

Lephalale Local Municipality

Quarter 1 Performance Report

2012-2013



"To build a vibrant city and be the energy hub of Africa"

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1. Purpose

The purpose of this report is to give feedback to Council regarding the non financial performance of Mogalakwena Local Municipality in compliance with section 52 of the Municipal Financial Management Act as well as National Treasury Circular 13 of 2005.

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 contains the objectives and indicators as per the Municipal IDP as well as National indicators. The SDBIP¹ for 12/13 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
- ▶ 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.
 - Calculations to calculate the variance between actual quarterly performance and baseline (previous financial year) performance are included for each KPI.
 - Comparisons of performance against quarterly targets are highlighted in the form of colours based on scores which were calculated using an automated system 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 | % target achieved | |
|---|-------------------|--------|
| Rating | Low | High |
| Unsatisfactory | 0.0% | 66% |
| Below average | 66.6% | 99.9% |
| Achieved target | 100% | 132% |
| Achieved/ exceeded target | 133% | 166.9% |
| Outstanding | 167.0% | + |
| NA – Not applicable for reporting in reporting period (excluded from performance measurement) | | |

¹ Service Delivery and Budget Implementation Plan

2. Components of the First Quarter Performance Report

The following is reported on:

- SDBIP Non-financial performance of service delivery and performance indicators and targets
- General KPIs
- SDBIP Project Implementation
- SDBIP Budget Statement Components
- Approval of this report

3. General Indicator Performance

General Key Performance Indicators (KPIs) are prescribed as per Section 43 of the Municipal Systems Act No 32 of 2000 and Section 10 of Regulation 796 of 2001. For Lephalale Local Municipality, the National KPIs, to the extent that these indicators are applicable to the Municipality², performed as follows per Key Performance Area:

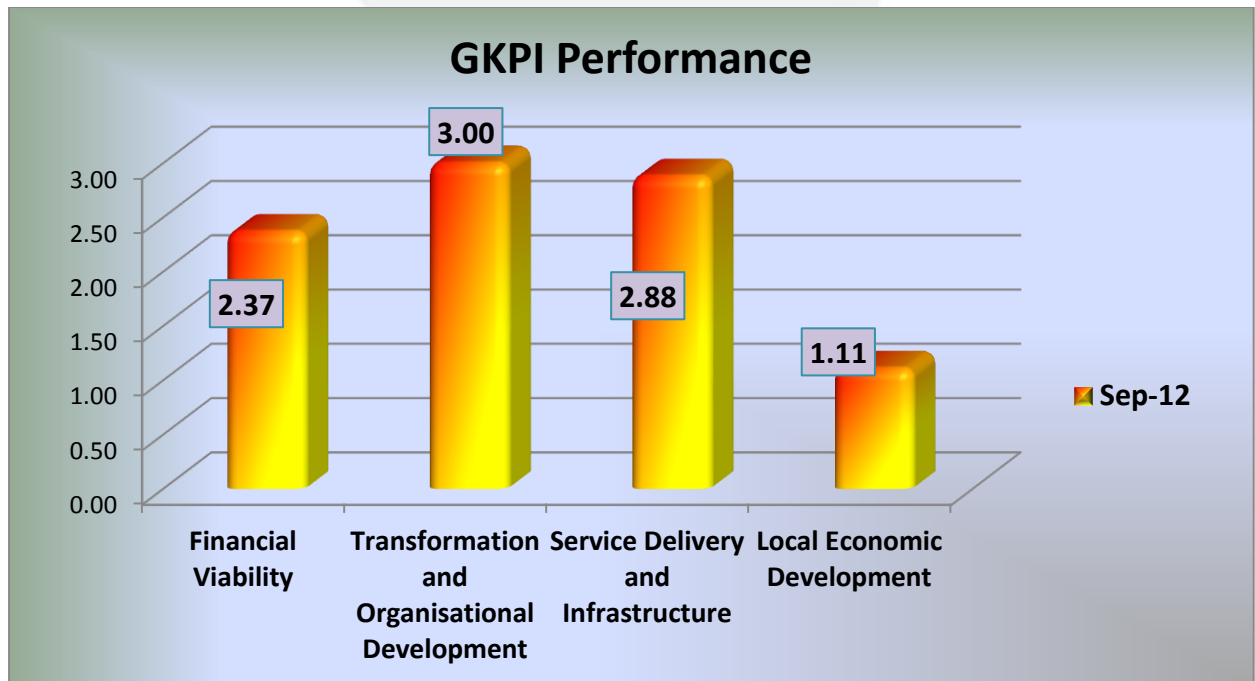


Table 1: General Indicator Performance per KPA

The best area of performance was seen in Transformation and Organisational development, followed by Service Delivery and Infrastructure. The indicators for Cost Coverage, Households with access to weekly refuse removal, people from employment equity groups employed in the three highest levels of management and municipality's budget (salary budget) actually spent on implementing its workplace skills plan all achieved target.

Challenges were mainly faced in only 60% of indigent households have access to free basic water and free basic against annual targets of 97%. Only 17% of indigent households have access to free basic electricity and only 15 new jobs were created through capital projects.

² S42 (2) of the Municipal Systems Act no 32 of 2000

4. SDBIP Service Delivery and Performance Indicators Performance

The IDP and SDBIP were developed reflecting indicators and targets per Key Performance Area (KPA). Performance against predetermined objectives (service delivery and key performance indicators and targets) per KPA follows:

| <All> (SDBIP Key Areas) | Sep 12 |
|---|--------|
| | KPI |
| Indicators | 2.58 |
| Financial Viability | 2.84 |
| Good Governance and Public Participation | 2.97 |
| Transformation and Organisational Development | 3.07 |
| Spatial Rationale | 2.56 |
| Service Delivery and Infrastructure | 2.92 |
| Local Economic Development | 1.11 |

Table 2: SDBIP Performance per KPA

The overall performance of service delivery and performance indicators were below target with a performance rating of **2.58 (86%)**. At the end of the first quarter, only one of the key performance areas achieved target with the best level of performance in Transformation and Organisational Development with a score of **3.07 (102%)**. Local Economic Development achieved the lowest score of **1.11 (37%)** as only 15 jobs were created against the target of 55 for the reporting period to date.

The average performance per Directorate follows:

| Lephalale Municipality | Sep 12 |
|---------------------------------|--------|
| | AVG |
| Budget and Treasury | 3.45 |
| Office of the Municipal Manager | 2.21 |
| Strategic Services | 3.02 |
| Corporate Support Services | |
| Development Planning | 2.34 |
| Infrastructure Services | 2.97 |
| Social Services | 3.00 |

Table 3: SDBIP per Department

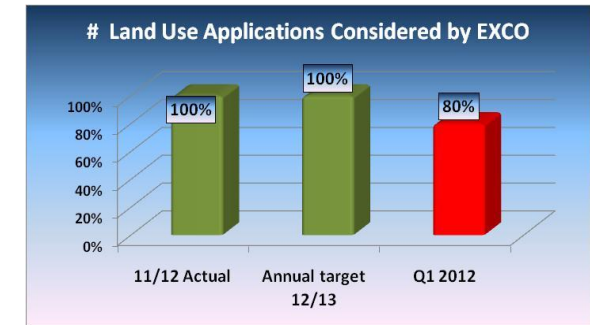
It should be noted that the target for the only SDBIP indicator for which Corporate Support Services Directorate is the lead department, was not applicable for the first quarter, namely: "Percentage municipality's operating budget (salary budget) actually spent on implementing its workplace skills plan", therefore no score apply for the said Directorate for the first quarter.

The details of performance per KPA as aligned to the IDP and SDBIP follow:

4.1 KPA1: Spatial Rationale

The KPA for Spatial Rationale achieved an overall performance rating of 85.33% by the end of the first quarter. Only three (3) indicators are contributing towards the SDBIP for this key performance area. Success was seen in the following:

- ▶ All land applications (consolidations, special consent for second building unit, building line relaxation) were considered within one month of receipt of application in compliance with the provisions of the town planning scheme
- ▶ All (100%) land use (township establishment) applications were considered by Council within three months of receipt of application



Challenges were faced in that 80% of Land use (rezoning, special consent for other uses) applications were considered by EXCO within two months of receipt of application against the quarterly and annual target of 100%.

Detail performance was as follows:

| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|---|--------|--|-----|-------------------|-----------------------------|--------|--|---|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use | M_144 | Percentage of land use (rezoning, special consent for other uses) applications considered by EXCO within 2 months of receipt of application | % | Dev PI | 100.00 | 80.00 | Site Inspections | Assessment of applications upon receipt and during the objections/comments period | 1.67 | 100.00 | 100.00 | 20.00 | 20.00 |
| | M_146 | Percentage of land use (consolidations, special consent for second building unit, building line relaxation) applications considered within 1 month of receipt of application | % | Dev PI | 100.00 | 100.00 | Compliance with the provisions of the town planning scheme | None | 3.00 | 100.00 | 100.00 | 0.00 | 0.00 |
| | M_243 | Percentage of land use (township establishment) applications considered by Council within 3 months of receipt of application | % | Off. MM | 100.00 | 100.00 | | | 3.00 | 100.00 | 100.00 | 0.00 | 0.00 |

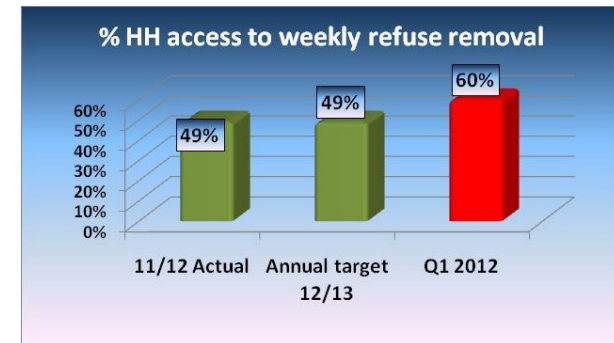
Table 4: Summary Performance – Spatial Rationale

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4.2 KPA2: Service Delivery and Infrastructure

The KPA for Service Delivery and Infrastructure achieved an overall performance rating of 97.33%. Success was seen in that 60% of households have access to weekly refuse removal, exceeding the first quarter and annual target of 49%. The percentage water loss (unaccounted water) stood at 23% as per the quarterly target, but 7% higher than annual target of 16%.

Challenges were mostly faced in that access to basic level of sanitation for the whole municipal area only stands at 45% against the quarterly target of 85% and the annual target of 89%.



| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|--|--------|---|-----|-------------------|-----------------------------|-------------------|---|-------------------|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Service Delivery and Infrastructure\Protect the environment and improve community well-being\Public lighting | M_217 | Number new street lights provided | # | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 45.00 | 15.00 | | |
| | M_220 | Number high mast lights provided | # | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 13.00 | 6.00 | | |
| | M_221 | Number high mast lights upgraded | # | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 30.00 | 4.00 | | |
| | M_222 | Number streetlights upgraded with energy saving LED globes | # | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 100.00 | 100.00 | | |
| Service Delivery and Infrastructure\Protect the environment and improve community well-being\Refuse removal and solid waste disposal | M_242 | Percentage of households with access to weekly refuse removal | % | Off. MM | 49.00 | 60.00 | | | 3.28 | 49.00 | 49.00 | -11.00 | -11.00 |
| | M_250 | Number of urban households with access to weekly refuse removal | # | Social | 13 652.00 | 13 652.00 | All Urban households have access to weekly refuse removal | | 3.00 | 13 652.00 | 13652.00 | 0.00 | 0.00 |
| Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Drinking water quality | M_171 | Percentage Meeting green drop water quality standard | % | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 60.00 | 20.00 | | |

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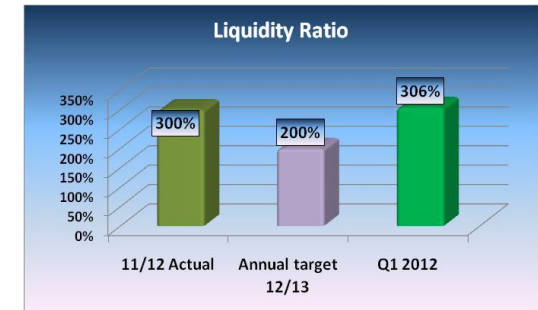
| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|--|--------|--|-----|-------------------|-----------------------------|-------------------|-------------------|-------------------|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Drinking water quality | M_83 | Percentage Meeting blue drop water quality standard | % | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 95.00 | 93.00 | | |
| Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | M_225 | Number of urban households provided with electricity | # | Inf | 13 652.00 | 13 652.00 | | | 3.00 | 13 652.00 | 13652.00 | 0.00 | 0.00 |
| Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Roads and storm water | M_74 | Number of km's of gravel roads upgraded to tar | # | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 1.80 | 4.40 | | |
| | M_76 | Total kms existing storm water measures upgraded | # | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 2.40 | 1.50 | | |
| Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Sanitation | M_166 | Number of new VIPs constructed | # | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 1 200.00 | 0.00 | | |
| | M_223 | Number households with access to basic level of sanitation (at least VIP level of service) | # | Inf | 23 758.00 | 24 675.00 | | | 3.05 | 24 958.00 | 23758.00 | 283.00 | -917.00 |
| | M_241 | Percentage households with access to basic level of sanitation (at least VIP level of service) | % | Off. MM | 85.00 | 45.00 | | | 1.38 | 89.00 | 85.00 | 44.00 | 40.00 |
| Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Sports, Arts and Culture | M_251 | Number existing sport and recreation facilities upgraded | # | Social | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 1.00 | 0.00 | | |
| | M_258 | Number existing sport and recreation facilities rebuilt | # | Social | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 0.00 | 0.00 | | |
| Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Water | M_224 | Percentage households with access to basic level of water (within 200m of dwelling) | % | Inf | 100.00 | 84.67 | | | 2.74 | 100.00 | 100.00 | 15.33 | 15.33 |
| | M_81 | Percentage of water loss (unaccounted water) | % | Inf | 23.00 | 23.00 | | | 3.00 | 16.00 | 22.00 | -7.00 | -1.00 |

Table 5: Summary Performance – Service delivery and Infrastructure

4.3 KPA3: Financial Viability

The KPA for Financial Viability achieved an overall performance rating of 80% at end of first quarter. The following KPIs had success:

- ▶ The percentage liquidity ratio was at 306% exceeding the quarterly and annual target of 200%.
- ▶ The percentage cost coverage stood at 1 0477% by the end of the first quarter, exceeding the quarterly and annual target of 200%.
- ▶ The Outstanding service debtors to revenue were at 20.83% and far below the allowable maximum target of 40%.



Challenges were faced in that households with access to free basic water and free basic electricity were below target, as well as that of the capital budget spent.

Details are as follows:

| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|--|--------|---|-----|-------------------|-----------------------------|-------------------|---|--|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Financial Viability\Enhance revenue and financial management\Asset Management | M_201 | Percentage liquidity ratio | % | BTO | 200.00 | 306.15 | 3.0614732195 | | 5.00 | 200.00 | 300.00 | -106.15 | -6.15 |
| Financial Viability\Enhance revenue and financial management\Expenditure Management | M_09 | Percentage Capital budget actually spent on capital projects identified for financial year i.t.o. IDP | % | Off. MM | 25.00 | 0.00 | No money spent the purchasing of furniture is a longer process as bidders must come in for measurements and provide samples beforehand. | Furniture to be acquired by the end of the second quarter. | 1.00 | 100.00 | 70.00 | 100.00 | 70.00 |
| | M_157 | MIG expenditure as Percentage of annual allocation | % | Inf | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 100.00 | 65.00 | | |
| Financial Viability\Enhance revenue and financial management\Indigents / free basic services | M_10 | Percentage of registered indigent household with access to free basic water | % | BTO | 96.00 | 60.00 | | | 1.36 | 97.00 | 60.00 | 37.00 | 0.00 |

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| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|--|--------|---|-----|-------------------|-----------------------------|----------|--------------|-------------------|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Financial Viability\Enhance revenue and financial management\Indigents / free basic services | M_204 | Percentage of registered indigent household with access to free basic electricity | % | BTO | 96.00 | 17.00 | | | 1.00 | 97.00 | 95.00 | 80.00 | 78.00 |
| Financial Viability\Enhance revenue and financial management\Revenue Management | M_01 | Percentage Cost coverage | % | BTO | 200.00 | 1 077.48 | 10.774784251 | | 5.00 | 200.00 | 200.00 | -877.48 | -877.48 |
| | M_16 | Percentage outstanding service debtors to revenue | % | BTO | 40.00 | 20.83 | | | 3.32 | 40.00 | 40.00 | 19.17 | 19.17 |

Table 6: Summary Performance – Financial Viability

4.4 KPA4: Local Economic Development

The KPA for Local Economic Development achieved an overall performance rating of **37%**. Only one (1) KPI is contributing to this key performance area. Only 15 jobs were created through the municipality's LED initiatives including capital projects, far below the quarterly target of 55 and the annual target of 235.

Details are as follows:

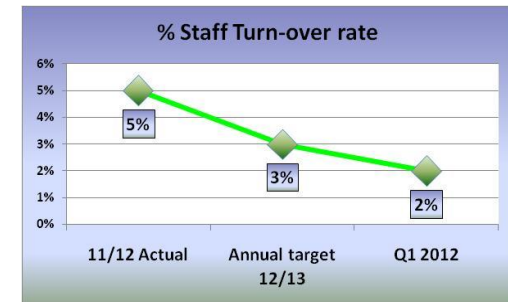
| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|---|--------|---|-----|-------------------|-----------------------------|--------|--|-------------------|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Local Economic Development\Create a conducive environment for businesses to invest and prosper\Job Creation | M_51 | Number jobs created through municipality's LED initiatives including capital projects | # | Off. MM | 55.00 | 15.00 | 15 jobs were created in the first were created in the 1st quarter. | | 1.11 | 235.00 | 663.00 | 220.00 | 648.00 |

Table 7: Summary Performance – Local Economic Development

4.5 KPA5: Transformation and Organisational Development

The KPA for Transformation and Organisational Development achieved an overall performance rating of **106%**. Two (2) KPIs contribute towards the achievement of this KPA as follows:

- ▶ The staff turn-over rate was less than 2% against the quarterly target of 3% and annual maximum target of 3%.
- ▶ The 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 was at twenty nine (29) against the quarterly and annual target of 29.



Details are as follows:

| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|---|--------|--|-----|-------------------|-----------------------------|-------------------|-------------------|-------------------|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Transformation and Organisational Development\Improve functionality, performance and professionalism\Recruitment | M_14 | Number people from employment equity groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan | # | Off. MM | 29.00 | 29.00 | | | 3.00 | 29.00 | 28.00 | 27.00 | 26.00 |
| | M_244 | Percentage staff turn-over rate | % | Off. MM | 3.00 | 2.00 | Less than 2% | | 3.14 | 3.00 | 5.00 | 1.00 | 3.00 |
| Transformation and Organisational Development\Improve functionality, performance and professionalism\Training and Development | M_212 | Percentage municipality's operating budget (salary budget) actually spent on implementing its workplace skills plan | % | Corp | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 2.00 | 2.00 | | |

Table 8: Summary Performance – Transformation and Organisational Development

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4.6 KPA6: Good Governance and Public Participation

The KPA for Good Governance and Public Participation achieved an overall performance rating of 99%. Three (3) public participation meetings held by end of the quarter against the quarterly target of 2 and the annual target of nine (9). Challenges were experienced in that seventy five percent (75%) of Presidential and Premier's hotline queries were addressed within 1 month of receipt.

Details are as follows:

| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|---|--------|---|-----|-------------------|-----------------------------|-------------------|-------------------|-------------------|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Good Governance and Public Participation\Capacitate disadvantaged groups\Special Projects | M_178 | Number of disability awareness campaigns held successfully | # | Strategic | 1.00 | 1.00 | 1 | | 3.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| | M_179 | Number of gender awareness campaigns held successfully | # | Strategic | 1.00 | 1.00 | 1 | | 3.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| | M_185 | Number of youth awareness campaigns held successfully | # | Strategic | 1.00 | 1.00 | 1 | | 3.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| | M_259 | Number of elderly awareness campaigns held successfully | # | Strategic | 1.00 | 1.00 | 1 | | 3.00 | 4.00 | 0.00 | 3.00 | -1.00 |
| Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Administration | M_267 | Percentage of All Council resolutions implemented | % | Off. MM | 100.00 | 85.00 | | | 2.75 | 100.00 | 100.00 | 15.00 | 15.00 |
| Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Anti-corruption | M_183 | Percentage of Presidential hotline enquiries addressed within 1 month of receipt of enquiry | % | Strategic | 100.00 | 75.00 | 75 | | 1.58 | 100.00 | 80.00 | 25.00 | 5.00 |
| | M_184 | Percentage of Premier's hotline queries addressed within 1 month of receipt of enquiry | % | Strategic | 100.00 | 75.00 | 75 | | 1.58 | 100.00 | 90.00 | 25.00 | 15.00 |
| Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Auditor General | M_04 | AG audit results | # | Off. MM | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 100.00 | 50 | | |

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| Hierarchy (KPA\ Objective\ Programme) | KPI ID | KPI | UOM | Vote / Lead dept. | Quarter 1 (July - Sept '12) | | | | | Annual Target 12/13 | Baseline 11/12 | Variance from Annual Target 12/13 | Variance from 11/12 |
|--|--------|---|-----|-------------------|-----------------------------|-------------------|-------------------|-------------------|-------|---------------------|----------------|-----------------------------------|---------------------|
| | | | | | Target | Actual | Achievements | Corrective Action | Score | | | | |
| Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Customer Care | M_232 | Percentage overall customer satisfaction level - Municipality | % | Off. MM | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. this quarter | n.a. | 80.00 | 70.00 | | |
| Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Public Participation | M_265 | Number of public participation meetings held successfully | # | Strategic | 2.00 | 3.00 | 3 | | 4.50 | 9.00 | 11.00 | 6.00 | 8.00 |
| Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Ward Committees | M_208 | Number ward committees that are functional | # | Strategic | 12.00 | 12.00 | 12 | | 3.00 | 12.00 | 10.00 | 0.00 | -2.00 |

Table 9: Summary Performance – Good Governance and Public Participation

5. Project Implementation

Project Implementation received a score of **2.01** at the end of the first quarter due to minimum information supplied. The details are as follows:

| Hierarchy (KPA\ Objective\ Programme) | ID | Project | Vote / Lead Dept. | Sep 12 | | | | | Annual Budget |
|--|------|---|-------------------|---|---------------------|-------------------|-----------------|-------|---------------|
| | | | | Milestone | % Targeted Progress | % Actual Progress | YTD Expenditure | Score | |
| Capital\Financial Viability\Enhance revenue and financial management\Revenue Management | P_01 | Credit control IT system | BTO | Procurement process concluded. Service provider appointed | 10.00 | Actual Required | 0.00 | 1.00 | 200000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Administration | P_02 | Archives system | Corp | Procurement process concluded. | 10.00 | 0.00 | 20.00 | 1.00 | 200000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Fleet Management | P_03 | Sedan Registry department | Social | Procurement process concluded. | 10.00 | 10.00 | 1.00 | 3.00 | 170000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Fleet Management | P_04 | Motor vehicles for the Mayor (x) replacement of sedan | Strat | Mayoral vehicle purchased | 100.00 | 100.00 | 890 539.98 | 3.00 | 900000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Fleet Management | P_05 | Pool car (DC LDV) | Strat | LDV pool vehicle purchased | 100.00 | 0.00 | 0.00 | 1.00 | 600000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Municipal buildings, furniture and equipment | P_06 | Upgrade of board room- social services + temporary office space & reception area at main entrance of civic centre | Social | Designs completed. Procurement processes completed | 10.00 | 10.00 | 0.00 | 3.00 | 650000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Municipal buildings, furniture and equipment | P_07 | Trailer for road marking machine | Social | Procurement process concluded. | 10.00 | 10.00 | 0.00 | 3.00 | 50000 |

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| Hierarchy (KPA\ Objective\ Programme) | ID | Project | Vote / Lead Dept. | Sep 12 | | | | | Annual Budget |
|--|------|---|-------------------------|--|------------------------|----------------------|--------------------|-------|---------------|
| | | | | Milestone | % Targeted Progress | % Actual Progress | YTD Expenditure | Score | |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Municipal buildings, furniture and equipment | P_08 | 8 x New walk behind lawn mowers | Social | Procurement process concluded. | 10.00 | 50.00 | 5.00 | 5.00 | 200000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Municipal buildings, furniture and equipment | P_09 | 6 X Brush cutters | Social | Procurement process concluded. | 10.00 | 25.00 | 10.00 | 5.00 | 90000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Municipal buildings, furniture and equipment | P_10 | 2 X New chain saws | Social | Procurement process concluded. | 10.00 | 15.00 | 10.00 | 4.50 | 15000 |
| Capital\Good Governance and Public Participation\Responsible, accountable, effective and efficient corporate governance\Municipal buildings, furniture and equipment | P_12 | Fertilizer spreader | Social | Procurement process concluded. | 10.00 | 25.00 | 0.00 | 5.00 | 60000 |
| Capital\Service Delivery and Infrastructure\Protect the environment and improve community well-being\Refuse removal and solid waste disposal | P_14 | Operationalize Weigh bridge-landfill site | Social | Procurement process concluded. | 10.00 | 10.00 | 0.00 | 3.00 | 300000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_16 | 315 KVA Generator for pump station 1 & 23 (x 2) | Inf | Procurement process concluded. | 10.00 | Actual Required | 45.00 | 1.00 | 1300000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_17 | Electrification of MPCC | Inf | Designs completed. Procurement processes completed | 10.00 | Actual Required | 100.00 | 1.00 | 500000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_18 | Substation 4 (Switch gear + building) | Inf | Designs completed. Procurement processes completed | 10.00 | Actual Required | 10.00 | 1.00 | 2500000 |

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| Hierarchy (KPA\ Objective\ Programme) | ID | Project | Vote / Lead Dept. | Sep 12 | | | | | Annual Budget |
|---|------|---|-------------------------|--------------------------------|------------------------|----------------------|--------------------|-------|---------------|
| | | | | Milestone | % Targeted Progress | % Actual Progress | YTD Expenditure | Score | |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_19 | Upgrading of high mast lights in all the villages | Inf | Procurement process concluded. | 10.00 | Actual Required | 25.00 | 1.00 | 2000000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_20 | Solar lighting for unarticulated areas: Steenbokpan, Mmamojela Park and Steve Biko informal settlements | Inf | Procurement process concluded. | 10.00 | Actual Required | 25.00 | 1.00 | 1000000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_21 | Upgrading of robots and installation of new ones | Inf | Procurement process concluded. | 10.00 | Actual Required | 25.00 | 1.00 | 1000000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_22 | Upgrading of lighting in all Municipal building and premises (Sports facilities; Offices; Hall & Library) | Inf | Procurement process concluded. | 10.00 | Actual Required | 25.00 | 1.00 | 2000000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_23 | 45 X Solar lighting for cemeteries in all villages | Inf | Procurement process concluded. | 10.00 | Actual Required | 25.00 | 1.00 | 1000000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_24 | Removal of old incandescent and energy lights in Town and Marapong | Inf | Procurement process concluded. | 10.00 | Actual Required | 25.00 | 1.00 | 1000000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Electricity | P_25 | 13 High mast lights in various villages | Inf | Procurement process concluded. | 10.00 | Actual Required | 0.00 | 1.00 | 3315000 |

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| Hierarchy (KPA\ Objective\ Programme) | ID | Project | Vote / Lead Dept. | Sep 12 | | | | | Annual Budget |
|--|------|--|-------------------|--|---------------------|-------------------|-----------------|-------|---------------|
| | | | | Milestone | % Targeted Progress | % Actual Progress | YTD Expenditure | Score | |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Municipal buildings | P_11 | Seleka sports stadium | Social | Procurement process concluded. | 10.00 | 25.00 | 0.00 | 5.00 | 6548850 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Municipal buildings, furniture and equipment | P_29 | Walk in safe to keep documents | Corp | Designs completed. Procurement processes completed | 10.00 | 0.00 | 20.00 | 1.00 | 1800000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Municipal buildings, furniture and equipment | P_30 | Upgrade Weighbridge – for testing ground | Social | Procurement process concluded. | 10.00 | 10.00 | 0.00 | 3.00 | 100000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Municipal buildings, furniture and equipment | P_31 | Furniture MPCC/relocation of eNATIS to MPCC. | Social | Procurement process concluded. | 10.00 | 20.00 | 0.00 | 5.00 | 850000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Municipal buildings, furniture and equipment | P_32 | Security system for Marapong & MPCC Mokuruanyane | Social | Procurement process concluded. | 10.00 | 10.00 | 0.00 | 3.00 | 600000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Municipal buildings, furniture and equipment | P_33 | 2 X Hand held alcohol screening apparatus | Social | Procurement process concluded. | 10.00 | 10.00 | 0.00 | 3.00 | 60000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Roads and storm water | P_36 | Access roads | Inf | Designs completed | 5.00 | Actual Required | 0.00 | 1.00 | 7800000 |

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| Hierarchy (KPA\ Objective\ Programme) | ID | Project | Vote / Lead Dept. | Sep 12 | | | | | Annual Budget |
|---|------|--|-------------------------|---|------------------------|----------------------|--------------------|-------|---------------|
| | | | | Milestone | % Targeted Progress | % Actual Progress | YTD Expenditure | Score | |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Roads and storm water | P_37 | Storm water open channel phase 2 | Inf | Designs completed | 5.00 | Actual Required | 100.00 | 1.00 | 10000000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Roads and storm water | P_38 | Mechanical street sweeping machine | Inf | Procurement process concluded. | 10.00 | Actual Required | 25.00 | 1.00 | 250000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Sanitation | P_39 | VIP Toilets for rural villages: Bangalong, Ga-Seleka, Ga-Shongoane | Inf | Material delivered. Digging of pits completed | 15.00 | Actual Required | 15.00 | 1.00 | 7500000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Sanitation | P_40 | Sewer Dumping and metering equipment | Inf | Designs of completed. Procurement processes completed | 10.00 | Actual Required | 25.00 | 1.00 | 1000000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Sanitation | P_41 | Land valuation- acquisition Marapong sewer site | Inf | Land acquired and ownership transferred to municipality. (depending on Eskom's quotation) | 100.00 | Actual Required | 100.00 | 1.00 | 750000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Sanitation | P_42 | Re-engineering of sewer network | Inf | Designs completed. Procurement processes completed | 10.00 | Actual Required | 40.00 | 1.00 | 4065000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Water | P_44 | Mokuruanyane –Shongoane RWS Phase 4 | Inf | Designs of completed. Procurement processes completed | 10.00 | Actual Required | 15.00 | 1.00 | 6035000 |

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| Hierarchy (KPA\ Objective\ Programme) | ID | Project | Vote / Lead Dept. | Sep 12 | | | | | Annual Budget |
|---|------|--|-------------------------|---|------------------------|----------------------|--------------------|-------|---------------|
| | | | | Milestone | % Targeted Progress | % Actual Progress | YTD Expenditure | Score | |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Water | P_45 | Witpoort RWS Ga-Seleka WS Phase 4 | Inf | Designs of completed. Procurement processes completed | 10.00 | Actual Required | 15.00 | 1.00 | 3769096 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Water | P_47 | Water conservation and Water demand management | Inf | Procurement processes completed | 10.00 | Actual Required | 0.00 | 1.00 | 4400000 |
| Capital\Service Delivery and Infrastructure\Provide quality and well maintained infrastructural services in all municipal areas\Water | P_48 | Reservoir cover -Marapong Reservoir | Inf | Procurement processes completed | 10.00 | Actual Required | 15.00 | 1.00 | 1000000 |

Table 10: Summary Performance - SDBIP Projects

6. SDBIP Budget Statement Components

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 (standard 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

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6.1 Component 1: Summary

LIM362 Lephalale - Table C1 Monthly Budget Statement Summary - M03 September

| Description | Budget Year 2012/13 | | | | | |
|--|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| R thousands | | | | | | % |
| Financial Performance | | | | | | |
| Property rates | 34156894 | 2606337 | 7847337 | 8539 | 7838798 | 917.9995316 |
| Service charges | 132447420 | 10889627 | 36837627 | 33111855 | 3725772 | 0.112520787 |
| Investment revenue | 8876663 | 1135571 | 4435571 | 2219165.75 | 2216405.25 | 0.998756064 |
| Transfers recognised - operational | 86384000 | 43137 | 33841137 | 21596000 | 12245137 | 0.567009492 |
| Other own revenue | 94878815 | 4605671 | 9286671 | 23719703.75 | -14433032.75 | -0.608482842 |
| Total Revenue (excluding capital transfers and contributions) | 356743792 | 19280343 | 92248343 | 80655263.5 | 11593079.5 | 0.14373618 |
| Employee costs | 103787307 | 9029615 | 24326615 | 25946826.75 | -1620211.75 | -0.062443541 |
| Remuneration of Councillors | 6279470 | 570996 | 1601996 | 1569867.5 | 32128.5 | 0.02046574 |
| Depreciation & asset impairment | 8609254.87 | 0 | 0 | 2152313.718 | -2152313.718 | -1 |
| Finance charges | 7552956 | 228535 | 228535 | 1888239 | -1659704 | -0.878969241 |
| Materials and bulk purchases | 82747427 | 9647426 | 19159426 | 20686856.75 | -1527430.75 | -0.073835806 |
| Transfers and grants | 1054000 | 0 | 0 | 263500 | -263500 | |
| Other expenditure | 149501906 | 5480374 | 13065569 | 36751101.5 | -23685532.5 | -0.644484969 |
| Total Expenditure | 359532320.9 | 24956946 | 58382141 | 89258705.22 | -30876564.22 | -0.345922161 |
| Surplus/ (Deficit) for the year | -2788528.87 | -5676603 | 33866202 | -8603441.718 | 42469643.72 | -4.936355137 |
| Capital expenditure & funds sources | | | | | | |
| Capital expenditure | 76874000 | 8538491 | 11115038 | 11115000 | 38 | 0 |
| Capital transfers recognised | 62729000 | 4942399 | 6515145 | 6515000 | 145 | 0 |
| Borrowing | 0 | 0 | 0 | 0 | 0 | |
| Internally generated funds | 14145000 | 3596000 | 4600000 | 4600000 | 0 | |
| Total sources of capital funds | 76874000 | 8538399 | 11115145 | 11115000 | 145 | 0 |
| Financial position | | | | | | |
| Total current assets | 56667313.94 | | 216431447.5 | | | |
| Total non current assets | 910400760.4 | | 948599571 | | | |
| Total current liabilities | 15722925.11 | | 62357236.33 | | | |
| Total non current liabilities | 33920334.18 | | 36188116 | | | |
| Community wealth/Equity | 917424815 | | 1066485666 | | | |
| Cash flows | | | | | | |
| Net cash from (used) operating | 72275494.19 | -4818709 | -8232331 | 0 | -8232331 | |
| Net cash from (used) investing | -76874135 | -8538491 | -11115038 | 0 | -11115038 | |
| Net cash from (used) financing | -2435000 | -142847 | -142847 | 0 | -142847 | |
| Cash/cash equivalents at the month/year end | 20228359.19 | 0 | 143282074 | 27262000 | 116020074 | 4.255743306 |
| Debtors & creditors analysis | 31-60 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr |
| Debtors Age Analysis | | | | | | |
| Total By Revenue Source | 9117827 | 5837984 | 5771207 | 2659195 | 15069114 | 54923501 |
| Creditors Age Analysis | | | | | | |
| Total Creditors | 3602 | 0 | 0 | 0 | 0 | 0 |

Table 11:C1 Monthly Budget Statement – Summary

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6.2 Component 2: Financial Performance – Standard Classification

LIM362 Lephalale - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

| Description | Budget Year 2012/13 | | | | | |
|---|------------------------|-------------------|-----------------|---------------------|---------------------|---------------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| R thousands | | | | | | % |
| <u>Revenue - Standard</u> | | | | | | |
| <i>Governance and administration</i> | 59973758 | 4366000 | 15841000 | 14993439.5 | 847560.5 | 0.056528757 |
| Executive and council | 56728758 | 4197000 | 15533000 | 14182189.5 | 1350810.5 | 0.095246965 |
| Budget and treasury office | 1500000 | 43000 | 97000 | 375000 | -278000 | -0.741333333 |
| Corporate services | 1745000 | 126000 | 211000 | 436250 | -225250 | -0.516332378 |
| <i>Community and public safety</i> | 3287000 | 319000 | 2112000 | 821750 | 1290250 | 1.570124734 |
| Community and social services | 1017000 | 29000 | 56000 | 254250 | -198250 | -0.779744346 |
| Public safety | 2270000 | 290000 | 2056000 | 567500 | 1488500 | 2.622907489 |
| <i>Economic and environmental services</i> | 7402000 | 750000 | 2822000 | 1814250 | 1007750 | 0.55546369 |
| Planning and development | 417000 | 60000 | 204000 | 104250 | 99750 | 0.956834532 |
| Road transport | 6985000 | 690000 | 2618000 | 1710000 | 908000 | 0.530994152 |
| <i>Trading services</i> | 209207000 | 13845000 | 71472000 | 52301750 | 19170250 | 0.366531713 |
| Electricity | 123979000 | 8005000 | 37582000 | 30994750 | 6587250 | 0.212527928 |
| Water | 42476000 | 4129000 | 18181000 | 10619000 | 7562000 | 0.712119785 |
| Waste water management | 25108000 | 1035000 | 8797000 | 6277000 | 2520000 | 0.401465668 |
| Waste management | 17644000 | 676000 | 6912000 | 4411000 | 2501000 | 0.566991612 |
| Total Revenue - Standard | 279869758 | 19280000 | 92247000 | 69931189.5 | 22315810.5 | 0.319110981 |
| <u>Expenditure - Standard</u> | | | | | | |
| <i>Governance and administration</i> | 71808000 | 7100000 | 17603000 | 17952000 | -349000 | -0.019440731 |
| Executive and council | 33352000 | 3018000 | 8301000 | 8338000 | -37000 | -0.004437515 |
| Budget and treasury office | 16869000 | 1441000 | 3988000 | 4217250 | -229250 | -0.054360069 |
| Corporate services | 21587000 | 2641000 | 5314000 | 5396750 | -82750 | -0.015333302 |
| <i>Community and public safety</i> | 23592173 | 1760886 | 4394886 | 5898043.25 | -1503157.25 | -0.254856939 |
| Community and social services | 18891173 | 1262886 | 3059886 | 4722793.25 | -1662907.25 | -0.352102487 |
| Public safety | 2471000 | 299000 | 827000 | 617750 | 209250 | 0.338729259 |
| Housing | 2230000 | 199000 | 508000 | 557500 | -49500 | -0.088789238 |
| <i>Economic and environmental services</i> | 52402000 | 2398000 | 6143000 | 13100500 | -6957500 | -0.5310866 |
| Planning and development | 6545000 | 510000 | 1228000 | 1636250 | -408250 | -0.249503438 |
| Road transport | 45857000 | 1888000 | 4915000 | 11464250 | -6549250 | -0.571275923 |
| <i>Trading services</i> | 175319000 | 13699000 | 30241000 | 43829750 | -13588750 | -0.310034851 |
| Electricity | 95782000 | 8960000 | 18755000 | 23945500 | -5190500 | -0.216763066 |
| Water | 35710000 | 2395000 | 6198000 | 8927500 | -2729500 | -0.305740689 |
| Waste water management | 31656000 | 1185000 | 2633000 | 7914000 | -5281000 | -0.667298458 |
| Waste management | 12171000 | 1159000 | 2655000 | 3042750 | -387750 | -0.127434065 |
| Total Expenditure - Standard | 323121173 | 24957886 | 58381886 | 80780293.25 | -22398407.25 | -0.277275637 |
| Surplus/ (Deficit) for the year | -43251415 | -5677886 | 33865114 | -10849103.75 | 44714217.75 | -4.121466508 |

Table 12:C2 Monthly Budget Statement – Financial Performance (standard classification)

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6.3 Component 3: Financial Performance – Revenue and Expenditure by Municipal Vote

LIM362 Lephalale - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

| Vote Description | Budget Year 2012/13 | | | | | |
|--|---------------------|--------------------|-----------------|--------------------|-------------------|---------------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| R thousands | | | | | | % |
| Revenue by Vote | | | | | | |
| Vote 1 - Municipal Manager | 41626758 | 2909966.75 | 10591000 | 10406689.5 | 184310.5 | 0.017710772 |
| Vote 2 - Budget & Treasury | 16601803 | 1329746 | 5038746 | 4150450.75 | 888295.25 | 0.214023802 |
| Vote 3 - Corporate Services | 0 | 0 | 0 | 0 | 0 | |
| Vote 4 - Social services | 27554812 | 1665721 | 11596746 | 6888703 | 4708043 | 0.683444039 |
| Vote 5 - Infrastructure | 193668789 | 13315141 | 64817383 | 48417197.25 | 16400185.75 | 0.338726458 |
| Vote 6 - Planning Development | 417000 | 59828 | 203828 | 104250 | 99578 | 0.955184652 |
| Total Revenue by Vote | 279869162 | 19280402.75 | 92247703 | 69967290.5 | 22280412.5 | 0.318440408 |
| Expenditure by Vote | | | | | | |
| Vote 1 - Municipal Manager | 31526713 | 2579207 | 7867207 | 7881678.25 | -14471.25 | -0.001836062 |
| Vote 2 - Budget & Treasury | 20496896 | 2061399 | 4802268 | 5124224 | -321956 | -0.062830196 |
| Vote 3 - Corporate Services | 14434681 | 2099154 | 4002075 | 3608670.25 | 393404.75 | 0.109016541 |
| Vote 4 - Social services | 48578782 | 3972149 | 9739796 | 12144695.5 | -2404899.5 | -0.198020568 |
| Vote 5 - Infrastructure | 200452132 | 13637361 | 30474539 | 50113033 | -19638494 | -0.391883964 |
| Vote 6 - Planning Development | 7631400 | 608062 | 1496062 | 1907850 | -411788 | -0.215838771 |
| Total Expenditure by Vote | 323120604 | 24957332 | 58381947 | 80780151 | -22398204 | -0.277273609 |
| Surplus/ (Deficit) for the year | -43251442 | -5676929.25 | 33865756 | -10812860.5 | 44678616.5 | -4.131988617 |

Table 13:C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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6.4 Component 4: Financial Performance – Revenue and Expenditure

| Description | Budget Year 2012/13 | | | | | |
|--|---------------------|-----------------|-----------------|---------------------|---------------------|---------------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| R thousands | | | | | | % |
| Revenue By Source | | | | | | |
| Property rates | 34156894 | 2606337 | 7847337 | 8539 | 7838798 | 917.9995316 |
| Property rates - penalties & collection charges | | | | 0 | 0 | |
| Service charges - electricity revenue | 93114569 | 7701566 | 24855566 | 23278642.25 | 1576923.75 | 0.067741225 |
| Service charges - water revenue | 20422968 | 1701906 | 7115906 | 5105742 | 2010164 | 0.393706537 |
| Service charges - sanitation revenue | 12058883 | 908833 | 3137833 | 3014720.75 | 123112.25 | 0.040837033 |
| Service charges - refuse revenue | 6851000 | 577322 | 1728322 | 1712750 | 15572 | 0.009091811 |
| Rental of facilities and equipment | 1338671 | 261682 | 373682 | 334667.75 | 39014.25 | 0.116576067 |
| Interest earned - external investments | 4320000 | 8987 | 1230987 | 1080000 | 150987 | 0.139802778 |
| Interest earned - outstanding debtors | 4556663 | 1126584 | 3204584 | 1139165.75 | 2065418.25 | 1.813097216 |
| Fines | 164000 | 6670 | 12670 | 41000 | -28330 | -0.69097561 |
| Licences and permits | 6479000 | 670012 | 2572012 | 1619750 | 952262 | 0.587906776 |
| Transfers recognised - operational | 86384000 | 43137 | 33841137 | 21596000 | 12245137 | 0.567009492 |
| Other revenue | 86897144 | 3667307 | 6328307 | 21724286 | -15395979 | -0.708698965 |
| Total Revenue (excluding capital transfers and contributions) | 356743792 | 19280343 | 92248343 | 80655263.5 | 11593079.5 | 0.14373618 |
| Expenditure By Type | | | | | | |
| Employee related costs | 103787307 | 9029615 | 24326615 | 25946826.75 | -1620211.75 | -0.062443541 |
| Remuneration of councillors | 6279470 | 570996 | 1601996 | 1569867.5 | 32128.5 | 0.02046574 |
| Debt impairment | 2500000 | 0 | 0 | 625 | -625 | -1 |
| Depreciation & asset impairment | 8609254.87 | 0 | 0 | 2152313.718 | -2152313.718 | -1 |
| Finance charges | 7552956 | 228535 | 228535 | 1888239 | -1659704 | -0.878969241 |
| Bulk purchases | 82747427 | 9647426 | 19159426 | 20686856.75 | -1527430.75 | -0.073835806 |
| Other materials | | | | 0 | 0 | |
| Contracted services | 9435902 | 1655374 | 2237374 | 2358975.5 | -121601.5 | -0.051548437 |
| Transfers and grants | 1054000 | 0 | 0 | 263500 | -263500 | -1 |
| Other expenditure | 137566004 | 3825000 | 10828195 | 34391501 | -23563306 | -0.685149101 |
| Loss on disposal of PPE | | | 0 | 0 | 0 | |
| Total Expenditure | 359532320.9 | 24956946 | 58382141 | 89258705.22 | -30876564.22 | -0.345922161 |
| Surplus/(Deficit) | -2788528.87 | -5676603 | 33866202 | -8603441.718 | 42469643.72 | -4.936355137 |
| Transfers recognised - capital | | 0 | | | 0 | |
| Contributions recognised - capital | | | | | 0 | |
| Contributed assets | | | | | 0 | |
| Surplus/ (Deficit) for the year | -2788528.87 | -5676603 | 33866202 | -8603441.718 | | |

Table 14:C4 Monthly Budget Statement – Financial Performance (revenue and expenditure)

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6.5 Component 5: Capital Expenditure – Municipal Vote, Standard Classification and Funding

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03 September

| Vote Description | Budget Year 2012/13 | | | | | |
|--|---------------------|----------------|---------------|---------------|--------------|--------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| R thousands | | | | | | % |
| Multi-Year expenditure appropriation | | | | | | |
| Total Capital Multi-year expenditure | 0 | 0 | 0 | 0 | 0 | |
| Single Year expenditure appropriation | | | | | | |
| Vote 1 - Municipal Manager | 2300000 | 0 | 890540 | 891000 | -460 | -0.000516274 |
| Vote 2 - Budget & Treasury | 200000 | 0 | 0 | 0 | 0 | |
| Vote 3 - Corporate Services | 2000000 | 0 | 0 | 0 | 0 | |
| Vote 4 - Social services | 3145000 | 1066746 | 1180007 | 1180000 | 7 | 0 |
| Vote 5 - Infrastructure | 69229000 | 7471745 | 9044491 | 9044000 | 491 | 0 |
| Total Capital single-year expenditure | 76874000 | 8538491 | 11115038 | 11115000 | 38 | 0 |
| Total Capital Expenditure | 76874000 | 8538491 | 11115038 | 11115000 | 38 | 0 |
| Capital Expenditure - Standard Classification | | | | | | |
| Governance and administration | 4500000 | 0 | 891000 | 891000 | 0 | |
| Executive and council | 2300000 | 0 | 891000 | 891000 | 0 | |
| Budget and treasury office | 200000 | | | | 0 | |
| Corporate services | 2000000 | | | | 0 | |
| Community and public safety | 2845000 | 1067000 | 1067000 | 1067000 | 0 | |
| Community and social services | 2845000 | 1067000 | 1067000 | 1067000 | 0 | |
| Economic and environmental services | 29995000 | 0 | 0 | 0 | 0 | |
| Planning and development | | | | | 0 | |
| Road transport | 29995000 | | | | 0 | |
| Environmental protection | | | | | 0 | |
| Trading services | 39534000 | 7471000 | 9157000 | 9157000 | 0 | |
| Electricity | 15615000 | 520000 | 520000 | 520000 | 0 | |
| Water | 10804000 | 3317000 | 4890000 | 4890000 | 0 | |
| Waste water management | 12815000 | 3634000 | 3634000 | 3634000 | 0 | |
| Waste management | 300000 | 0 | 113000 | 113000 | 0 | |
| Other | | | | | 0 | |
| Total Capital Expenditure - Standard Classification | 76874000 | 8538000 | 11115000 | 11115000 | 0 | |
| Funded by: | | | | | | |
| National Government | 62729000 | 4942399 | 6515145 | 6515000 | 145 | 0 |
| Provincial Government | | | | 0 | 0 | |
| District Municipality | | | | 0 | 0 | |
| Other transfers and grants | | | | 0 | 0 | |
| Transfers recognised - capital | 62729000 | 4942399 | 6515145 | 6515000 | 145 | 0 |
| Public contributions & donations | | | | | 0 | |
| Borrowing | | | | | 0 | |
| Internally generated funds | 14145000 | 3596000 | 4600000 | 4600000 | 0 | |
| Total Capital Funding | 76874000 | 8538399 | 11115145 | 11115000 | 145 | 0 |

Table 15:C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)

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6.6 Component 6: Financial Position

LIM362 Lephalale - Table C6 Monthly Budget Statement - Financial Position - M03 September

| Description | Budget Year 2012/13 | |
|--|---------------------|--------------------|
| | Original Budget | YearTD actual |
| R thousands | | |
| <u>ASSETS</u> | | |
| Current assets | | |
| Cash | 20228359.19 | 143282479 |
| Call investment deposits | 0 | |
| Consumer debtors | 23353893.91 | 65094791.9 |
| Other debtors | 11329482.92 | 6228490.58 |
| Current portion of long-term receivables | | |
| Inventory | 1755577.92 | 1825686 |
| Total current assets | 56667313.94 | 216431447.5 |
| Non current assets | | |
| Long-term receivables | | |
| Investments | 10000 | 12334 |
| Property, plant and equipment | 910390760.4 | 948587237 |
| Total non current assets | 910400760.4 | 948599571 |
| TOTAL ASSETS | 967068074.3 | 1165031018 |
| <u>LIABILITIES</u> | | |
| Current liabilities | | |
| Bank overdraft | | |
| Borrowing | 2435000 | 1881098 |
| Consumer deposits | 6144177.16 | 7263989.28 |
| Trade and other payables | 5354037.95 | 51188051.05 |
| Provisions | 1789710 | 2024098 |
| Total current liabilities | 15722925.11 | 62357236.33 |
| Non current liabilities | | |
| Borrowing | 9829298.18 | 8385591 |
| Provisions | 24091036 | 27802525 |
| Total non current liabilities | 33920334.18 | 36188116 |
| TOTAL LIABILITIES | 49643259.29 | 98545352.33 |
| NET ASSETS | 917424815 | 1066485666 |
| <u>COMMUNITY WEALTH/EQUITY</u> | | |
| Accumulated Surplus/(Deficit) | 917424815 | 1066485666 |
| Reserves | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 917424815 | 1066485666 |

Table 16:C6 Monthly Budget Statement – Financial Position

Lephalale Local Municipality
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6.7 Component 7: Cash Flow

LIM362 Lephalale - Table C7 Monthly Budget Statement - Cash Flow - M03 September

| Description | Budget Year 2012/13 | | | | |
|---|---------------------|------------------|------------------|---------------|-----------------|
| | Original Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance |
| R thousands | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Receipts | | | | | |
| Ratepayers and other | 191908995.2 | 19700291 | 38798190 | | 38798190 |
| Government - operating | 80984000 | 0 | 6515000 | | 6515000 |
| Government - capital | 64063865 | 0 | 13061000 | | 13061000 |
| Interest | 4320000 | 667000 | 1222000 | | 1222000 |
| Dividends | | | | | 0 |
| Payments | | | | | |
| Suppliers and employees | -260452410 | -24957000 | -67599521 | | 67599521 |
| Finance charges | -8548956 | -229000 | -229000 | | 229000 |
| Transfers and Grants | | | | | 0 |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 72275494.19 | -4818709 | -8232331 | 0 | -8232331 |
| 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 | -76874135 | -8538491 | -11115038 | | 11115038 |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | -76874135 | -8538491 | -11115038 | 0 | 11115038 |
| 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 | -2435000 | -142847 | -142847 | | 142847 |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | -2435000 | -142847 | -142847 | 0 | 142847 |
| NET INCREASE/ (DECREASE) IN CASH HELD | -7033640.81 | -13500047 | -19490216 | 0 | |
| Cash/cash equivalents at beginning: | 27262000 | | 162772290 | 27262000 | |
| Cash/cash equivalents at month/year end: | 20228359.19 | | 143282074 | 27262000 | |

Table 17:C7 Monthly Budget Statement - Cash Flow

7. Risks and Recommendations

The Auditor General identified a number of matters for attention during their auditing of non-financial performance for 2011-2012 financial year, namely:

1. Corroborating evidence for measures taken to improve performance
2. Validity of actual reported performance
3. Accuracy of actual reported performance
4. Completeness of actual reported performance
5. Achievement of targets

It is recommended that Senior Management ensures that reported actual performance is accurate, valid and corroborated by supporting documentation and that those be validated by internal audit and confirmed by the Municipal Manager prior to reports being drafted and submitted for approval. In addition thereto, is it important that corrective action is identified, implemented and corroborating evidence to the effect is supplied in cases of under achievement of targets.

8. Approval

AS Naidoo

Municipal Manager

Date: