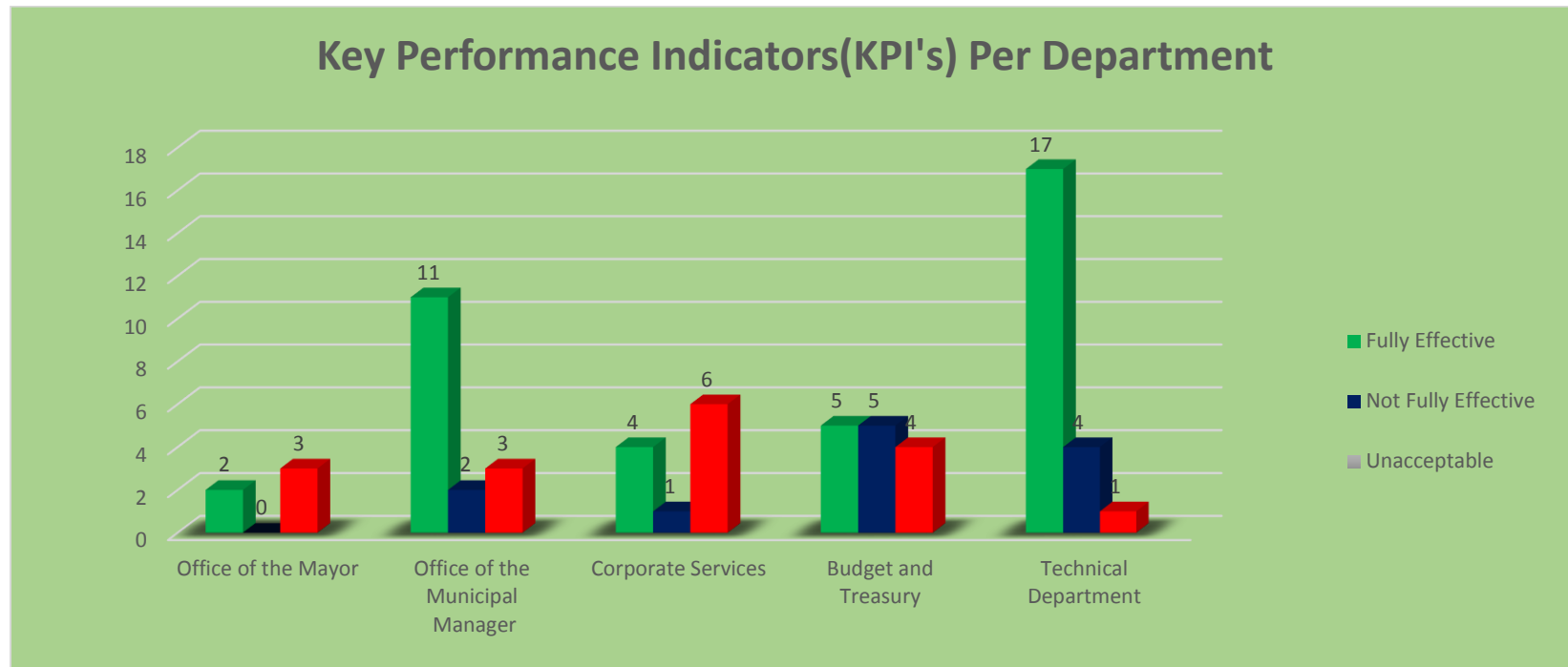
Figure 2: Key Performance Areas (KPA)



Key performance indicators performance per department achieved above 70% for 2 KPA's fully effective, Spatial Development and Transformation achieved 63%, whereas Municipality financial instability achieved 35 % and Good Governance and Public Participation with 58%. Municipal Institutional Transformation and Development achieved 32% and 63% of KPI's was unacceptable.

## 5. MID-YEAR DEPARTMENTAL PERFORMANCE PER KEY PERFORMANCE INDICATORS (KPI) FOR 2021/2022 FINANCIAL YEAR

Figure 3: Key Performance Indicators (KPI's)



For the quarter under review, office of the Mayor had 5 KPI's in total of which 2 were fully effective, 0% not fully effective and 3 unacceptable. All ward meetings could not be held according to SDBIP target since public gathering is prohibited during the national lockdown. The Mayor's office took further actions to ensure all awareness takes place through different platforms (e.g. KLM Facebook page) while adhering to South African State of national disaster regulations due to COVID-19 pandemic.

Office of the Municipal Manger had 16 targeted KPI's, 11 were fully effective, 2 were not fully effective and 3 were unacceptable. Over and above, the municipality is determined to improve its performance to ensure the fully implementation of the performance management cycle.



Technical and community services had 22 targeted KPI's for the mid-year of which 17 were fully effective whereas 4 were not fully effective and 1 unacceptable. The delay to complete the SCM processes hampered the implementation of targeted KPI's.

The budget and treasury department has total of 14 KPI's targeted mid-year of which 5 were full effective 5 not fully effective and 4 unacceptable. The planned projects as per the procurement plan were not realised. The municipality's credit control has positive impact as the municipality realized a positive collection.

Of the 11 set of KPI's for corporate services department for mid-year, only 4 were fully effective, 1 not fully effective and 6 unacceptable. The suspension of employees, slowly conclusion of labour dispute cases and training committee not taking place had an impact of the departmental performance, however the plans are in place to ensure planed targets are met.

## 6. DETAILED INSTITUTIONAL SERVICE DELIVERY BUDGET INDICATOR'S PERFORMANCE OUTCOME

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of SDBIP outcomes. This report provide strategic achievement of the municipality, in terms of the pre-determined objectives and basic service delivery mandate

KEY PERFORMANCE INDICATORS (KPI's)	Actual Performance against Target		Ratings	Reason for Variance	Remedial Action
	Mid-year Target 2021/2022	Mid -year Actual 2021/2022			
<b>National KPA 1: Basic Service Delivery: Service Delivery and Infrastructure Development</b>					
KPI 1. Number of households provided with clean piped water by 30 June 2022.	3045	2817	Fully effective	N/A	N/A
KPI 1.1. Number of Water Quality Assurance reports for the provision of clean piped water by 30 June 2022.	12	6	Fully effective	N/A	N/A
KPI 2. Number of households provided with electricity prepaid and credit by 30 June 2022.	3045	3408	Fully effective	N/A	N/A
KPI 3. Number of households provided with access to Basic sanitation service by 30 June 2022.	3137	2788	Fully effective	N/A	N/A
KPI 4. Number of households provided with weekly solid waste removal services in Danielskuil and Lime Acres by 30 June 2022.	2795	2812	Fully effective	N/A	N/A
KPI 5. Number of Indigents provided with Free basic water in terms of equitable share requirements (06KL per indigent household) by June 2022.	1725	1718	fully effective	N/A	N/A
KPI 6. Number of Indigents provided with Free basic electricity in terms of the equitable share requirements (Free 50kw basic electricity per indigent household) by June 2022.	1725	1733	fully effective	N/A	N/A

KPI 7. Number of Indigents provided with Free basic sanitation services per indigent household by June 2022.	1725	1718	Fully effective	N/A	N/A
KPI 8. Number of Indigents provided with Free weekly solid waste removal services in Danielskuil and Lime Acres per indigent household by 30 June 2022.	1725	1717	Fully effective	N/A	N/A
<b>KEY PERFORMANCE INDICATORS (KPI's)</b>	<b>Actual Performance against Target</b>		<b>Ratings</b>	<b>Reason for Variance</b>	<b>Remedial Action</b>
	<b>Mid -year Target 2021/2022</b>	<b>Mid -year Actual 2021/2022</b>			
KPI 9. Number of Indigent water meters converted to pre-paid water meters phase 3 by 30 June 2022.	Confirmation and approval of indigent list.	Confirmation and approval of indigent list.	Fully Effective	N/A	N/A
KPI 10. Number of new households connected to existing sewer network by 30 June 2022.	Site establishment	Site establishment	Fully Effective	N/A	N/A
KPI 11. Number of existing Public lights refurbished in Ward 1, 2 and 3 by 30 June 2022.	Site establishment	Site establishment	Fully Effective	N/A	N/A
KPI 12. Percentage completion for construction of a sports facility in Danielskuil Phase 1 by 30 June 2022	Site establishment	Site establishment	Fully Effective	N/A	N/A
KPI.13 Number of internal road meters upgraded from Gravel to paved roads in Ward 1 & 2 – Phase 1 by 30 June 2022	Site establishment	Site establishment	Fully Effective	N/A	N/A
KPI.14 Number of Internal roads in Km upgraded from gravel to paved surface in ward 1 phase 1 by 30 June 2022.	Site establishment	Site establishment	Fully Effective	N/A	N/A
KPI 15 Number of internal roads in Km upgraded from gravel to paved surface in ward 2 phase 1 by 30 June 2022.	Site establishment	Site establishment	Fully Effective	N/A	N/A

KEY PERFORMANCE INDICATORS (KPI's)	Actual Performance against Target		Ratings	Reason for Variance	Remedial Action
	Mid -year Target 2021/2022	Mid -year Actual 2021/2022			
<b>National KPA 2: Spatial Development and Transformation</b>					
KPI 16 Percentage completion for repairs and refurbishment of municipal facilities by 30 June 2022	Appointment of contractor.	Appointment of contractor.	Fully Effective	N/A	N/A
KPI 17 Percentage contraction of a new landfill site by 30 June 2022.	Phase 1 under construction at 50%	50%	Fully Effective	N/A	N/A
KPI.18 Percentage of Human Settlement Planning and Development by 30 June 2022.	50%	25%	Fully Effective	N/A	N/A
KPI.19 Percentage of Consolidation, subdivision, rezoning and conveyancing for the rectification of stands allocation of stands allocated by 30 June 2022.	40%	20%	Fully Effective	N/A	N/A
KPI.20 Percentage of Subdivision and rezoning of a portion of Erf 1 for purposes of developing a landfill site by 30 June 2022.	40%	20%	Fully Effective	N/A	N/A
KPI 21 Number of Joint Municipal Tribunal in implementation of SPLUMA meeting attended 30 June 2022.	2	2	Fully Effective	N/A	N/A
KPI.22 % Subdivision, rezoning and surveying of sites for traffic testing center, by 30 June 2022	20%	Waiting for service provider	Not Fully Effective	Available land is on D3 and D4 zones of dolomite.	Look for alternative land

KEY PERFORMANCE INDICATORS (KPI's)	Actual Performance against Target		Ratings	Reason for Variance	Remedial Action
	Mid -year Target 2021/2022	Mid -year Actual 2021/2022			
<b>National KPA 3: Local Economic Development</b>					
KPI.23 Number of temporary jobs created through projects by 30 June 2022.	5	5	Fully effective	N/A	N/A
KPI.24 Number of Updated MoU between 3 mines by 31 December 2022.	3	1	Fully effective	N/A	N/A
KPI.25 Number of local contractors Developed through awarding contracts or sub-contracting by 30 June 2021.	2	2	Fully effective	N/A	N/A
<b>National KPA 4: Municipal Financial Stability</b>					
KPI 28 Compliance with Submission of Adjustment budget to Council for approval by 25 January 2022.	100%	50%	Not fully effective	Adjustment budget to be submitted February	Align the SDBIP, IDP and Budget with relevant dates.
KPI.29 Number of Section 52 reports submitted the Mayor and Treasury by 15 July 2023.	2	1	Not fully Effective	There is outstanding data on the system.	To ensure that all outstanding data is recorded.
KPI.32 Percentage billing on operating revenue budget by 30 June 2022.	80%	48%	Not Fully Effective	Not all meters are being billed	Prepaid meters are being introduced
KPI.33 Percentage Collection on Billing by 30 June 2022.	50%	21	Not Fully Effective	N/A	N/A
KPI 34. Percentage of capital grant funding received as per DORA allocation by 30 June 2022.	50%	7%	Unacceptable	No allocation received on RBIG Awaiting funds from treasury	
<b>National KPA 4: Municipal Financial Stability</b>					
KPI 35 Percentage collection of conditional grants by 30 June 2022	50%	13%	Unacceptable	Late appointment on EPWP contractors.	

KPI 36 Number of indigents registered by 30 June 2022	1725	1794	Fully Effective	N/A	N/A
KPI 37 Percentage of capital budget expenditure by 30 June 2022.	20%	6%	Unacceptable	No allocation received on RBIG Late appointments on EPWP contractors.	
KPI.38 Percentage operating budget expenditure spent by 30 June 2022.	20%	11%	Not fully Effective	Cost containment	
KPI. 39 Number of updated assets register by 30 June 2022.	1	1	Fully Effective	N/A	N/A
KPI.40 Number of inventory undertaken in stores by 30 June 2022.	1	0	Unacceptable	Vacant position	Fill in the vacant position
KPI.43 Percentage compliance with procurement plan by 30 June 2022	100%	100%	Fully Effective	N/A	N/A

KEY PERFORMANCE INDICATORS (KPI's)	Actual Performance against Target		Ratings	Reason for Variance	Remedial Action
	Mid -year Target 2021/2022	Mid -year Actual 2021/2022			
<b>National KPA 5: Municipal Institutional Transformation and Development</b>					
KPI 44 Number of Training committee held by 30 June 2022	2	0	Unacceptable	Chairperson is still suspended	Appoint acting chairperson
KPI 45 Number of LLF Committee held by 30 June 2022	2	0	Unacceptable	Councillors went on recess before local government elections thus, the committee did not sit.	New members to be appointed in q3
KPI 46 Percentage resolution of Labour dispute by 30 June 2022	40%	10%	Unacceptable	Too many cases were postponed and unresolved	To ensure that all cases are dealt with and a sanction is provided.
KPI.47 Number of Health and Safety inspection report on Municipal Main Building and Technical Workshop facilities by 30 June 2022.	4	0	Unacceptable	Lack of personnel	Capacitate safety unit
KPI.48 Number of quarterly Health and Safety inspection report on Municipal Main Building and Technical Workshop facilities by 30 June 2022	2	0	Unacceptable	Lack of personnel	Capacitate safety unit
KPI.49 Number of quarterly health and safety meetings by 30 June 2022	2	0	Unacceptable	Ineffective community and Lack of Personnel	Resuscitate the Committee.
KPI.50 Number of staff meetings held by 30 June 2022	2	0	Unacceptable	Due to Covid-19 pandemic lockdown regulation the staff meetings could not take place	Introduce virtual meetings
KPI.51 Number of extended management meeting held by 30 June 2022	2	0	Unacceptable	Due to Covid-19 Disaster Management Act, Rules and regulations meetings could not sit.	Introduce virtual meetings
KPI.52 Number of Sec 57 Managers Performance plans created by 31 July 2023.	3	2	Not fully Effective	Municipal Manager suspended therefore performance plan was not signed.	N/A
KPI.56 Number of Quarterly Institutional Performance Evaluation done by 31 July 2022	2	2	Fully Effective	N/A	N/A
KPI.59 Number of ICT committee held by 30 June 2022	2	1	Unacceptable	Meeting did not reach quorum as the other members were on annual leave	The meeting to be scheduled in q3 when all members are available.

KEY PERFORMANCE INDICATORS (KPI's)	Actual Performance against Target		Ratings	Reason for Variance	Remedial Action
	Mid -year Target 2021/2022	Mid -year Actual 2021/2022			
<b>National KPA 6: Good Governance and Public Participation</b>					
KPI.60 Number of Normal Council meetings held by 30 June 2022	2	1	Unacceptable	Councillors went on recess before local government elections thus, the committee did not sit.	Special council meeting was scheduled
KPI.61 Number of Special Council meetings held by 30 June 2022	3	3	Fully Effective	N/A	N/A
KPI.62 Number of MPAC Committee held by 30 June 2022	2	0	Unacceptable	Councillors went on recess before local government elections thus, the committee did not sit.	To appoint chairperson in q3
KPI.63 Number of Finance Committee held by 30 June 2022	2	0	Unacceptable	Councillors went on recess before local government elections thus, the committee did not sit.	To appoint chairperson in q3
KPI.64 Number of Institutional Committee held by 30 June 2022	2	0	Unacceptable	Councillors went on recess before local government elections thus, the committee did not sit.	To appoint chairperson in q3
KPI.65 Number of Technical and Commonage Committee held by 30 June 2022	2	0	Unacceptable	Councillors went on recess before local government elections thus, the committee did not sit.	To appoint chairperson in q3
KPI.66 Number of Audit Committee held by 30 June 2022	2	2	Fully Effective	N/A	N/A
KPI.67 Quarterly report on status of implementation of recommendations made by Internal Audit /Audit Committee by 30 June 2022.	2	2	Fully Effective	N/A	N/A
KPI.68 Number of Quarterly report on status of implementation of recommendations made by AGSA by 30 June 2022.	2	2	Fully Effective	N/A	N/A
KPI 69 80% execution of Internal Audit Annual operational plan by 30 June 2022	40%	10%	Not Fully Effective	Other audits in progress	To be completed by end of January 2022



KEY PERFORMANCE INDICATORS (KPI's)	Actual Performance against Target		Ratings	Reason for Variance	Remedial Action
	Mid -year Target 2021/2022	Mid -year Actual 2021/2022			
KPI.70 Number of Risk Assessments conducted by 30 June 2022.	4	MM's Office complete, Corporate Service partially done	Not Fully Effective	Unavailability and non-response of relevant officials.	Risk Assessment review scheduled to take place in Q3
KPI.71 Number of monthly reports on implementation of risk mitigating actions by 30 June 2022.	4	4	Fully Effective	N/A	N/A
KPI.72 Number of quarterly reports on implementation of risk mitigating actions by 30 June 2022.	2	2	Fully Effective	N/A	N/A
KPI.73 Percentage progress of an Approval of IDP Process Plan by Council by 31 August 2021.	1	1	Fully Effective		
KPI.76 Number of IDP/Budget consultative meetings by 30 June 2022	4	1	Unacceptable		
KPI .77 Number of IDP Rep Forum meetings held by 30 June 2022	2	2	Fully Effective	N/A	N/A
KPI 78 Number of IDP steering committee meetings held by 30 June 2022.	2	2	Fully Effective	N/A	N/A
KPI.89 Number of monthly Ward committee meetings held by 30 June 2022.	12	0	Unacceptable	Due to Covid-19 pandemic lockdown regulation the ward meetings could not take place as scheduled.	Meeting to seat as scheduled in quarter 3. Block meetings could be utilized to ensure Covid-19 lockdown regulations are observed.

KPI.80 Number of monthly ward meetings held by 30 June 2022	12	0	Unacceptable	Due to Covid-19 pandemic lockdown regulation the ward meetings could not take place as scheduled.	Meeting to seat as scheduled in quarter 3. Block meetings could be utilized to ensure Covid-19 lockdown regulations are observed.
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## 8. CHALLENGES AND RECOMMENDATIONS

CHALLENGES	RECOMMENDATIONS
Lack of efficient response and accountability by employee	Head of departments to review information provided by sub-ordinates.
Unreliable evidence provided	Credible quarterly performance reporting, deepened monitoring and adequate corrective measures and explanation of performance acted upon by senior management will assist in management accurately tracking progress thereby identifying early warnings and activities that are lagging behind.
Unavailability of employees	Employees must avail themselves 2 days after the quarter has ended to consolidate information with PMS officer.
Reason(s) for variance and remedial action not provided by relevant KPI owner.	The basic disciplines of standard monthly controls and reporting built in on a foundation of performance management system, effective and efficient leadership and stability in key positions will enable a vigorous performance management system.it must be implemented

## **8 CONCLUSION**

This report provide strategic achievement of the municipality, in terms of the pre-determined objectives and basic service delivery mandate. Basic service delivery and Infrastructure development is the major focus of the reported information. The quarter under achieved 58 % on the institutional performance. The municipality is determined to improve its performance to ensure the fully implementation of the performance management cycle.

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**COMPILED BY: PMS OFFICER  
: PULE SETLOGELO**

**DATE: 07 JANUARY 2021**