

LEPHALALE LOCAL MUNICIPALITY



Mid-year Performance Report

2017/18

Table of Contents

Acronyms and abbreviations	3
1. Purpose	5
2. Components of the Report	6
3. Overall Municipal Performance / Executive Summary	6
4. SDBIP Service Delivery and Performance Indicators	10
5. Detailed Performance per Department or Vote	12
5.1. Office of the Municipal Manager	12
5.2 Strategic Management Services	16
5.3 Corporate Support Services	24
5.4 Development Planning	30
5.5 Budget and Treasury	36
5.6 Social Services	43
5.7 Infrastructure Services	49
6 Project Implementation	56
6.2 Office of the Municipal Manager	56
6.3 Corporate Support Services	56
6.4 Development Planning	56
6.5 Budget and Treasury	56
6.6 Social Services	56
6.7 Infrastructure Development	57
7 SDBIP budget statements	60
7.1 Table C1 – Summary	61
7.2 Table C2 – Financial Performance (standard classification)	62
7.3 Table C3 – Financial Performance (revenue and expenditure by municipal vote)	64
7.4 Table C4 – Financial Performance (revenue and expenditure)	65
7.5 Table C5 – Capital Expenditure (municipal vote, standard classification and funding)	66
7.6 Table C6 – Financial Position	68
7.7 Table C7 – Cash Flow	69
8 Progress from the Annual Performance Report	70
9 Risks and Recommendations	71
Key performance area 2 – Service delivery and infrastructure development	72
10 Conclusion	73

Acronyms and abbreviations

A summary of acronyms and abbreviations used in this report are being supplied below:

ACRONYM / ABBREVIATION	MEANING
AFS	Annual Financial Statements
AG	Auditor-General
AVG	Average
BAC	Bid Adjudication Committee
BSC	Bid Specification Committee
BTO	Budget and Treasury Office
CDW	Community Development Workers
CoGHSTA	Department of Cooperative Government, Human Settlements and Traditional Affairs
Corp	Corporate Support Services Department
Dec	December
Dev. Plan	Development Planning Department
DWS	Department of Water and Sanitation
EAP	Employee Assistance Programme
EM	Executive Manager
EPWP	Expanded Public Works Programme
HR	Human Resources
i.t.o.	In Terms Of
IDP	Integrated Development Plan
Infra	Infrastructure Department
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LDF	Local development Forum
LLF	Local labour forum
LLM	Lephalale Local Municipality
LUMS	Land Use Management System
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPCC	Multi-Purpose Community Centre
MSIG	Municipal Service Infrastructure Grant
N/A	Not applicable to this quarter
PMU	Project Management Unit
POE	Portfolio of Evidence

ACRONYM / ABBREVIATION	MEANING
Rep	Representative
R-value	Rand value
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
Sept	September
SLA	Service Level Agreement
Social	Social Services Department
Strat.	Strategic Services Department
UOM	Unit of Measure, for example: # is number of, % is percentage
VIP	Ventilated Improved Pit Latrine
YTD	Year To Date

1. Purpose

The purpose of this report is to give feedback regarding the non-financial performance of Lephalale Local Municipality for the mid-year of the 2017/18 financial year. This report is in compliance with section 72 (1) of the Municipal Financial Management Act (MFMA)¹ whereby:
The Accounting Officer must by 25 January of each year –

- (a) assess the performance of the municipality during the first half of the financial year, taking into account –
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (b) submit a report on such assessment to—
 - (i) the mayor of the municipality;
 - (ii) the National Treasury; and
 - (iii) the relevant provincial departments, i.e. Treasury, Cogesta and Office of the Premier

This non-financial first quarter performance report contains information about:

- ▶ Quarterly performance against quarterly and annual targets as per the SDBIP is reported on. The SDBIP for 2017-2018 contains the objectives and indicators as per the Municipal IDP as well as General Indicators. The SDBIP for 2017/18 was developed to reflect ***cumulative performance***, therefore the status of indicators are a reflection of the overall performance level achieved year to date.
- ▶ Measures taken to improve performance
 - Corrective action is included for each KPI
 - Section on improvement from challenges in previous financial year's Annual Report as per the Annual Performance Report from the previous financial year
- ▶ Comparison of performance against set targets and performance in previous financial year
 - Calculations to calculate the variance between actual quarterly performance and annual targets are included for each KPI.
 - Comparisons of performance against quarterly targets are highlighted and adapted to comply with the Lephalale Local Municipality's performance management requirements. The scoring method utilised is in line with the assessment rating calculator prescribed by the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006. An explanation is as per the table below:

Colour code	Scoring	% Target achieved	
Rating	Score	Low	High
Unsatisfactory	1-1.99	0.0%	49.99%
Below target	2 -2.99	50%	69.9%
Achieved target	3 -3.99	70%	79.99%
Achieved/ exceeded target	4 -4.99	80%	99.9%
Outstanding / far exceeds target	5+	100.0%	+

2. Components of the Report

The following is reported on in this report:

- Performance Highlights
- SDBIP performance of service delivery and performance indicators and targets
- SDBIP Project Implementation
- SDBIP Budget Statement Components
- Risks and Recommendations
- Annual Report 2016/17 progress
- Approval of this Report

3. Overall Municipal Performance / Executive Summary

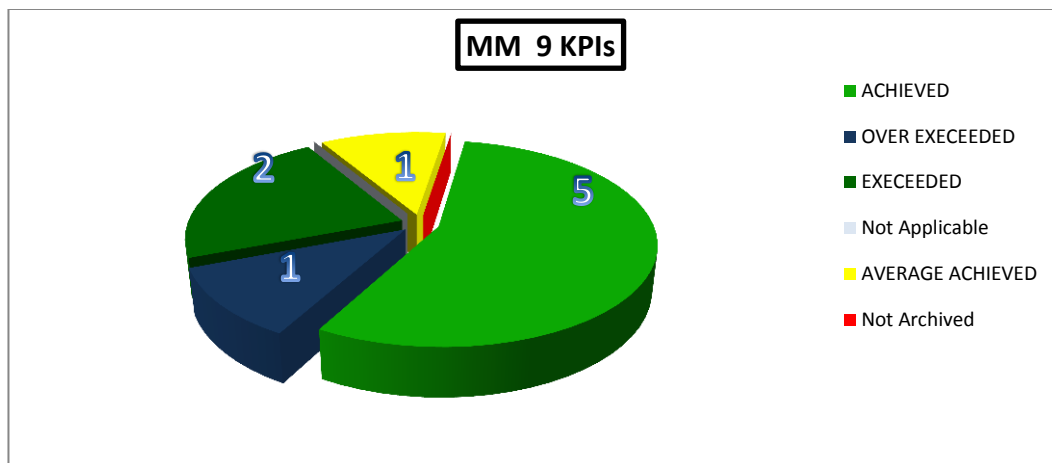
The second quarter of 2017/18 financial year, standard operating procedures and management resolutions as well as recommendation by the Audit committee will apply. Performance information submitted without supporting documents (POE and Corrective Action evidence) will not be saved or be recognized.

There are 107 performance indicators in the 2017/18 higher level SDBIP, 28 from this total is not applicable for the second quarter. There are 79 indicators that are measurable for the second quarter and overall averages will be determined from these indicators.

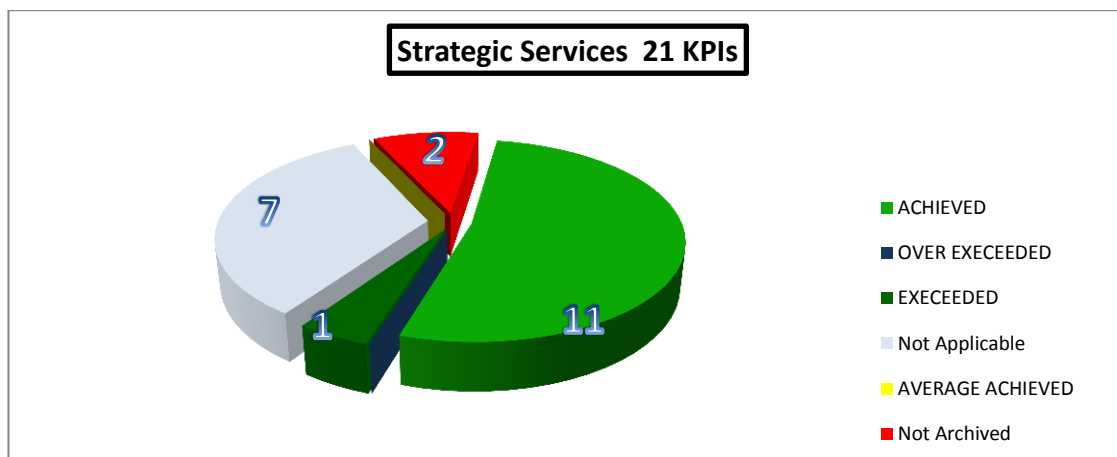
The Overall SDBIP achievement is 51 indicators achieved target as predetermined, 8 indicators exceed target, whereas 9 indicators over exceeded target by big margins and only 5 indicator had a below average performance which is a good Performance for the institution as a whole; however 6 indicator were unsatisfactory the institutional performance is at 4.3 for key performance indicators and 4, 0 for project implementation.

Office of the Municipal Manager has 9 indicators, on the higher SDBIP this are operational deliverables from the Municipal manager's offices. The Municipal Manager is equally responsible for all the indicators in other departments. All performance indicators directly linked the municipal manager's office are applicable for the second quarter. Out of the 9 indicators, only 1 over exceeded target, 5 indicators achieved target, 2 indicators exceeded the set target and 1 indicator performed below average.

The color coded performance is depicted on the pie chart below.

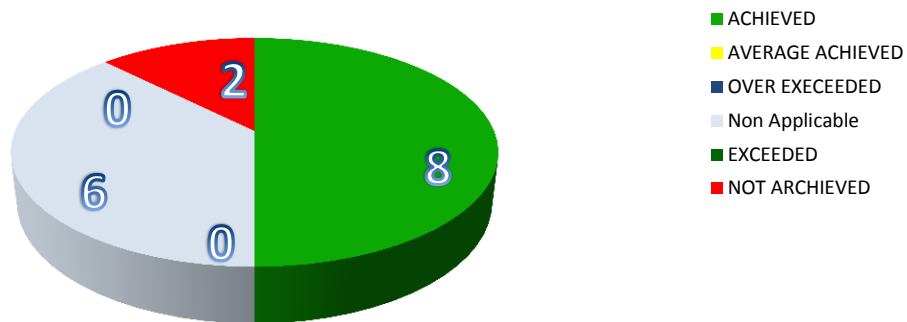


Strategic Services has 21 indicators, on the higher SDBIP this are operational deliverables from the Mayor. Out the 21 indicators 7 were not applicable for quarter one, 2 indicators were unsatisfactory on performance against set target. 11 indicators achieved target as planned and 1 indicator exceeded the set target. The color coded performance is depicted on the pie chart below.



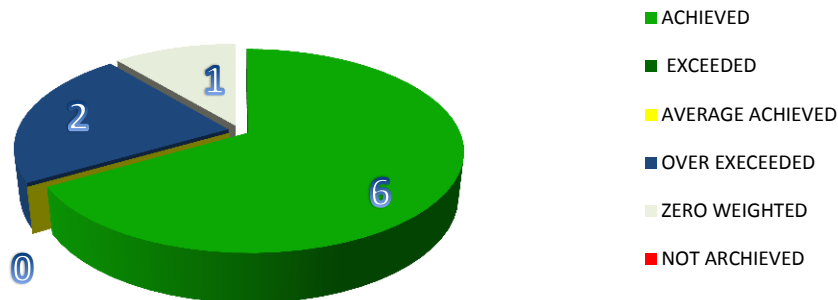
Corporate Support Services has 16 indicators in the higher SDBIP2017/18. Out of the 16 indicators 6 are not applicable for the second quarter, 8 indicators achieved target, and 2 indicator performance was unsatisfactory against the set target, the color coded performance is depicted on the pie chart below.

COOPERATE SUPPORT SERVICES 16 KPIs

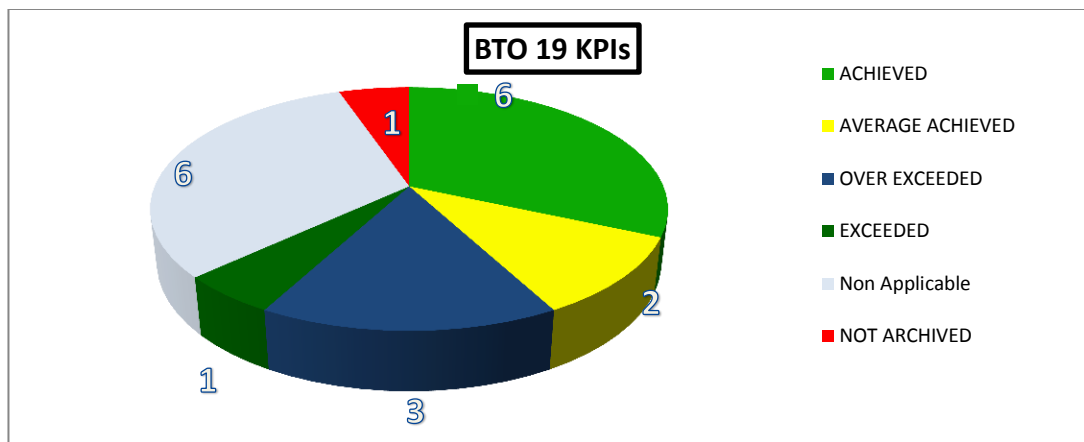


Development Planning has 9 indicators on the higher SDBIP. Out of the 9 indicators 1 is not applicable for the second quarter, 6 indicators achieved the set target, and 2 indicators over exceeded target. The pie chart below here graphically represents performance in the department of planning and development.

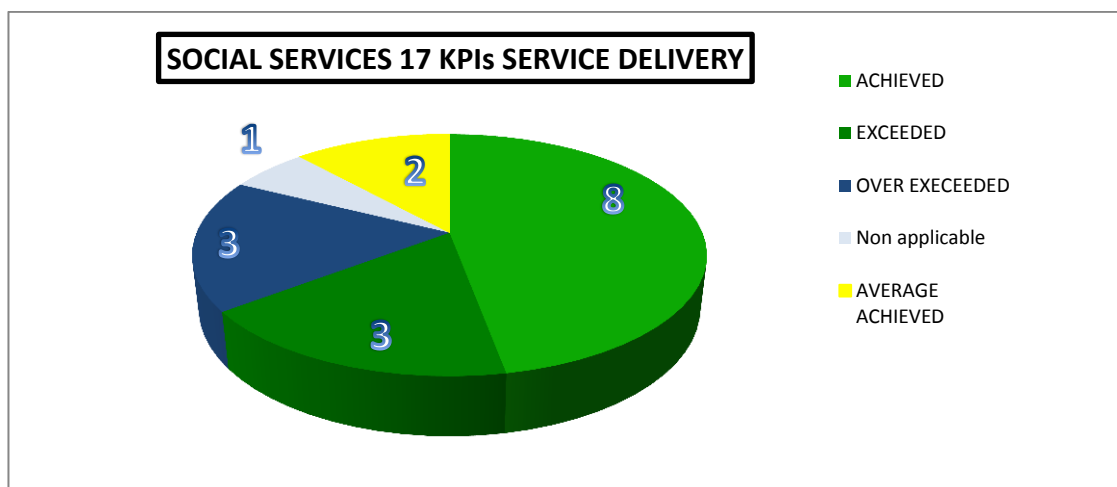
DEVELOPMENT PLANNING 9 KPIs



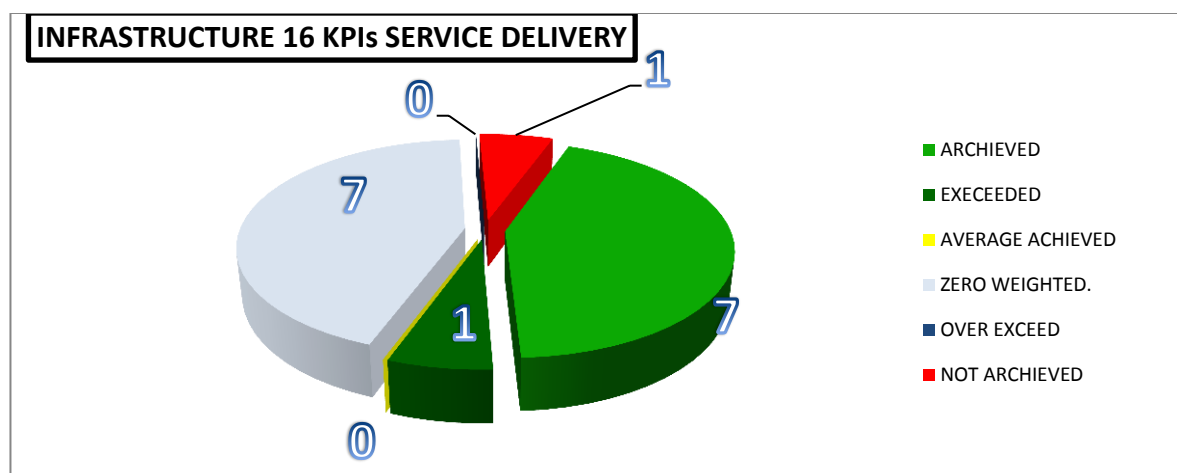
Budget and Treasury has 19 indicators on the higher SDBIP. From the 19 indicators 6 are not applicable for the second quarter, 6 achieved targets, 1 exceeded target, 3 indicators over exceeded target and 2 indicators performed below average against the set target. 1 indicator performed unsatisfactory against target.



Social Services have 17 indicators on the higher SDBIP where 1 indicator is not applicable for second quarter. 8 Indicators achieved the set target, 3 exceeded target, 3 indicators over exceeded target and 2 indicators performed below average against a set target.



Infrastructure Services have 16 indicators on higher SDBIP and out the 16 indicators 6 were not applicable for the second quarter. From the 9 measured indicators 7 achieved target, 1 indicator exceeded target and 1 indicator performed below average, there are 13 major project under this department 11 projects are on target as planned and only 2 projects shows minimal progress.



4. SDBIP Service Delivery and Performance Indicators

The total number of indicators in the SDBIP 2017/18 is 107. The average overall performance calculated from the key performance indicators and projects is 4.15

The Overall SDBIP achievement is 51 indicators achieved target as predetermined, 8 indicators exceed target, whereas 9 indicators over exceeded target by big margins and only 5 indicator had a below average performance which is a good Performance for the institution as a whole; however 6 indicator were unsatisfactory the institutional performance is at 4.3 for key performance indicators and 4, 0 for project implementation.

For service delivery performance statistics the number of households used in this report is 43002 from the 2016 South African statistics, community survey.

The outcomes of the average performance per department and per KPA are indicated in the table below:

Overall SDBIP	Number of KPIs	2017-18 Q2 Indicator Performance						Percentage Performance
		Achieved target	Exceeded target	Far exceeds target	Below target	Unsatisfactory	N/A	%
SDBIP KPAS and Functions (Votes)								
Office of the Municipal Manager	9 indicators	4	2	1	1	0	0	94%
KPA6: Good Governance and Public Participation	8 indicators							
KPA3: Financial Viability and Financial Management	1	1	0	0	0	0		
Strategic Services	21	11	1			2	7	85%

Overall SDBIP	Number of KPIs	2017-18 Q2 Indicator Performance						Percentage Performance
		Achieved target	Exceeded target	Far exceeds target	Below target	Unsatisfactory	N/A	%
	indicators							
KPA6: Good Governance and Public Participation	17	7						
KPA4: Local Economic Development	4	2				0		
Corporate and Support Services	16 Indicators	8		0	0	2	6	80%
KPA5: Transformation and Organisational Development	10							
KPA6: Good Governance and Public Participation	6							
Development Planning	9 Indicators	6	0	2	0	0	1	100%
KPA1: Spatial Rationale	9							
Budget and Treasury	19 Indicators	6	1	3	2	1	6	88%
KPA3: Financial Viability and Financial Management	17							
KPA6: Good Governance and Public Participation	2							
Social Services	17 Indicators	8	3	3	2		1	93%
KPA2: Service Delivery and Infrastructure Development	17							
Infrastructure Services	16 Indicators	7	1			1	7	88%
KPA2: Service Delivery and Infrastructure Development	16							
Total	Indicators	51	8	9	5	6	28	90%
Overall Capital Projects	13 projects	11 projects			2			88%
Own Funding Capital Projects								
MIG & DWS Funding Capital Projects		6						
Total	Projects							88%
AVERAGE OVERALL								89%

5. Detailed Performance per Department or Vote

5.1. Office of the Municipal Manager

The departments share the accountability of the strategic indicators as indicated in the approved SDBIP, therefore as those indicators are also duplicated under each department in following sections, they will not be repeated hereunder. All indicators that are followed by an asterisk (*) are Strategic Indicators under each Department / Vote and all indicators that are followed by two asterisks (**) are the General key Performance Indicators as prescribed by section 43 of the MSA and the Regulation 796 section 10.

Office of the Municipal Manager has 9 indicators, on the higher SDBIP this are operational deliverables from the Municipal manager's offices. The Municipal Manager is equally responsible for all the indicators in other departments. All performance indicators directly linked the municipal manager's office are applicable for the second quarter.

Only indicators related to the following units within the Office of the Municipal Manager are highlighted in this section:

- Internal Auditing
- Risk Management

The following were noted:

- Audit Committee established and functional
- Two Audit/Performance Committee meetings were held year to date
- Back to basics monthly and quarterly reports are submitted to National Cogta and Cogshata
- Risk committee is established and functional
- 59% of the risks identification was achieved against a target of 50%
- The Annual Performance Report for 2016-17 was submitted to the Auditor-General ,COGSHTA, National and Provincial Treasury by 31st August 2017
- AFS was compiled and submitted to AG on time
- A weekly Rapid Response teleconference with the district municipality
- No fraud and Corruption cases were reported in the second quarter
- 96% of the audit findings were addressed by end of second quarter
- One audit review was conducted
- The audit opinion for the municipality was maintained as unqualified

The detailed strategic scorecard follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Anti-corruption	M – 2 4	Number of fraud and corruption cases investigated YTD*	#	L e p – M R i s k	0	0	0	0	No fraud and Corruption cases were reported in the first quarter	N/A	N/A	0	N/A	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M – 6 6 7 A	Percentage of strategic risks that were identified in the Risk Plan that were successfully controlled YTD*	%	L e p – M R i s k	100	25	50	59% achieved	(Number of mitigating controls=39 Number of m. Controls achieved=23)	None	N/A	100		
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M – 6 6 7 B	Percentage of Operational risks that were identified in the Risk Plan that were successfully controlled YTD*	%	L e p – M R i s k	100	25	50	47% achieved	(Number of mitigating controls=114 Number of m. Controls achieved=54)	Set targets dates are far.	Continue with frequent monitoring until targets are achieved	100		
KPA6: Good Governance and Public Participation\	M – 6	Number of Audit committee	#	L e p	4	1	2	2	2 Audit committee meeting held	None	None	4		

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
Responsible, accountable, effective and efficient corporate governance\ Audit Committee	48	meetings held YTD*		– M I A					YTD					
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M – 26	Percentage of Auditor General’s queries resolved per quarter*.	%	L e p – M I A	96	50	70	96	48 AG finding were addressed out of 50	None	none	100		
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M – 652	Number of audit reviews conducted per quarter	#	L e p – M I A	0	1	1	1	One audit review was conducted	None	None	4		
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M – 659	Number of internal audit findings against the municipality resolved YTD*	#	L e p – M I A	41	5	10	5	5 internal audit finding were resolved	None	none	20		

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M _ 6 5 1	Number of Unqualified Performance Opinion per annum	#	L e p _ M I A	1	N/A	1	1	Municipality received an unqualified Audit Opinion	Supply of credible data for evidence	Creation of consumer data by the municipality	1		
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M _ 6 5 0	Number of Unqualified Audit Opinion received from AG	#	L e p _ C F O	1	N/A	1	1	Municipality received an unqualified Audit Opinion	None	None	1		

* Note: The General key Performance Indicators as prescribed by section 43 of the MSA and the Regulation 796 section 10.

5.2 Strategic Management Services

- Performance Management
 - IDP
 - Public Participation
 - Communication
 - LED
 - Special Programs
-
- A total of 3 special projects were completed successfully in the second quarter
 - Two HIV /Aids campaign was done during the Mayoral tournament at Thabo Mbeki
 - A total of 8 media releases were issued in the second quarter of 2017/18.
 - Twitter and Face book are utilised as media platforms to keep the stake holder and community abreast with matters of civil interest
 - One (1) IDP rep forum was held in the second quarter of 2017/18 financial year
 - The SDBIP was signed by the Mayor on the 20th of June 2017
 - In the 2017-18 one (1) Audit Performance Committee meeting was held
 - Communication Strategy is implemented, where by three monthly internal newsletters and one quarterly 20newsletter distributed.
 - A total of 555 jobs were created through strategic partners, municipal LED and capital projects in the second quarter;
 - A total of 800 jobs were created through municipal LED and capital projects in the second quarter, and about 355 jobs created through CWP programmes.
 - Draft Annual completed for submission to Council by 31st Jan 2018
 - All ward committees are functional

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Capacitate disadvantaged groups\ Special Projects	M – 3 2 2	Number of HIV/Aids campaigns held YTD*	#	L e p – M P P	5	1	2	3	2 HIV aids campaigns held in the second quarter	None	None	4	1	MEC's visit included an awareness campaign on HIV/AIDS
KPA6: Good Governance and Public Participation\ Capacitate disadvantaged groups\ Special Projects	M – 6 4 1	Number of special projects awareness campaigns held YTD*	#	L e p – M P P	18	3	6	6	3 special projects held in the second quarter	None	None	12	0	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Communication	M – 3 3 5	Number of media releases published YTD*	#	L e p – M C o m	30	5	10	13	8 media releases send out for press printing	None	None	20	3	
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\	M – 6 5 4	Number social media platforms utilised for communication at given time in Financial year	#	L e p – M C o	4	3	3	3	Three social media platform is used to disseminate	None	None	4	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baselin e	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
Communication				m					informatio n to communiti es.					
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M – 2 6 2 2	Number of IDP Rep forums meetings successfully held YTD*	#	L e p – M I D P	4	1	2	2	A rep forum was held at Thabo Mbeki communit y hall	None	None	4	N/A	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M – 3 2 5	Number of IDP road shows successfully held YTD*	#	L e p – M I D P	3	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated	M – 6 5 7	Percentage of IDP credibility rating by MEC in Financial Year	%	L e p – M I D P	100	N/A	N/A	N/A	N/A	N/A	N/A	100	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baselin e	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
Development Planning														
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M – 6 5 8	Number of Final IDP approved by Council by end May	#	L e p – M I D P	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 0 6	Number of Final Annual Reports approved by Council by end of March 2017	#	L e p – P M S	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 09	Number of Draft Annual Reports tabled to Council by 31 st of January 2017	#	L e p – P M S	1	N/A	1	1	Draft Annual Report	None	None	1	0	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 43	Number of final SDBIP approved by the Mayor within 28 days after the approval of budget and the IDP	#	L e p – P M S	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 48	Number of Annual Performance Reports submitted to auditor general by August 30th	#	L e p – P M S	1	1	1	1	APR submitted to AG for Auditing	None	None	1	0	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baselin e	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 3 1 5	Number of quarterly performance assessments performed YTD*	#	L e p – P M S	4	1	2	2	Mid -Year assessment scheduled for 7 February 2018	Non adherence to process plan	Process plan to adhered to	4	0	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 4 0	Number of Quarterly Performance Reports submitted to Audit Committee YTD*	#	L e p – P M S	4	1	2	1	Mid- year report submitted to AC for comments	Changes on PMS reporting system gave rise to delays	Old reporting template used for 2017/18	4	1	Changes on PMS reporting system gave rise to delays
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 4 4	Number of Section 72 (mid-year performance) reports submitted to MM by 25th of January and to council by 31st January	#	L e p – P M S	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baselin e	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Public Participation	M – 6 6 4	Number of public participation policies reviewed and approved by Council	#	L e p – M P P	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Ward Committees	M – 2 0 8	Number of ward committees that are functional	#	L e p – M P P	13	13	13	13	All ward committees are functional	None	None	13	N/A	N/A
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job Creation	M – 5 1	Number of jobs created through strategic partners (energy generation, new mines and other business proposals) YTD*	#	M L E D	1207	213	425	500	555	none	none	850	N/A	N/A
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job	M – 6 8 8	Number of jobs created through municipal LED initiatives and capital projects (from municipal	#	M L E D	1 289	320	640	720	800	none	none	1 500	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baselin e	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
Creation		budget) YTD*												
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Marketing and Branding	M _ 6 9 5	Number of Public Private Partnerships established YTD*	#	M L E D	2	N/A	1	2	2private partnership done in the second quarter as planned.	none	none	2	N/A	N/A
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Marketing and Branding	M _ 6 9 6	Number of meetings held with strategic partners YTD*	#	M L E D	2	N/A	1	2	2 meetings held with strategic partners	None	None	2	N/A	N/A

5.3 Corporate Support Services

The department has the following units:

- Administration and Secretariats
- Human Resources
- Legal Services

The following were noted.

- Number of people from employment equity groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan is 30 against a target of 30
- Number of staff members with financial competency levels is 45 against a target of 38
- Number of ordinary Council meetings held by YTD is 3.
- The OHS and EAP unit are functional , a fire or disaster escape drill was performed
- Voluntary HIV and other chronic disease testing was done for employees
- Number of municipal personnel with technical skills/ capacity (engineer and technicians is 16 against a target of 16
- Number of municipal personnel with financial minimum competency requirements is 45 against a target of 38
- 100% of complaints received on the electronic system and successfully attended to by customer care unit
- Competency assessment was conducted on appointed employees for Financial department
- 46% of municipal personnel budget was spent as planned.
- All Senior Managers are competency assessed before being appointed

Challenges

- No LLF meeting was held in the second quarter
- 0.32 %Percent of total municipality's budget actually spent on implementing its workplace skills plan YTD against a target of 0.50%

The detailed performance for the department follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Human Resource Management	M – 4 0 4	Number of people from employment equity groups employed in the three highest levels of management YTD	#	L e p – M H R	26	29	30	30	target has been archived	N/A	N/A	31	3	
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Labour Relations and EAP	M – 6 7 2	Percentage of Employee Satisfaction rating	%	L e p – M H R	50,7%	N/A	N/A	N/A	N/A	N/A	N/A	60	N/A	N/A
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Labour Relations and EAP	M – 6 7 3	Number of EAP policies Developed/ Reviewed and approved by Council YTD(to be replaced by a new KPI)	#	L e p – M H R	4	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA5: Transformation and Organisational Development\ Improve functionality, performance and	M – 6 7 8	Number of LLF meetings held YTD	#	L e p – M	7	3	5	0	Availability of members from management side	Appointment of alternative member/s	Appointment of alternative member/s	10	-5	LLF Meetings postponed twice due to quorum

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
professionalism\ Labour Relations and EAP				H R										
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Occupational health and Safety	M – 6 8 0	Number of OHS audits conducted annually	#	L e p – M H R	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	M – 2 1 2	Percentage of total municipality's budget actually spent on implementing its workplace skills plan YTD	%	L e p – M H R	1	0	0,50%	0,32%	We trained more employees than anticipated	There will be a challenge of unavailability of funds for accommodation of employees for training outside Lephalale area	In-house training is recommended	1	-0,18	We trained more employees than anticipated
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	M – 1 8	Percentage of municipal new personnel appointed and enrolled to meet the financial minimum competency	#	L e p – M H R	100	100%	100%	100%	One official appointed and completed her MFMP course.	None	None	100%	0	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
		requirements YTD												
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	M – 1 9	Number of municipal personnel with technical skills/ capacity (engineering technicians and technicians) YTD	#	L e p – M H R	16	14	16	16	Two (2) vacancies were advertised due for filling in the next quarter	N/A	N/A	15		
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	M – 2 1	Percentage of municipal personnel budget spent YTD	%	L e p – M H R	97%	24%	46%	46%	Target met	Filling of positions to be fast tracked.	prepare schedule for short listings	97	0	N/A
Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	n e w	Percentage of newly appointed managers who have gone through the competency assessment YTD		M H R	0	100%	100%	100%	All Senior Managers are competency assessed	all Senior Managers are competency assessed	None	100%	0	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ By-laws	M – 6 5 3	Number of by-laws Drafted/or reviewed, taken for public participation concluded and Adopted by Council YTD	#	M L e g a l	2	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Governance and Administration	M – 6 5 5	Number of ordinary Council meetings held YTD	#	M A d m i n	9	1	2	3	3	All meetings held as scheduled	N/A	6	0	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ IT and Support	M – 1 3 5	Number of ICT related policies and plans Developed/ Reviewed and adopted by Council YTD	#	M A d m i n	14	N/A	N/A	N/A	N/A	N/A	N/A	13	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Legal Services	M – 3 1	Number of by-laws submitted for vetting and Gazetting.	#	M L e g a l	2	0	0	N/A	N/A	N/A	N/A	3	N/A	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Legal Services	M – 1 3 6	Percentage of Service Level Agreements (SLAs) drafted/or reviewed within 2 weeks of receipt of notice of appointment from Municipal Manager YTD	%	M L e g a l	0	90	90	100	All request for drafting/revi ewing of contracts were concluded within 2 weeks of receipts	N/A	N/A	90	10	
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ IT and Support	M – 2 3	Percentage of complaints received on the electronic system and successfully attended to by customer care unit YTD	%	M – A d m i n	0	80	80	80	80%	Complaints were directly dealt with by the relevant departments not by Switchboard	All complaints be directed to switchboard for capturing	85	N/A	N/A

5.4 Development Planning

The department has the following units:

- Building Control
- Economic Development and International Relations
- Land Use Management
- Housing

The following were noted:

- Municipal Land Use Scheme approved under Item A165/2017[12]
- Reviewed MSDP and LSDP approved under Item A166/2017[12]
- Average turnaround time (weeks) related to attend to (notices/directives issued) land use contraventions YTD is 6 weeks;
- A total of 4 notices were served within 2 (two) days from the date of detection
- An average turnaround time for land use applications to be considered by EXCO was reduced from 16 weeks to 10 weeks.
- 4 Transgressions were identified and 4 Contravention notices were issued within 24 hours of detection
- 2 contraventions detected and all the notices were issued, thus resulting in 100% performance
- 28 building plans were submitted and all 28 were assessed within the prescribed period of 30 days;
- Received: i. 07 applications for building line relaxation;
ii. 0 applications for Special Consent;
iii. 05 for rezoning and simultaneous applications. As a result 12 applications considered within 4 weeks.
- All the building contraventions were attended to timeously, 14 contraventions were detected and 14 notices were issued; and
- No application for land use was received between the 01 October and 31 December 2017 seeking attention of MPT
- The Beneficiary list for housing accessibility was updated 24 times against a target of 24 times

The challenges for the department is inability to enforce by-laws regulating spatial planning,

The detailed performance for the department follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Socio Economic Surveys	M — 1 8 6	Number of times Housing Beneficiary list updated Per quarter	#	M H S	12	24	24	24	Housing beneficiary list is updated twice a week on Wednesdays and Thursdays	None	None	96	0	N/A
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Sustainable and Integrated Rural Development	M — 7 0 7	Number of human settlement development plans reviewed and approved by Council	#	M H S	0	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Building Plans Administration and Inspectorate	M – 1 1 4	Percentage of building contraventions attended (submitted for legal action) within 6 weeks from detection	%	M B C	100	100	100	100	4 Transgressions were identified and 4 Contravention notices were issued within 24 hours of detection	None	None	100	N/A	N/A
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Building Plans Administration and Inspectorate	M – 7 5 9	Average turnaround time (weeks) for assessment of building plans YTD	# w o r k i n g d a y s	M B C	30 working days	30 workin g days	30 workin g days	30 workin g days	28 building plans were submitted and all 28 were assessed within the prescribed period of 30 days	None	None	30 working days	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M_760	Average turnaround time (weeks) for assessment and approval of land use applications from the date of receipt as delegated to the Executive Manager	# weeks	M L U	14 weeks	14 weeks	14 weeks	4 Weeks	Received: i. 07 applications for building line relaxation; ii. 0 applications for Special Consent; iii. 05 for rezoning and simultaneous applications. As a result 12 applications considered within 4weeks.	None	None	14 weeks	10	

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M _ 7 5 5	Average turnaround time (weeks) for assessment and approval of land use applications from date of receipt as delegated to the Municipal Planning Tribunal	# w e e k s	M L U	16 weeks	16 weeks	16 weeks	16 Weeks	No application was received between the 01 October and 31 December 2017 seeking attention of MPT	None	None	16 weeks	0	N/A
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M _ 7 6 1	Average turnaround time (weeks) related to attend to (notices/directives issued) land use contraventions YTD	# w e e k s	M L U	6 weeks	6weeks	6 weeks	2 Days	A total of 4 notices were served within 2 (two) days from the date of detection	None	None	6 weeks	5 weeks	

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M-733	Number of Land Use Scheme compiled, approved by Council YTD	#	M L U	0	N/A	N/A	1	Municipal Land Use Scheme approved under Item A165/2017[12]	None	None	1	0	N/A
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M-734	Number of the SDF compiled and approved by Council YTD	#	M L U	0	N/A	N/A	1	Reviewed MSDF and LSDF approved under Item A166/2017[12]	None	None	1	0	N/A

5.5 Budget and Treasury

The department has the following units:

- Budget and Reporting
- Expenditure
- Income
- Supply Chain Management

Successes that were noted from this department are as follows:

- Liquidity ratio (R-value assets / R-value liabilities as %) is 202 % against a target of 200%
- Two financial Reports were submitted to council
- The annual financial statements received an unqualified opinion
- A Deviation report and A tender reports were submitted to council for the second quarter
- A Percentage Capital budget actually spent on capital projects identified for financial year i.t.o. IDP is 63.62% against a target of 40%
- Debt coverage (total R-value operating revenue received minus R-value Operating grants, divided by R-value debt service payments (i.e. interest + redemption) due within financial year is at 702.86%
- Percentage debtors collection rate YTD is at 82,7% against a target 98% and its 16% below target
- Percentage outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services is 17% against a target of 30
- % of municipal infrastructure grant (MIG) spent is 76.65 against a target of 50%

Challenges experienced in the Budget and treasury department were the failure to conduct an awareness campaign in time as planned.

- Percentage Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure is 39% against a target of 200%
- Revenue collection is below the set standard of 95%

The detailed performance for the department follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M – 17	Number of Asset Verification conducted YTD	#	M B & R	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M – 630	Percentage Liquidity ratio (R-value current assets / R-value current liabilities as percentage)	%	M B & R	282	200	200	202	Current Assets =329 316 000/Current Liability 162 668	High Debtors Book	None	200	02	
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M – 25	Number of quarterly financial reports submitted to Council YTD*	#	M B & R	4	1	2	2	Report Submitted to Admin and Secretariat	None	None	4	0	N/A
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M – 756	Number of Interim financial statements prepared and submitted to Audit Committee	#	M B & R	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M – 2 8 1	Number of Annual Financial Statements submitted to the Auditor General on time (by end August)	#	M B & R	1	1	1	1	AFS submitted to AG for Auditing	None	None	1	N/A	N/A
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M – 3 9 7	Percentage Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure)	%	M B & R	291	200	200	39%	Cash+ investment / fixed monthly expense 9 597 000/24 573 000	Low Cash	implementing Revenue enhancement strategy	200	-161	Debt collector is yet to be appointed; Demobilisation of Medupi Power Station workers affected collection rate negatively
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M – 1 1	Percentage of municipal infrastructure grant (MIG) spent YTD*	%	M E x p	100	20	50	76.65	Actual performance exceeds the set target	None	None	100	26.65	Spending went well on MIG
KPA3: Financial Viability and Financial	M –	Percentage Debt coverage	%	L e	1299	200	200	702.86	Actual exceeds the	None	None	200	502.86	Debt coverage is

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
Management\ Enhance revenue and financial management\ Expenditure Management	205	(total R-value operating revenue received minus R-value Operating grants, divided by R-value debt service payments (i.e. interest + redemption) due within financial year)		p – M E x p					target					healthy
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M – 398	Percentage Capital budget actually spent on capital projects identified for financial year i.t.o. IDP*	%	L e p – M E x p	73	15	40	63.4	Actual performance exceeds the set target	None	None	100	No Negative variance	Processes on Grant Fund spending are monitored well
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M – 638	Number of updated and credible indigents register in place	#	M R e v	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Supply Chain management	M – s c m 1	Number of tender reports submitted to council per quarter	#	M S C M	0	1	1	1	None	None	None	4	0	N/A
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Supply Chain management	M – s c m 2	Number of Deviation reports submitted to council per quarter	#	M S C M	0	1	1	1	None	None	None	4	N/A	N/A
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Supply Chain management	M – s c m 3	Number of stock count done per annum	#	M S C M	0	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M – 3 3	Percentage debt collected YTD	%	M R e v	95	98	98	83	Amount billed was R82 584 714 .63 Amount collected was R68 637 104 .40	Debt collector is yet to be appointed; Demobilisation of Medupi Power Station workers affected	Revenue enhancement strategy will be implemented. Debt collector will be appointed	95	15	Debt collector is yet to be appointed; Demobilisation of Medupi Power Station workers affected

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
										collection rate negatively				collection rate negatively
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M – 3 9 6	Percentage outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services)	%	M R e v	5	30	30	17	Target over exceeded	None	None	10	13	Debt collector is yet to be appointed; Demobilisation of Medupi Power Station workers affected collection rate negatively
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M – 6 3 7	Number of credit control policies reviewed and approved by Council YTD*	#	M R e v	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	Credit Control policy will be approved by Council in the 4th quarter

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M _ 6 3 6	Number of awareness campaign on payment of services and registration of indigent consumers YTD	#	M R e v	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	Awareness campaign will be conducted in the 3rd quarter
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M _ 6 5 0	Number of Unqualified Audit Opinion received from AG	#	L e p _ C F O	1	N/A	1	1	Unqualified Audit Opinion achieved	None	None	1	0	N/A
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M _ 7 4 0	Number of material audit findings against the municipality regarding financial statements	#	L e p _ C F O	40	N/A	0	70	70 findings issued against AFS and APR	Attraction of findings on the AFS and APR	Action Plan established to resolve all the findings	0	70	Attraction of findings on the AFS and APR

5.6 Social Services

The department has the following units:

- Traffic
- Registration Authority and Licensing
- Waste Management
- Parks
- Libraries and Thusong Centres
- Fire and disaster management units

The following successes were noted from this department:

- Number of trees planted through the greening project is 441 YTD and 341 were planted in the second quarter
- Number of urban household provided with weekly refuse removal is at 10913
- Percentage households with access to basic level of solid waste removal 41 % YTD
- Number of environmental education programmes implemented is 3 against a target of 2 for the second quarter, and 16 environmental awareness campaigns were done in the second quarter.
- Number of fire prevention awareness campaigns conducted is 15 against a target of 6 and 8 awareness campaign were done in the second quarter.
- Number of library campaigns held YTD is 8 against a target of 4, one campaign was held in the second quarter.
- Average number of weeks turnaround time between application for learner license test until actually being tested is 2 weeks against a target of 3 weeks
- Number of joint law enforcement operations with other law enforcement agencies undertaken YTD is 11 against a target of 2, and 5 joint law enforcement was done in the second quarter
- Number of functional safety and security forums is 4 against a target of 3
- Number of Service level agreement signed at the Thusong centres is 8 against a target of 14
- Number of speed checks held YTD is 83 against a target of 72 for the quarter

Challenges for the department are as follows:

The data for households who receive refuse removal at the villages is inaccurate and need to be updated

The detailed performance for the department follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M – 170	Number of trees planted per quarter, year to date (operational budget)	#	M P a r k s	533	N/A	200	441	100 trees planted in Q1 and Q2 341 trees planted.	None	None	500	241	100 trees planted in Q1 and Q2 341 trees planted.
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M – 702	Number of waste awareness campaigns implemented per quarter	#	M W a s t e	47	12	12	14	2x awareness campaigns conducted.	The target could not be reached as the division was busy with other operational challenges	Outstanding awareness targets will be conducted during the third quarter	48	2	The target could not be reached as the division was busy with other operational challenges
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Library Services	M – 172	Number of library campaigns held per quarter	#	M L i b	8	1	1	4	3x library campaigns conducted	None	None	4	3	
KPA2: Service Delivery and Infrastructure		Number of Thusong Centre		M L	0	1	1	3	2x Thusong centres	none	None	4	2	

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
Development\ Protect the environment and improve community well-being\ Library Services		services campaigns held per quarter		i b					campaigns conducted.					
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Library Services		Number of reports on education activities per quarter sent to Council.		M L i b	0	1	1	1	1x Report on Education activities submitted in Q2.	Meeting postponed due to clash in date	None	4	0	N/A
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Registry	M – 3 9 5	Average number of weeks turnaround time between application for learner license test until actually being tested	#	M R e e k s	1week	3weeks	3weeks	2week s	Turnaround time for acquisition for learner license in Q2 is two weeks.	None	None	3weeks	1week	
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Registry	M – n e w	Average number of weeks turnaround time between application for driver's license test until actually being tested	#	M R e e k s	1weeks	2weeks	2weeks	2week s	Turnaround time for acquisition for driver's license in Q2 is two weeks.	None	None	2weeks	0	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Registry	M – n e w	Number of reports on public transport activities sent to Council per quarter	#	M R e g	0	1	1	1	No report on public transport activities sent to council.	Meeting postponed due to clash in date	Two meetings will be held in Q3.	4	0	N/A
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M – 7 0 3	Number of speed checks held per quarter	#	M T r a f	111	36	36	83	47 speed checks held in Q2.	None	None	144	11	47 speed checks held in Q2.
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M – 7 0 4	Number of joint law enforcement operations with other law enforcement agencies undertaken held per Quarter	#	M T r a f	4	1	1	11	5 joint law enforcement conducted in Q2.	None	None	4	10	Five joint law enforcement conducted in Q2. And 6 were done in Q1
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Safety and Security	M – 7 0 6	Number of safety and security forums that are functional	#	M T r a f	3	3	3	3	three forums are still functional	None	None	3	0	N/A
KPA2: Service Delivery and Infrastructure Development\ Protect	M – 3	Number of services rendered at	#	T h u	10	8	8	8	8x services rendered at Thusong	None	None	8	0	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
the environment and improve community well-being\ Thusong Centre	80	Thusong centers		s o n g M L i b					Centres.					
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M – 250	Number of urban household provided with weekly refuse removal	#	M W a s t e	19942	19 942	19 942	10 913	Removal of duplicates.	Duplication of stand numbers.	None	19942 (plus new developments)	-9029	Removal of duplicates
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M – 402	Percentage households with access to basic level of solid waste removal	%	M W a s t e	78	70	70	41%	In Q2 only 41% of households provided with refuse removal services.	Reduction of consumers	None	75	29	Removal of duplicates from the list of consumers
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M – 708	Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system	#	M W a s t e	10	N/A	10	10	Ten villages provided with refuse removal services, namely Setateng, Matladi, Ga-Monyeki, Tshehlong, Ditaung,	Households are not link to rollOn-roll-off containers.	To conduct a community survey and link households to GPS coordinates of collection points.	10	0	N/A

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
									Dikgopheng, Nikara, Martinique, Himini, Ditlounge, Seleka & Motlhasedi.					
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M – 7 0 9	Number of Integrated Waste Management Plan reviewed Per annum	#	M W a s t e	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management/ free basic services	M – 7 5 4	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free solid waste removal	%	M W a s t e	100	100	100	100	660 hh receives free refuse removal	None	none	100	0	N/A

5.7 Infrastructure Services

The department has the following units:

- Water
- Sanitation
- Project Management Unit
- Electrical
- Roads and Storm water

The following were noted:

- Percentage of Electrical losses is 11.03% against a target of 14% which is an achievement.
- Percentage households with access to basic level of electricity is 94% as per target predetermined
- Number of villages in which access roads blade is 14 villages against a target of 14
- Percentage households with access to basic level of sanitation 94% as per target predetermined
- Percentage households with access to basic level of water 94.5% as per target predetermined
- Percentage of water losses YTD is 12% against a target of 14%
- Percentage of expenditure on other grants is 46% and Percentage of expenditure per allocation =MIG 46
- The Ga- Monyeki Road project was completed in the second quarter, where 3, 5 km of asphalt road was built.

Challenges experienced in the department is slow pace on the upgrade of transformers in Onverwacht

- Sanitation capacity challenges
- Water capacity challenges

The detailed performance for the department follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M – 7 1 0	Number of urban transformers upgraded YTD	#	M E l e c	2	n/a	n/a	n/a	n/a	n/a	n/a	2	n/a	n/a
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M – 3 4 0	Percentage of Electrical losses YTD*	%	M E l e c	8.65	20	20	11.703	we have achieved the target	Eskom on billing	meeting arranged with Eskom	5	-6.7	
KPA2: Service Delivery and Infrastructure Development\ Provide quality and	M – 4 0 1	Percentage households with access to basic level of electricity	%	M E l e c	97	90	94	94	The target has been archived	No challenges	No corrective action	95	-1	New extensions not yet covered

Hierarchy (KPA \ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
well maintained infrastructural services in all municipal areas \ Electrical Network (New Infrastructure)														
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Energy Efficiency	M – 7 1 3	Number of energy efficiency audits conducted	#	M E l e c	0	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Free Basic Services	M – 7 5 3	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic electricity	%	M E l e c	100	100	100	100	Target has been achieved	No challenges	No corrective action	100	0	N/A

Hierarchy (KPA \ STRATEGIC OBJECTIVE \\ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Infrastructure Planning	M – 7 5 7	Number of infrastructure master plans reviewed	#	P M U	0	N/A	N/A	N/A	N/A	Insufficient funds	Funds to be requested in the next financial year.	1	N/A	N/A
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Roads and Storm water – Maintenance and Upgrading	M – 2 1 8	Number of villages in which access roads are bladed YTD*	#	M P W	40	7	14	14	We have achieved target	No challenges	No corrective measures	40	0	N/A
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Roads and Storm water – Maintenance	M – 7 4	Total length of kilometers upgraded from gravel road to surfaced road YTD*	k m	M P W	4.2	N/A	N/A	N/A	N/A	N/A	N/A	3.5	N/A	N/A

Hierarchy (KPA \ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
and Upgrading														
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Roads and Storm water – Maintenance and Upgrading	N M - 1	Total Percentage of maintenance budget spent on infrastructure maintenance by Public works unit YTD	%	M P W	0	15	45	50	50 % of maintenance budget spent	None	None	90	0	N/ A
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Sanitation - New Infrastructure	M - 4 0 0	Percentage households with access to basic level of sanitation YTD*	%	M S a n i t	94	94	94	94	Achieved Target	No challenges	No corrective measures	95	0	N/A
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Waste Water Quality (Green Drop)	M - 7 5 8	Number of Green drop assessment report submitted to DWS for green drop risk rating YTD	#	M S a n i t	0	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A

Hierarchy (KPA \ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Sanitation \ Free Basic Services	M – 7 5 2	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic sanitation	%	M S a n i t	100	100	100	100	Achieved Target	No challenges	No corrective measures	100	0	N/A
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Water – Supply	M – 3 9 9	Percentage households with access to basic level of water YTD*	%	M W a t e r	95	94	94	94	Achieved Target	No challenges	No corrective measures	95	0	N/A
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Water – Supply	M – 7 2 6	Number of feasibility studies / technical report conducted YTD*	#	M W a t e r	4	N/A	N/A	N/A	N/A	N/A	N/A	4	N/A	N/A

Hierarchy (KPA \ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Baseline	Qtr. 1	Qtr. 2					Annual Target 2017/18	Variance from Annual Target	Reasons for variance to target
						Target	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Water loss (unaccounted water)	M – 8 1	Percentage of water losses YTD*	#	M W a t e r	18,72	14	14	26	Water loss is 12 higher than required	Reticulation pipe changes from asbestos to AC pipes	Monitor the project to completion	10	-12	Reticulation pipe changes from asbestos to AC pipes
KPA2: Service Delivery and Infrastructure Development \ Provide quality and well maintained infrastructural services in all municipal areas \ Water Quality (Blue Drop)	M – 7 2 8	Number of Blue drop assessment report submitted to DWS for Blue drop rating YTD*	#	M W a t e r	0	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A

6 Project Implementation

6.2 Office of the Municipal Manager

No significant projects in this department, however the Accounting Officer is responsible for all the projects including the Public Private Partnership projects

6.3 Corporate Support Services

There is no Project for the department in 2017/18 SDBIP

6.4 Development Planning

There is no Project for the department in 2017/18 SDBIP

6.5 Budget and Treasury

There is no Project for the department in 2017/18 SDBIP

6.6 Social Services

There is no Project for the department in 2017/18 SDBIP

6.7 Infrastructure Development

Project Name	No.	Description of deliverables	Start date	Completion date	Quarter 1		Quarter 2							Annual Budget 2017-2018	Source of funding
					% Prog	Activity /Milestone	% Prog	Activity /Milestone	Actual % Prog	Actual Notes	Challenges	Corrective Actions	Expenditure		
Refurbishment of Shongoane Stadium & Construction of access road to stadium	P-01	Completion of stadium and access road construction	1 July 2015	31 September 2017	96 %	Snack list completion	100 %	Completion certificates to be issued.	100%	Project completed	None	None	3 085 340	3 085 340	MIG
Thabo Mbeki Sewer Network Sanitation	P-02	Upgrade of sewer network at Thabo Mbeki	Jan-17	Nov-18	20%	Construction in progress	35	Construction in progress	56%	The contract period needs to be extended as the contractor commenced late with construction of Sewer Ponds	Delayed approval for environmental Authorisation from LEDET	The contractor to revise works programme and increase resources	15941876.4	10 000 000	MIG
Thabo Mbeki Water Network	P-03	Upgrade of water network at Thabo Mbeki	Jan-17	Aug-17	55%	Construction in progress	75	Construction in progress	97%	The project is completed and practical completion certificate issued	Delayed Eskom electrification-Energising	Expedite work by Eskom	13348201.32	3 150 745	MIG
Mokuruanyane Access Road	P-04	Upgrading of Mokuruanyane Access road	Jul-17	Jan-18	30	Construction in progress	60	Construction in progress	50%	In progress for construction	None	None	5054160.98	12 874 854	MIG
Lerupurupung Access Road	P-05	Upgrading of Lerupurupung Access road	Jul-17	Jan-18	30	Construction in progress	60	Construction in progress	48%	In progress for construction	None	None	6722995.5	9 559 761	MIG
Maletswai Access Road	P-06	Upgrading of	Jun-18	Jan-19	30	Construction in progress	60	Construction in progress	60%	In progress for construction	None	None	4944005.35	1 464 750	MIG

Project Name	No.	Description of deliverables	Start date	Completion date	Quarter 1		Quarter 2							Annual Budget 2017-2018	Source of funding
					% Prog	Activity /Milestone	% Prog	Activity /Milestone	Actual % Prog	Actual Notes	Challenges	Corrective Actions	Expenditure		
	20	Maletswai Access road				progress		progress		construction					
Melville Access Road	P – 21	Upgrading of Melville Access road	Jun-18	Jan-19	30	Construction in progress	60	Construction in progress	20%	The scoping and design reports completed. Draft tender document submitted for approval.	None	The budget allocated this financial year is only for the designs	2063100	2 016 050	MIG
Lephalale Town : Replacement of ageing AC pipes	P – 06		Jul-17	May-18	15		35	Designs completed	30%	The tender is awaiting adjudication for appointment of contractor	Tender was re-advertised	Expedite appointment of contractor	0	15 000 000	DWS
Motlhasedi: 2x Boreholes (electricity incl), 400kl storage, 1.5km connector pipe, 6.5km Reticulation & 22x taps with 11 tap repairs	P – 07	Extension of water supply network and additional storage	Sep-17	Jun-18	10	Advertisement and appointment of PSP	20	Design complete and appointment of construction	15%	The scoping report is completed.	None	None	0	4 500 000	DWS
Ga-Phahladira : 4x Boreholes (electricity incl), 1xElevated Steel Tank 400KL storage, 2.5km connector pipe, 5km reticulation extension & 25	P – 09	Extension of water supply network and additional storage	Sep-17	Jun-18	10	Advertisement and appointment of PSP	20	Design complete and appointment of construction	15%	The scoping report is completed.	None	None	0	8 000 000	DWS

Project Name	No.	Description of deliverables	Start date	Completion date	Quarter 1		Quarter 2							Annual Budget 2017-2018	Source of funding
					% Prog	Activity /Milestone	% Prog	Activity /Milestone	Actual % Prog	Actual Notes	Challenges	Corrective Actions	Expenditure		
taps															
Replace ageing Sewer AC pipes (consider expansion) and Refurbishment of Sewer Pump Station 25	P _ 1 0	Replace existing AC pipes with uPVC pipes	Sep-17	Apr-18	10	Appoint PSP and do design	20	Design completed and appoint contractor	20%	The scoping and design reports completed.	None	None	0	10 000 000	DWS
Seleka, Mohlasedi and Mukuruanyane (Matnique): VIP Sanitation Project	P _ 1 3	Provide VIP toilet for indigents	Sep-17	Apr-18	10	Appoint service provider	20	Construction In progress	10%	The specification approved. Awaiting advertisement.	None	None	0	2 500 000	DWS
Onverwacht, Replacement of ageing sewer AC pipes	P _ 1 5	Replace existing AC pipes with uPVC pipes	Jul-17	May-18	10	Appoint contractor	35	Construction in progress	30%	The tender is awaiting adjudication for appointment of contractor	Tender was re-advertised	Expedite appointment of contractor	0	10 000 000	DWS

7 SDBIP budget statements

The Municipal Budget and Reporting Regulations (MBRR) R33, specifies that the financial report of a municipality must be in the format specified in Schedule C and include all the required tables, charts, explanatory information and the quality certificate, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

The Finance Department has submitted the following:

1. Table C1 – Summary
2. Table C2 – Financial Performance (Functional classification)
3. Table C3 – Financial Performance (revenue and expenditure by municipal vote)
4. Table C4 – Financial Performance (revenue and expenditure)
5. Table C5 – Capital Expenditure (municipal vote, standard classification and funding)
6. Table C6 – Financial Position
7. Table C7 – Cash Flow

7.1 Table C1 – Summary

LIM362 Lephalale - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	–	49200963	0	4603137	25543172.56	25240093	303079.56	1%	49200963
Service charges	–	241174288	0	21162019	116479748	123815425	-7335677	-6%	241174288
Investment revenue	–	3018935	0	74395	740519	1548713	-808194	-52%	3018935
Transfers and subsidies	–	114382000	0	322186	63258156	58677709	4580447	8%	114382000
Other own revenue	–	53756694	0	4937295	26750623	28048629	-1298006	-5%	53756694
Total Revenue (excluding capital transfers and contributions)	–	461532880	0	31099032	232772218.6	237330569	-4558350.44	-2%	461532880
Employee costs	–	178268390.8	0	13849803	82154395	91136687	-8982292	-10%	178268390.8
Remuneration of Councillors	–	9739509.038	0	734617	4541513	4996368	-454855	-9%	9739509.038
Depreciation & asset impairment	–	72622902	0	7148526	42020716	37255548	4765168	13%	72622902
Finance charges	–	11341735	0	1344218.63	6374651.63	5818310	556341.63	10%	11341735
Materials and bulk purchases	–	144023030	0	9991329.14	72283496.07	73883814	-1600317.93	-2%	144023030
Transfers and subsidies	–	1406711	0	43362	556736	772772	-216036	-28%	1406711
Other expenditure	–	88871403	0	6982640.76	57630662.85	49919696	7710966.85	15%	88871403
Total Expenditure	–	506273680.9	0	40094496.53	265562170.6	263783195	1778975.55	1%	506273680.9
Surplus/(Deficit)	–	44740800.88	0	-8995464.53	-32789951.99	-26452626	-6337325.99	24%	44740800.88
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	105151500	0	17972576	57074664	53942719	3131945	6%	105151500
Contributions & Contributed assets	–	0	0	0	0	0	0		0
Surplus/(Deficit) after capital transfers & contributions	–	60410699.12	0	8977111.47	24284712.01	27490093	-3205380.99	-12%	60410699.12
Share of surplus/ (deficit) of associate	–	0	0	0	0	0	0		0
Surplus/ (Deficit) for the year	–	60410699.12	0	8977111.47	24284712.01	27490093	-3205380.99	-12%	60410699.12
Capital expenditure & funds sources									
Capital expenditure	–	106451500	0	9140327	66328621	55086719	11241902	20%	0
Capital transfers recognised	–	105151500	0	6251142	55780488	53942719	1837769	3%	0
Public contributions & donations	–	1300000	0	2889187	10548135	1144000	9404135	822%	0
Borrowing	–	0	0	0	0	0	0		0
Internally generated funds	–	0	0	0	0	0	0		0
Total sources of capital funds	–	106451500	0	9140329	66328623	55086719	11241904	20%	0
Financial position									
Total current assets	–	194643956.5	0		329315525				194643956.5
Total non current assets	–	1231008025	0		1499454608				1231008025
Total current liabilities		119012473	0		162667549				119012473

LIM362 Lephalale - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
	–								
Total non current liabilities	–	140444306	0		153501099				140444306
Community wealth/Equity	–	1166195202	0		1512601485				1166195202
Cash flows									
Net cash from (used) operating	–	107202024.5	0	29868317.47	62402912.75	78279983	15877070.25	20%	0
Net cash from (used) investing	–	-106451500	0	-9140327	-66328621	-55086719	11241902	-20%	0
Net cash from (used) financing	–	0	0	0	0	0	0		0
Cash/cash equivalents at the month/year end	–	34229946.45	0	0	9597169.569	56672686	47075516.43	83%	13522877.82
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	547 ²⁷	13273359.01	8982247.97	7317324.03	5951070.92	5511978.32	25836731.37	124 ⁸⁶⁶	219285108.9
Creditors Age Analysis									
Total Creditors	–	0	0	0	0	0	0	–	0

7.2 Table C2 – Financial Performance (standard classification)

LIM362 Lephalale - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		–	84018108.98	0	13795461	71635163	42009052	29626111	71%	–
Executive and council		–	27247927.49	0	2644059	16832295	13623963	3208332	24%	–
Finance and administration		–	56770181.48	0	11151402	54802868	28385089	26417779	93%	–
Internal audit		–	0	0	0	0	0	0		–
Community and public safety		–	4563615.643	0	25737	364909	2281806	-1916897	-84%	–
Community and social services		–	159585.3168	0	3218	18966	79792	-60826	-76%	–
Sport and recreation		–	153130.88	0	21878	63303	76565	-13262	-17%	–
Public safety		–	4250899.446	0	641	282640	2125449	-1842809	-87%	–
Housing		–	0	0	0	0	0	0		–
Health		–	0	0	0	0	0	0		–
Economic and environmental services		–	46243953.19	0	10216593	20142623	23121976	-2979353	-13%	–
Planning and development			3265850.024	0	200103	1437771	1632925	-195154	-12%	–

LIM362 Lephalale - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
		–								
Road transport		–	42978103.17	0	10016490	18704852	21489051	-2784199	-13%	–
Environmental protection		–	0	0	0	0	0	0		–
Trading services		–	421958587.8	0	24890792	209827517	218781634	-8954117	-4%	–
Energy sources		–	233226039	0	15389576	106109906	124415360	-18305454	-15%	–
Water management		–	122792322	0	5586880	57078552	61396161	-4317609	-7%	–
Waste water management		–	34671160.13	0	2480394	29306924	17335580	11971344	69%	–
Waste management		–	31269066.6	0	1433942	17332135	15634533	1697602	11%	–
Other	4	–	9900234.282	0	143025	4737060	5078820	-341760	-7%	–
Total Revenue - Functional	2	–	566684499.9	0	49071608	306707272	291273288	15433984	5%	–
Expenditure - Functional	-									
Governance and administration		–	129166577.2	0	7186821	62712647	64583553	-1870906	-3%	–
Executive and council		–	50746764.14	0	1986111	28757905	25373380	3384525	13%	–
Finance and administration		–	76386813.1	0	5053930	33244798	38193491	-4948693	-13%	–
Internal audit		–	2033000	0	146780	709944	1016682	-306738	-30%	–
Community and public safety		–	35962544.68	0	2428865	20597671	17981400	2616271	15%	–
Community and social services		–	7370490.447	0	478064	2957856	3685120	-727264	-20%	–
Sport and recreation		–	11295054.23	0	948653	5620108	5647527	-27419	0%	–
Public safety		–	14490000	0	751067	10482804	7245217	3237587	45%	–
Housing		–	2807000	0	251081	1536903	1403536	133367	10%	–
Health		–	0	0	0	0	0	0		–
Economic and environmental services		–	70684362.28	0	6325280	36207126	35341906	865220	2%	–
Planning and development		–	13851362.28	0	817933	5400590	6925652	-1525062	-22%	–
Road transport		–	56833000	0	5507347	30806536	28416254	2390282	8%	–
Environmental protection		–	0	0	0	0	0	0		–
Trading services		–	270460196.7	0	19666834	129120062	145876336	-16756274	-11%	–
Energy sources		–	163228000	0	12043591	71231252	92260456	-21029204	-23%	–
Water management		–	68746975.05	0	4246332	38222869	34373487	3849382	11%	–
Waste water management		–	22514000	0	1943427	11657416	11256783	400633	4%	–
Waste management		–	15971221.64	0	1433484	8008525	7985610	22915	0%	–
Other		–	0	0	0	0	0	0		–

LIM362 Lephalale - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Total Expenditure - Functional	3	–	506273680.9	0	35607800	248637506	263783195	-15145689	-6%	–
Surplus/ (Deficit) for the year		–	60410818.99	0	13463808	58069766	27490093	30579673	111%	–

7.3 Table C3 – Financial Performance (revenue and expenditure by municipal vote)
LIM362 Lephalale - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		–	5987552.792	0	1520	3155471	2993776	161695	5.4%	–
Vote 2 - BUDGET AND TREASURY		–	77632282.5	0	13755061	68339871	38816140	29523731	76.1%	–
Vote 3 - CORPORATE SERVICES		–	398273.6838	0	38880	139821	199136	-59315	-29.8%	–
Vote 4 - SOCIAL SERVICES		–	46010801.4	0	1609979	22579549	23134101	-554552	-2.4%	–
Vote 5 - INFRASTRUCTURE SERVICES		–	435608239.5	0	33656501	212252735	225606460	-13353725	-5.9%	–
Vote 6 - PLANNING DEVELOPMENT		–	1047350.024	0	9667	239825	523675	-283850	-54.2%	–
Vote 7 - OFFICE OF THE MUNICIPAL MANAGER		–	0	0	0	0	0	0		–
Total Revenue by Vote	2	–	566684499.9	0	49071608	306707272	291273288	15433984	5.3%	–
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		–	33252183.13	0	1083396	18226304	16626090	1600214	9.6%	–
Vote 2 - BUDGET AND TREASURY		–	39855279.69	0	2513793	18164474	19927637	-1763163	-8.8%	–
Vote 3 - CORPORATE SERVICES		–	29300911.88	0	2030665	14321195	14650455	-329260	-2.2%	–
Vote 4 - SOCIAL SERVICES		–	68706807.22	0	5448312	38619050	34353400	4265650	12.4%	–
Vote 5 - INFRASTRUCTURE SERVICES		–	309020476.3	0	22945183	148808499	165156449	-16347950	-9.9%	–
Vote 6 - PLANNING DEVELOPMENT		–	14716126.31	0	957367	6451372	7358061	-906689	-12.3%	–
Vote 7 - OFFICE OF THE MUNICIPAL MANAGER		–	11422209.6	0	629084	4046612	5711103	-1664491	-29.1%	–
Vote 8 - [NAME OF VOTE 8]		–	0	0	0	0	0	0		–
Total Expenditure by Vote	2	–	506273994.2	0	35607800	248637506	263783195	-15145689	-5.7%	–
Surplus/ (Deficit) for the year	2	–	60410505.7	0	13463808	58069766	27490093	30579673	111.2%	–

7.4 Table C4 – Financial Performance (revenue and expenditure)

LIM362 Lephalale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter										
Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates			49200963		4603137	25543172.6	25240093	303079.6	1%	49200963
Service charges - electricity revenue			175724574		15147514	81532293	90146860	8614567	-10%	175724574
Service charges - water revenue			36727181		3460389	19591182	18841043	750139	4%	36727181
Service charges - sanitation revenue			16693951		1431177	8630942	8563996	66946	1%	16693951
Service charges - refuse revenue			12028582		1122939	6725331	6263526	461805	7%	12028582
Service charges - other							0	0		
Rental of facilities and equipment			311789		31768	123226	159947	-36721	-23%	311789
Interest earned - external investments			3018935		74395	740519	1548713	-808194	-52%	3018935
Interest earned - outstanding debtors			22909583		2129079	11920385	11752616	167769	1%	22909583
Dividends received							0	0		
Fines, penalties and forfeits			393361		7460	164744	201794	-37050	-18%	393361
Licences and permits			9900234		143025	4737060	5078820	-341760	-7%	9900234
Agency services							0	0		
Transfers and subsidies			114382000		322186	63258156	58677709	4580447	8%	114382000
Other revenue			20241727		2625963	9805208	10855452	1050244	-10%	20241727
Gains on disposal of PPE							0	0		
Total Revenue (excluding capital transfers and contributions)		-	461532880	0	31099032	232772219	237330569	4558350	-2%	461532880
Expenditure By Type										
Employee related costs			178268391		13849803	82154395	91136687	8982292	-10%	178268390.8
Remuneration of councillors			9739509.04		734617	4541513	4996368	-454855	-9%	9739509.038
Debt impairment			1650000		0	0	846450	-846450	-100%	1650000
Depreciation & asset impairment			72622902		7148526	42020716	37255548	4765168	13%	72622902
Finance charges			11341735		1344218.63	6374651.63	5818310	556341.6	10%	11341735
Bulk purchases			144023030		9991329.14	72283496.1	73883814	1600318	-2%	144023030
Other materials							0	0		
Contracted services			11356000		778577	8524711	6999858	1524853	22%	11356000
Transfers and subsidies			1406711		43362	556736	772772	-216036	-28%	1406711
Other expenditure			75865403		6204063.76	49105951.9	42073388	7032564	17%	75865403
Loss on disposal of PPE							0	0		
Total Expenditure		-	506273681	0	40094496.5	265562171	263783195	1778976	1%	506273680.9
Surplus/(Deficit)		-	44740800.9	0	8995464.53	-32789952	-26452626	6337326	0	44740800.88
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			105151500		17972576	57074664	53942719	3131945	0	105151500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								0		
Transfers and subsidies - capital (in-kind - all)								0		
Surplus/(Deficit) after capital transfers & contributions		-	60410699.1	0	8977111.47	24284712	27490093			60410699.12
Taxation								0		
Surplus/(Deficit) after taxation		-	60410699.1	0	8977111.47	24284712	27490093			60410699.12
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	60410699.1	0	8977111.47	24284712	27490093			60410699.12
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	60410699.1	0	8977111.47	24284712	27490093			60410699.12

7.5 Table C5 – Capital Expenditure (municipal vote, standard classification and funding)

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		–	0	0	0	0	0	0		–
Vote 2 - BUDGET AND TREASURY		–	0	0	0	0	0	0		–
Vote 3 - CORPORATE SERVICES		–	0	0	0	0	0	0		–
Vote 4 - SOCIAL SERVICES		–	0	0	0	0	0	0		–
Vote 5 - INFRASTRUCTURE SERVICES		–	106351500	0	8937847	61817926	54986719	6831207	12%	–
Vote 6 - PLANNING DEVELOPMENT		–	0	0	0	0	0	0		–
Vote 7 - OFFICE OF THE MUNICIPAL MANAGER		–	0	0	0	0	0	0		–
Total Capital Multi-year expenditure	4,7	–	106351500	0	8937847	61817926	54986719	6831207	12%	–
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		–	100000	0	0	0	100000	-100000	-100%	–
Vote 2 - BUDGET AND TREASURY		–	0	0	0	0	0	0		–
Vote 3 - CORPORATE SERVICES		–	0	0	0	3020946	0	3020946	#DIV/0!	–
Vote 4 - SOCIAL SERVICES		–	0	0	202480	863189	0	863189	#DIV/0!	–
Vote 5 - INFRASTRUCTURE SERVICES		–	0	0	0	0	0	0		–
Vote 6 - PLANNING DEVELOPMENT		–	0	0	0	626560	0	626560	#DIV/0!	–
Vote 7 - OFFICE OF THE MUNICIPAL MANAGER		–	0	0	0	0	0	0		–
Total Capital single-year expenditure	4	–	100000	0	202480	4510695	100000	4410695	4411%	–
Total Capital Expenditure		–	106451500	0	9140327	66328621	55086719	11241902	20%	–
Capital Expenditure - Functional Classification										
Governance and administration		–	100000	0	0	3020946	100000	2920946	2921%	–
Executive and council			100000	0	0	0	100000	-100000	-100%	
Finance and administration				0	0	3020946	0	3020946	#DIV/0!	
Internal audit								0		
Community and public safety		–	0	0	202480	863189	0	863189	#DIV/0!	–
Community and social services					202480	863189	0	863189	#DIV/0!	
Sport and recreation								0		
Public safety								0		
Housing								0		
Health								0		
Economic and environmental services		–	31071663	0	1959043	21574165	21623719	-49554	0%	–
Planning and development					0	626560		626560	#DIV/0!	
Road transport			31071663		1959043	20947605	21623719	-676114	-3%	
Environmental protection								0		

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Trading services		–	75279837	0	6978804	40870321	33363000	7507321	23%	–
Energy sources			13200000		1853422	10683888	7200000	3483888	48%	
Water management			53079837		1650430	16759190	26163000	-9403810	-36%	
Waste water management			9000000		3474952	13427243	0	13427243	#DIV/0!	
Waste management			0					0		
Other								0		
Total Capital Expenditure - Functional Classification	3	–	106451500	0	9140327	66328621	55086719	11241902	20%	–
Funded by:										
National Government			105151500		6251142	55780488	53942719	1837769	3%	
Provincial Government								0		
District Municipality								0		
Other transfers and grants								0		
Transfers recognised - capital		–	105151500	0	6251142	55780488	53942719	1837769	3%	–
Public contributions & donations	5		1300000		2889187	10548135	1144000	9404135	822%	
Borrowing	6							0		
Internally generated funds								0		
Total Capital Funding		–	106451500	0	9140329	66328623	55086719	11241904	20%	–

7.6 Table C6 – Financial Position

LIM362 Lephalale - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2016/17	Budget Year 2017/18			
LIM362 Lephalale - Table C6 Monthly Budget Statement - Financial Position - M06 December	1					
ASSETS						
Current assets						
Cash			34229946.45	9597170	34229946.45	
Call investment deposits			0		0	
Consumer debtors			124741010	19702570	124741010	
Other debtors			33822000	298428556	33822000	
Current portion of long-term receivables						
Inventory			1851000	1587229	1851000	
Total current assets		0	194643956.5	0	329315525	194643956.5
Non-current assets						
Long-term receivables						
Investments			21000	0	21000	
Investment property						
Investments in Associate						
Property, plant and equipment			1230288025	1498786477	1230288025	
Agricultural						
Biological assets						
Intangible assets			622000		622000	
Other non-current assets			77000	668131	77000	
Total non-current assets		0	1231008025	0	1499454608	1231008025
TOTAL ASSETS		0	1425651981	0	1828770133	1425651981
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing			10614509	14849205	10614509	
Consumer deposits			11386000	10483378	11386000	
Trade and other payables			95198964	135621303	95198964	
Provisions			1813000	1713663	1813000	
Total current liabilities		0	119012473	0	162667549	119012473
Non-current liabilities						
Borrowing			88621440	91285787	88621440	
Provisions			51822866	62215312	51822866	
Total non-current liabilities		0	140444306	0	153501099	140444306
TOTAL LIABILITIES		0	259456779	0	316168648	259456779
NET ASSETS	2	0	1166195202	0	1512601485	1166195202
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			1166195202	1512601485	1166195202	
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	0	1166195202	0	1512601485	1166195202

7.7 Table C7 – Cash Flow

LIM362 Lephalale - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2016/17	Budget Year							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			46740914.33		3778682.469	22851405.75	23370457	-	519051.2509	-2%
Service charges			229287832.6		20447233	81724315	114643916	-32919601	-29%	
Other revenue			40621265.66		2808216	14830238	16296013	-1465775	-9%	
Government - operating			114381500		16561000	64631000	64631000	0		
Government - capital			105151500		14725000	84818000	84818000	0		
Interest			3018935.735		7460	164744	201794	-37050	-18%	
Dividends								0		
Payments										
Suppliers and employees			-419151808.6		-28415912	-201506221	-219090115	-17583894	8%	
Finance charges			-11341735		0	-4553833	-5818310	-1264477	22%	
Transfers and Grants			-1506380.242		-43362	-556736	-772772	-216036	28%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	107202024.5	0	29868317.47	62402912.75	78279983	15877070.25	20%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								0		
Decrease (Increase) in non-current debtors								0		
Decrease (increase) other non-current receivables								0		
Decrease (increase) in non-current investments								0		
Payments										
Capital assets			-106451500		-9140327	-66328621	-55086719	11241902	-20%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-106451500	0	-9140327	-66328621	-55086719	11241902	-20%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								0		
Borrowing long term/refinancing								0		
Increase (decrease) in consumer deposits								0		
Payments										
Repayment of borrowing								0		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	0	0	0	0	0	0		-
NET INCREASE/ (DECREASE) IN CASH HELD		-	750524.4515	0	20727990.47	3925708.251	23193264			-
Cash/cash equivalents at beginning:			33479422			13522877.82	33479422			13 523
Cash/cash equivalents at month/year end:		-	34229946.45	0		9597169.569	56672686			13 523

8 Progress from the Annual Performance Report

Some challenges were identified in the Annual Performance Report of 2016/17. These challenges, the status at mid-year, progress made and recommended corrective action to be taken are being enumerated upon per Directorate as follows:

DIRECTORATE	STATUS AT MID-YEAR 2016-2017	PROGRESS MADE (YES/NO)	RECOMMENDED CORRECTIVE ACTION TO BE TAKEN
Office of the Municipal Manager:			
There no significant challenges experienced in 2016/17 Annual Report			
There 72 Audit finding on Management letter for the Municipality	The Audit Action Plan has been established	Yes	Address all Audit Queries
Corporate Support Services:			
The employee satisfaction rating is below target by 50.7% against a target of 55%.	Employee satisfaction rating is measured for reporting in the third quarter.	Yes	Achieve the set target on employee satisfaction.
The delays in filling of positions as result of no suitable applicants	Recruitment plan established and implemented	Yes	Keep the employee turn-over rate below 5%
A total of 10 LLF meetings during the financial year, only seven (7) were	Only three meeting held year to date	No	Schedule of meeting to be followed as planned
Development Planning:			
No human settlement plan developed	Plan scheduled for completion in 2017/18 financial year	Cogshta through HDA is on process of developing the Plan	Develop a comprehensive Human Settlement Plan
Budget and Treasury:			
Percentage cost coverage has declined from 138%to 39%	Revenue collection is at 88% and the Percentage Cost coverage in not improving	No	Be Conservative in terms of Operating Expenditure

DIRECTORATE	STATUS AT MID-YEAR 2016-2017	PROGRESS MADE (YES/NO)	RECOMMENDED CORRECTIVE ACTION TO BE TAKEN
Indigent Register not updated in 2016-2017	Indigent Register is to updated in the third quarter of 2017-18 as planned	No	Update and correct the indigent register for the municipality.
Revenue collection is declining from 95 to 88	Revenue enhancement strategy is implemented	No	Keep the collection rate at 95% at given time
Social services:			
The data for households who receive refuse removal at the villages is inaccurate and need to be updated	A joint project by municipal departments and community developers to create municipal data is embarked on.	No	Create a valid and reliable municipal data and keep the supporting documents
Infrastructure Services:			
The data for households who receive water, sanitation and electrical service is inaccurate and need to be updated	A joint project by municipal departments and community developers to create municipal data is embarked on.	No	Create a valid and reliable municipal data and keep the supporting documents.
Water losses for the last quarter of the financial year are calculated as 19 % against a target of 10% where a negative variance of - 9% is recorded	Implement the Water demand Management plan Water loss is at	N/A	To ensure that the Water loss levels are acceptable
No roads has been resealed at Onverwacht	Process of resealing not done in this financial year	No	Procure external contractors to do the resealing

9 Risks and Recommendations

The Auditor-General evaluated the Annual Performance Report of 2016/17 against the overall criteria of usefulness and reliability. The usefulness of the reported information to determine whether it was presented in

accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned strategic objectives were evaluated.

Tests were also performed to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant as required by the National *Treasury's Framework for managing programme performance information (FMPPI)*.

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

Auditor General Procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. Auditor General has not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Auditor General Procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, Auditor General Findings do not extend to these matters.

Auditor General evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2017:

Objectives	Pages in the annual performance report 2016/17
Key performance area 2 – Service delivery and infrastructure development	83 – 123 of the Annual Report

Auditor General performed procedures to determine whether the reported performance information was whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The material findings in respect of the usefulness and reliability of the selected objectives are as follow:

Key performance area 2 – Service delivery and infrastructure development

The Framework for Managing Programme Performance Information (FMPPI) requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievements of the indicators listed below were materially misstated, as the evidence provided was inadequate, duplicate, invalid and incomplete:

Key Performance Area – Service Delivery and Infrastructure Development

Performance indicator	Reported achievement	Audited value
Inadequate Percentage households with access to basic level of electricity	97%	Unknown
Percentage households with access to basic level of sanitation YTD	95%	Unknown

Number of urban household provided with weekly refuse removal	19 942	Unknown
Percentage households with access to basic level of solid waste removal	78%	Unknown
Percentage households with access to basic level of water YTD	95%	Unknown

Regarding the adverse conclusion on reliability related to water, sanitation, electricity and refuse it was found that the list provided as evidence for proof of service delivery were inadequate and had duplicates and as a result were not reliable. The accuracy of the reported numbers could not be validated against submitted portfolio of evidence. The rest of performance information was found that in all material respects, is useful in accordance with the identified performance management and reporting framework.

As corrective action to address the concern raised by the Auditor-General, in future the validity of reported achievements against source documentation will be reviewed at least on a quarterly basis.

10 Conclusion

The Overall Performance of the Municipality at institutional level is satisfactory despite the challenges from finances where the level of cost coverage is at its lowest for the first time and revenue collection is below average. The higher water loss is a call for concern and all the indicators flashing red lights will be given special attention to rectify the performance to the correct cause. Council and Management will use this mid-year as a warning system to correct where required and keep up good performance of functions where performance is good.

The indicators and projects performance shows an achievement of planned targets by 90% average which confirms that the municipality is functional in terms of the back to basics program.

Signed by:

E M TUKAKGOMO
Municipal Manager

Date: