



## MID-YEAR BUDGET&PERFORMANCE ORGANISATIONAL REPORT 2022/23

**Emakhazeni Local Municipality**



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## 1. ACRONYMS

AG	: Office of the Auditor General
BBBEE	: Broad Based Black Economic Empowerment
BSC	: Balanced Scorecard
CAPEX	: Capital Expenditure
CFO	: Chief Financial Officer
COGTA	: Cooperative Governance and Traditional Affairs
CWP	: Community Works Programme
DWA	: Department of Water Affairs
ELM	: Emakhazeni Local Municipality
EEP	: Employment Equity Plan
EMP	: Environmental Management Plan
EPWP	: Extended Public Works Programme
FY	: Financial Year
GIS	: Geographical Information System
IDP	: Integrated Development Plan
IGR	: Intergovernmental Relations
IPMS	: Individual Performance Management System
IWMP	: Integrated Waste Management Plan
LED	: Local Economic Development

M&E	: Monitoring and Evaluation
MFMA	: Municipal Finance Management Act, 2003 (Act 32 of 2003)
MIG	: Municipal Infrastructure Grant
MOU	: Memorandum of Understanding
MP	: Mpumalanga
MSA	: Local Government Municipal Systems Act, 2000 (Act 32 of 2000)
NIHE	: National Institution for Higher Education
OMM	: Office of the Municipal Manager
OPEX	: Operational Expenditure
OPMS	: Organizational Performance Management System
PDP	: Personal Development Plan
SCM	: Supply Chain Management
SDBIP	: Service Delivery and Budget Implementation Plan
SLA	: Service Level Agreement
SMME	: Small Micro Medium Enterprises
WSDP	: Water Service Development Plan
WSP	: Workplace Skills Plan
WTW	: Water Treatment Works
WWTW	: Water and Waste Water Treatment

## 2. INTRODUCTION

In terms of Section 72 of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the budget and performance of the Municipality during the first half of the financial year. A report on such assessment must in terms of section 72 (1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury. The Mid-Year performance supporting tables were prepared in accordance with MFMA Circular 13, Municipal Budget and Reporting Regulations and Provincial Treasury Circular PT/MF 69 of 2022

## 3. BACKGROUND

The purpose of this report is to assess and account on the performance of Emakhazeni Local Municipality for the period of 01 July – 31 December 2022 as required in terms of Section 72 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (**MFMA**), which provides, quoted verbatim for ease of reference, as follows:

- (1) The accounting officer of a municipality 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*
    - (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and*
  - (b) submit a report on such assessment to –*
    - (i) The mayor of the municipality*
    - (ii) The National Treasury; and*
    - (iii) The relevant provincial treasury.*
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.*
- (3) The accounting officer must, as part of the review –*
  - (a) Make recommendations as to whether an adjustments budget is necessary; and*
  - (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.*

# PART A: ORGANISATIONAL PERFORMANCE REPORT AS AT 31 DECEMBER 2022

## 4. PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE 2020/2021 ANNUAL REPORT

In its 2020/21 Oversight Report, the Municipal Public Accounts Committee (MPAC) listed the following general findings regarding the 2020/2021 Annual Report:

No.	RESOLUTION	PROGRESS
1.	The Committee noted with concern the fact that majority of the findings contained in the Audit Report are recurring from previous financial years.	<ul style="list-style-type: none"><li>• A comprehensive Audit Action Plan was developed by Management.</li><li>• The municipality is currently conducting a data cleansing on revenue management.</li><li>• Activation of the Assets and inventory module on Munsoft.</li></ul>
2.	Management takes a long time to respond to requests and the municipality is facing challenges with adhering to timelines and meeting deadlines.	<ul style="list-style-type: none"><li>• Management has developed Standard Operating procedures to assist with the day to day operations of the municipality.</li></ul>
3.	The submission of credible and reliable supporting evidence is also a challenge.	<ul style="list-style-type: none"><li>• Items for discussion are submitted to Top Management for review and verification.</li><li>• Consequence management will be implemented for failure to submit credible and reliable information.</li></ul>
4.	The Committee had concerns with the fact that Annual Financial Statements submitted to Auditor General had been submitted with challenges and had to be corrected after submission.	<ul style="list-style-type: none"><li>• The Annual Financial Statements for the 2022/23 financial year will be prepared by Municipal Officials with the assistance of the service provider.</li><li>• A thorough review of the Annual Financial Statements will be conducted prior to submission to AG.</li></ul>

5.	There is a need for the Municipal Manager to strengthen and capacitate all the departments/units which do not have adequate personnel in order to try and move towards ensuring that the municipality is in a position to improve in terms of service delivery, quality of reports produced and ultimately improve the audit outcome without reliance on service providers.	<ul style="list-style-type: none"> <li>The review of the Organizational structure will be undertaken during the 2023 Strategic Planning session.</li> </ul>
6.	The Committee further encouraged the Accounting Officer to ensure that there is proper skills transfer whenever service providers render services for the municipality in order to ensure that municipal employees are able to take over and continue where service providers have left off.	<ul style="list-style-type: none"> <li>Service providers will be advised to work closely with municipal employees in order to ensure that there is adequate skills transfer.</li> </ul>

## 5. SERVICE DELIVERY PERFORMANCE AS AT 31 DECEMBER 2022

The annual service delivery performance of the Municipality is planned and detailed, with clear quarterly performance targets, in the Service Delivery and Budget Implementation Plan (SDBIP) which was approved by the Executive Mayor in June 2022 in accordance with section 53 1 (c) (ii) of the MFMA, and forms part of the performance agreements of the Municipal Manager and all senior managers concluded in terms of section 57 (2) of the Local Government: Municipal Systems Act, No. 32 of 2000. The SDBIP forms the basis of all the organizational and individual performance reports, be it monthly; quarterly; mid-yearly or annually.

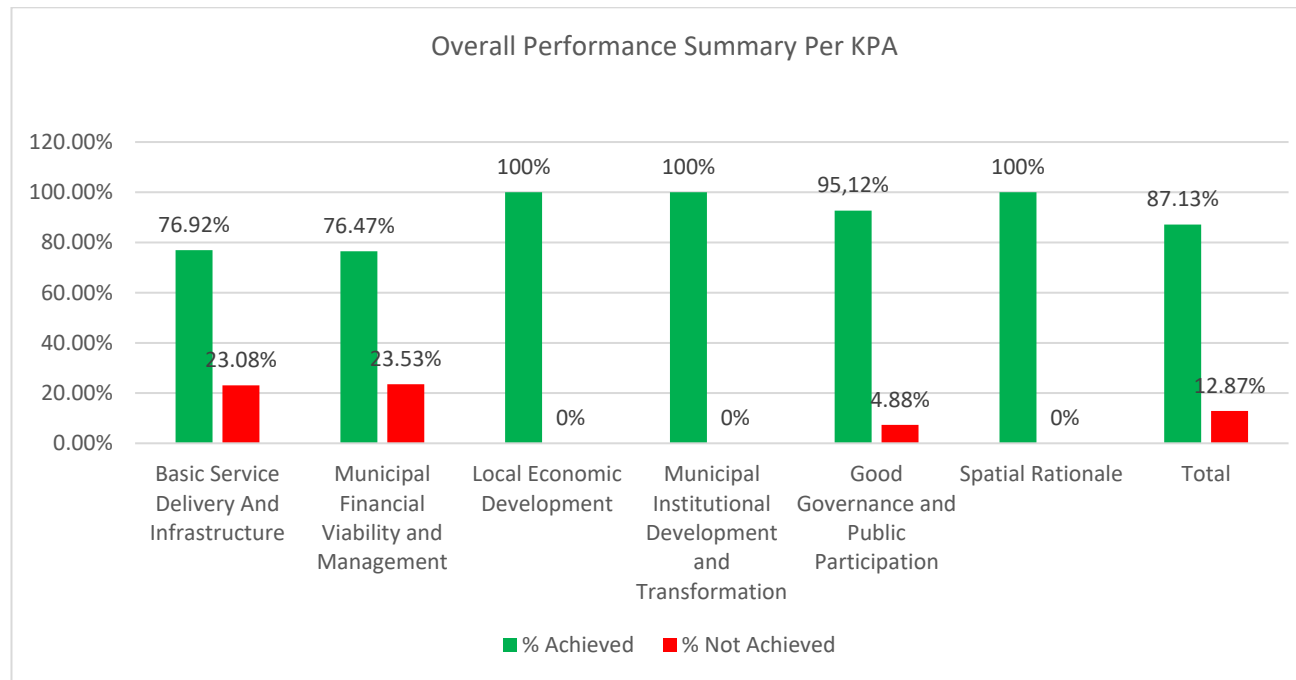
Attached hereof (**Detailed score card**) is the Municipality's service delivery performance report as at mid-year (31 December 2022). Where targets have not been achieved, the challenges and corrective measures are specified. The corrective measures are designed to ensure that all the targets are achieved by the end of the financial year, notwithstanding the challenges that delayed the targets in the first half of the year.

**5.1 The table below provides an overview of the overall performance of the Municipality against the mid-year targets and as allocated per Key Performance Area and Department:**

### Mid-Year Performance Per Key Performance Area

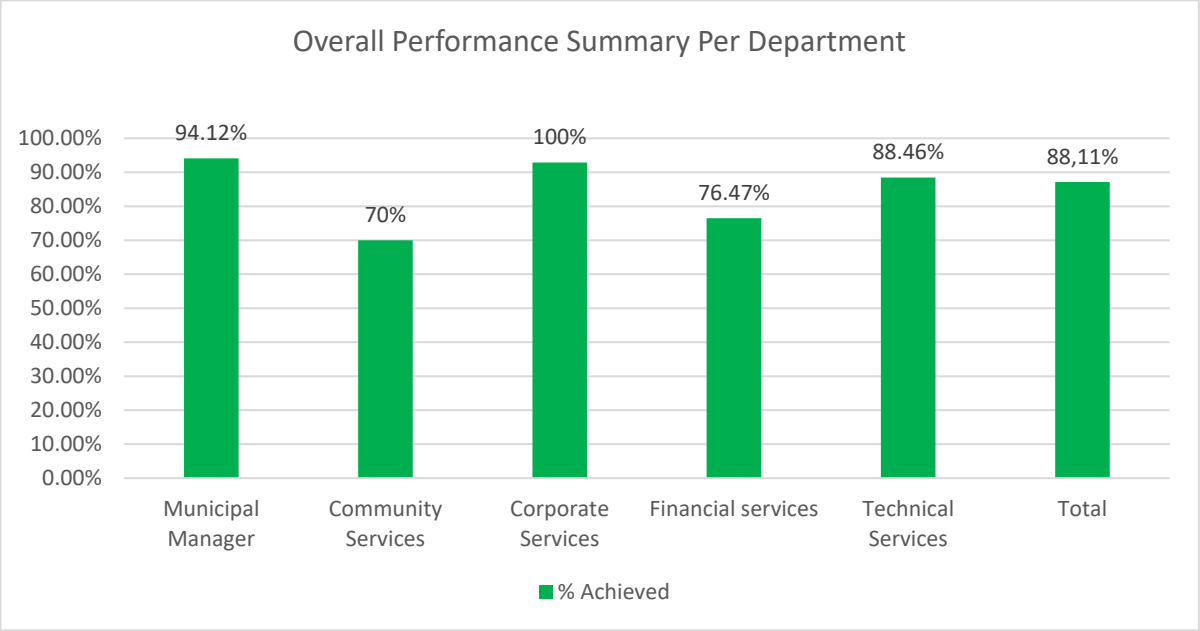
KPA	Planned Midterm Targets	Targets Achieved	Targets Not Achieved	% Achieved	% Not Achieved
Basic Service Delivery And Infrastructure	26	20	6	76,92%	23,08%
Municipal Financial Viability and Management	17	13	4	76,47%	23,53%
Local Economic Development	7	7	0	100%	0%
Municipal Institutional Development and Transformation	7	7	0	100%	0%
Good Governance and Public Participation	41	39	2	95,12%	4,88%
Spatial Rationale	3	3	0	100%	0%
<b>Total</b>	<b>101</b>	<b>89</b>	<b>12</b>	<b>88,11%</b>	<b>11,89%</b>





### Mid-Year Performance Per Department

Department	Planned Midterm Targets	Targets Achieved	Targets Not Achieved	% Achieved	% Not Achieved
Municipal Manager	34	32	2	94,12%	5,88%
Community Services	10	7	3	70%	30%
Corporate Services	14	14	0	100%	0%
Financial services	17	13	4	76,47%	23,53%
Technical Services	26	23	3	88,46%	11,54%
Total	101	89	12	88,11%	11,89%



## **6. CONCLUSION**

The report has outlined the performance of the municipality in the period under review as indicated in the Service Delivery and Budget Implementation Plan (SDBIP). As outlined, above, the purpose of this report was to inform Council, Relevant stakeholders and the Community regarding the progress made with the achievement of key performance indicators, development priorities and objectives as determined in the SDBIP for six months of the financial year, 01 July 2022 to 31 December 2022.

Our municipality continued to present an opportunity to change direction and rebuild communities through projects and programmes implemented through our SDBIP.

It is the right as well as responsibility of both politicians and administration to shape the face of local government and that of communities. Emakhazeni Local Municipality is here to serve our communities with pride. The performance shown above is a reflection on how administration implemented what was planned during the six months of the financial year.

## 7. DETAILED MID-YEAR PERFORMANCE PER KEY PERFORMANCE AREA

### 7.1 BASIC SERVICE DELIVERY AND INFRASTRUCTURE

**Strategic Objective:** To ensure access for all, to equitable, affordable and sustainable basic services within a safe environment.

KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
1	Farms provided with water	Number of farms provided with water	Farms provided with water	4 x farms provided with water by 30 June 2023	Q1 :Appointment of service providers (One Contractor) Q2 :25% construction progress	Q1 :Consultant and panel of contractors appointed Q2 : 27% construction progress	Achieved	The target for quarter 2 is 25% and actual performance is 27%	N/A	Q1 : Appointment letter, Progress report and completion certificate	POE attached and verified. Target achieved.
2	Upgrading of Roman pump station	Upgrading of Roman pump station in Siyathuthuka township	Sewer pump stations upgraded in Siyathuthuka (Roman Phase 1)	1 x Upgrading of Roman pump station in Siyathuthuka township by 30 June 2023	1 x Upgrading of Roman pump station in Siyathuthuka township (100% Completed)	Construction is at 68%	Not Achieved	The project is not completed and contractor is under penalties	Recovery plan is implemented to accelerate the project	Progress report and Completion certificate	No completion certificate attached. Progress report reviewed and verified. Target not achieved.

KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
3	Waste Water Treatment Plants	Number of Waste Water Treatment Plants repaired and maintained in Dullstroom	New Target	1 x Waste Water Treatment Plants repaired and maintained in Dullstroom by 30 June 2023	Q1 :Appointment of service providers (One Contractor)  1 x Waste Water Treatment Plants repaired and maintained in Dullstroom (100% Complete)	Q1 : Project progress is at 95%  Q2 : 1 x Wastewater Treatment Plants repaired and maintained in Dullstroom (100% Complete)	Achieved	N/A	N/A	Progress report and Completion certificate	POE attached reviewed and verified. Target achieved.
4	Waste Water Treatment Works	Number of Waste Water Treatment Works upgraded in Emgwenya (Phase 1)	New Target	1 x Waste Water Treatment Works upgraded in Emgwenya by 30 June 2023	Q1 : 1 Appointment of service providers (One Contractor)  Q2 : 25% construction progress	Q1 : Consultant and Panel of Contractors appointed  Q2 : 26% construction progress	Achieved	Target for quarter 2 is 25% and actual performance is 26%	None	Appointment letter, Progress report and completion certificate	POE attached reviewed and verified. Target achieved.

KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
5	Sewer lines upgrading in Madala	Number of Sewer lines upgraded in Madala	New Target	1 x Madala sewer line upgraded in Madala by 30 June 2023	Q1 : Appointment of service providers (One Contractor)  Q2 : Construction 25% construction progress	Q1 : Consultant and Panel of contractors appointed  Q2 : 25% construction progress	Achieved	None	None	Appointment letter, Progress report and completion certificate	POE attached reviewed and verified. Target achieved.
6	Electricity Provision in Empumelelweni Township	Number of households provided with electricity in Empumelelweni Township	New Target	25 x Households provided with electricity in Empumelelweni Township by 30 June 2023	Q1 : Appointment of service providers (One Contractor)  Q2:25% construction progress	Q1 : Consultant appointed  Q2 : Construction has not commenced, tender for appointment of contractor closed on the 23rd of December 2022	Not Achieved	Construction has not commenced, tender for appointment of contractor closed on the 23rd of December 2022	Expedite the sitting of bid committees and construction	Appointment letter, Progress report and completion certificate	Target not achieved for the same reasons given under variance reason.
7	Installation and Commissioning of a New 132/ 11KV 20 MVA	Installation and Commissioning of a New 132/ 11KV 20 MVA electricity substation and feeder lines in Emakhazeni (Phase 6)	New Target	1 x Installation and Commissioning of a New 132/ 11KV 20 MVA electricity substation and feeder lines in Emakhazeni	Q1: 25% construction progress (Phase 6)  Q2:50% construction progress (Phase 6)	Q1 : Construction is at 40%  Q2 : 82% construction progress	Achieved	Quarter 2 target is 50% and actual progress is 82%	None	Progress report and completion certificate	POE reviewed and verified. Target achieved.

KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
8	Road Pavement in Madala	Number of roads paved in Madala Ward 8	New Target	1 x road paved in Madala Ward 8 by 30 June 2023	Q1 Appointment of service providers (One Contractor)  Q2 :25% construction progress	Q1 : Consultant and Panel of contractors appointed  Q2 : 28% construction progress	Achieved	The target for quarter is 25% and actual performance is 28%	None	Appointment letter, Progress report and completion certificate	POE reviewed and verified. Target achieved.
9	Paving in Sakhelwe	Number of roads paved in Sakhelwe in Sakhelwe ward 4 (Julius Nyerere street)	New Target	1 x roads paved in Sakhelwe in Sakhelwe ward 4 (Julius Nyerere street) by 30 June 2023	Q1 : Appointment of service providers (One Contractor)  Q2: 25% construction progress	Q1 : Consultant and Panel of contractors appointed Q2 : 45% construction progress	Achieved	The quarter 2 target is 25% and actual performance is 45%	None	Appointment letter, Progress report and completion certificate	POE reviewed and verified. Target achieved
10	Road pavement Emthonjeni in Ward 6	Number of roads paved Emthonjeni in Ward 6 (ZCC street)	New Target	1 x roads paved Emthonjeni in Ward 6 (ZCC street) by 30 June 2023(lete)	Q1 : Appointment of service providers (One Contractor)  Q2 : 25% construction progress	Q1 : Consultant and Panel of contractors appointed  Q2 : 35% construction progress	Achieved	Target for quarter 2 is 25% and actual performance is 35%	None	Appointment letter, Progress report and completion certificate	POE reviewed and verified. Target achieved

KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
11	Roads pavement in Emthonjeni Ward 5	Number of roads paved in Emthonjeni Ward 5 (Thembisa street)	New Target	1 x roads paved in Emthonjeni Ward 5 (Thembisa street) by 30 June 2023	Q1 : Appointment of service providers (One Contractor) Q2 : 25% construction progress	Q1 : Consultant and Panel of contractors appointed  Q2 : 15% construction progress	Not Achieved	The quarter target is 25% and actual performance is 15%	Contractor requested to submit recovery plan	Appointment letter, Progress report and completion certificate	Target not achieved. The quarter target is 25% and actual performance is 15%
12	High Mast Lights installation in Belfast	Number of High Mast Lights installed in Belfast	4	2 x High Mast Lights installed in Belfast by 30 June 2023	Q1 : 2 x High Mast Lights installed in Belfast	2x Highmast lights installed in Belfast	Achieved	None	None	Progress reports & completion certificate	Progress report and completion certificate verified.
13	Electricity losses	Number of Electricity losses reports submitted to council	New Target	4 x Electricity losses reports submitted to council by 30 June 2023	Q1 : 1 x Electricity losses reports submitted to council  Q2 : 1 x Electricity losses reports submitted to council	Q2 : 1 x Electricity losses reports submitted to council	Achieved	None	None	Quarterly report & council resolution	POE attached reviewed and verified. Target achieved.



KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
14	Water loss	Number of Water loss reports submitted to council	New Target	4 x Water loss reports submitted to council by 30 June 2023	Q1 :1x Water loss reports submitted to council  Q2 :1x Water loss reports submitted to council	Q1 : 0  Q2 : 1 X Water loss report submitted to council	Achieved	None	None	Quarterly report & council resolution	POE attached reviewed and verified. Target achieved.
15	Number of roads regravelled	Number of roads regravelled	30 roads regravelled	30 x roads regravelled by 30 June 2023	Q1 :10 x roads regravelled  Q2 :5 x roads regravelled	Q1 : 17 x roads regravelled  Q2 : Quarterly progress report & pictures	Achieved	None	None	Quarterly progress report & pictures	Quarterly progress report & 10 pictures attached reviewed and verified. Target achieved.
16	Water sample analysis.	Number of water sample analysis reports submitted to Council	12 water sample analysis reports submitted to Council	12 x Sample analysis reports submitted to Council by 30 June 2023	5 x Sample analysis reports submitted to Council	6x Sample analysis report submitted to council	Achieved	None	None	Monthly Reports and Council resolutions	Target achieved.

KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
17	illegal dumping sites	Number of reports on illegal dumping sites identified, rehabilitated and penalties imposed	4 reports submitted	4 x reports on illegal dumping sites identified, rehabilitated and penalties imposed by 30 June 2023	Q1 : 1 x reports on illegal dumping sites identified, rehabilitated and penalties imposed Q2 : 1 x reports on illegal dumping sites identified, rehabilitated and penalties imposed	Q1 : 1 x reports on illegal dumping sites identified, rehabilitated and penalties imposed  Q2 : 1 x reports on illegal dumping sites identified, rehabilitated and penalties imposed	Achieved	None	None	Report and pictures	Target achieved report and pictures verified
18	Fire inspections	Number of fire inspections conducted	260 inspections	260 x fire inspection conducted by 30 June 2023	Q1 :76 x fire inspection conducted  76 x fire inspection conducted	Q1 : Fire inspections conducted  Q2 : fire inspections	Achieved	More inspections were due in the quarter including filing stations and diesel depots	None	Inspection sheets	Target achieved POE verified
19	Fire awareness campaigns	Number of fire awareness campaigns conducted	16 fire awareness campaigns conducted	11 x fire awareness campaigns conducted by 30 June 2023	Q1: 3 x fire awareness campaigns conducted.  Q2: 3 x fire awareness campaigns conducted.	Q1 :Fire awareness campaigns conducted  Q2 : Fire awareness campaigns	Achieved	an addition was made on a request received	None	Pictures and Attendance Register	Target achieved and 4 Registers and pictures verified

KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
20	Fire and Rescue Joint Operations	Number of Fire and Rescue Joint Operations inspections to be conducted	New	1 x Fire and Rescue Joint Operations inspections to be conducted by 30 September 2023	Q2 : 1 x Fire and Rescue Joint Operations inspections to be conducted by 30 September 2023	Q2 : Joint operation between the Fire and Rescue, Nkangala District and the By-Law Enforcement Unit to inspect business	Achieved	None	None	Attendance register or and inspection sheets	Target achieved POE verified.
21	Road blocks	Number of road blocks conducted	12 road blocks conducted	12 x road blocks conducted by 30 June 2023	Q1 : 2 x road blocks conducted Q2 : 4 x road blocks conducted	Q1 : Number of roadblocks conducted Q2 : Roadblock	Achieved	An additional roadblock was done to check the fitness of articulated heavy motor vehicles conveying coal	None	Payment report or vehicle statistics sheet/Production report or an attendance register	Target achieved and 5 Registers and production reports verified
22	Number of fully equipped light delivery vehicles for Traffic Maintenance procured	Number of fully equipped light delivery vehicles for Traffic Maintenance procured	New	1 x fully equipped light delivery vehicles for Traffic Maintenance procured by 30 June 2023	Q2 : 1 x fully equipped light delivery vehicles for Traffic Maintenance procured	Q2 : 0 Q2 : Procurement of a fully equipped light delivery vehicle for Traffic Maintenance	Not Achieved	Vehicle not budgeted for in 2022/23 final budget	Motivate for a budget in the new 2023/24 financial year	Purchase order and vehicle registration document	Target not implemented

KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
23	Number of road safety programmes conducted	Number of road safety programmes conducted	4 road safety programmes conducted	10 x road safety awareness programmes conducted by 30 June 2023	Q1 :3 x road safety awareness programmes conducted  Q2 : 1 x road safety awareness programmes conducted	Q1 : Road safety awareness campaigns conducted  Q2 : road safety campaigns	Achieved	There is a need to cover much area with an intention of raising awareness especially at schools and assist scholar patrols at the level crossings.	None	Attendance register or photos	Target archived POE verified
24	Mayoral roadblocks	Number of Mayoral roadblocks conducted	New	1 x Mayoral roadblock conducted by 30 June 2023	Q2: 1  1 x Mayoral roadblock conducted.	Q2 : 1  Q2 : Mayoral road safety campaign roadblock	Achieved	The roadblock was conducted in the absence of the Executive Mayor who had other engagements.	N/A	Attendance register and Photos or production report	Target achieved Production report and register obtained
26	Height restriction barriers	Number of height restriction barriers installed	New	10 x height restriction barriers installed by 30 June 2023	10 x height restriction barriers installed	Supply and installation of height restriction barriers	Not Achieved	Currently in the development of the tender document and awaiting approval from the Accounting Officer to continue with procurement	Get authorization from the Accounting Officer to procure the service	Appointment letter and Completion certificate	Target not implemented
27	Inductions on promulgated by-laws	Number of inductions on promulgated by-laws conducted	New target	1 x induction on promulgated by-laws conducted by 30 June 2023	1 x induction on promulgated by-laws conducted	Induction of promulgated by-laws	Not Achieved	No new by-laws promulgated in the quarter	Induction workshops are only held when there are new by-laws promulgated	Attendance register	Target not implemented

## 7.2 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

**Strategic Objective:** To ensure sound and sustainable financial management, compliance and accountability

Objective s	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure sound and sustainable financial management, compliance and accountability	41	Section 52(d) MFMA reports	Number of quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter	4 quarterly reports	4 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter by 30 June 2023	2 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter	2 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter	Achieved	None	None	Acknowledgement of receipts by the Executive Mayor	Acknowledgement of receipts attached verified. Target achieved.
To ensure sound and sustainable financial management, compliance and accountability	42	section 52(d) MFMA reports submitted to MPAC	Number of quarterly section 52(d) MFMA reports submitted to MPAC within 30 days after the end of each quarter	New Target	4 x quarterly section 52(d) MFMA reports submitted to MPAC within 30 days after the end of each quarter by 30 June 2023	2 x quarterly section 52(d) MFMA reports submitted to MPAC within 30 days after the end of each quarter	2 x Section 52 report submitted	Achieved	None	None	Acknowledgement of receipts by MPAC	Acknowledgement of receipts attached verified.
To ensure sound and sustainable financial management, compliance and accountability	43	section 71 MFMA reports submitted to the Executive Mayor	Number of monthly section 71 MFMA reports submitted to the Executive Mayor within 10 working days after end of each month	12 monthly S71 reports submitted	12 x monthly S71 MFMA reports submitted to Executive Mayor within 10 working days after the end of each month by 30 June 2023	6 x monthly S71 MFMA reports submitted to Executive Mayor within 10 working days after the end of each month	6 x Section 71 Reports Submitted	Achieved	None	None	Acknowledgement of receipts by the Executive Mayor	Acknowledgement of receipts attached verified.

Objectives	KPI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure sound and sustainable financial management, compliance and accountability	44	Section 71 MFMA reports submitted to MPAC	Number of monthly section 71 MFMA reports submitted to MPAC within 10 working days after end of each month	New Target	12 x monthly S71 MFMA reports submitted to MPAC within 10 working days after the end of each month by 30 June 2023	6 x monthly S71 MFMA reports submitted to MPAC within 10 working days after the end of each month	3 section 71 Reports Submitted to the MPAC	Not Achieved	Misalignment with SDBIP	Section 71 Reports are now submitted to MPAC as of the second Quarter	Acknowledgement of receipts by MPAC	Only second quarter acknowledgment of receipts submitted.
To ensure sound and sustainable financial management, compliance and accountability	45	Financial ratios	Number of financial ratios submitted within 10 working days after end of each month.	12 x monthly financial Ratios submitted to Executive Mayor within 10 working days	12 x monthly financial Ratios submitted to Executive Mayor within 10 working days after the end of each month by 30 June 2023	6 x monthly financial Ratios submitted to Executive Mayor within 10 working days after the end of each month	6 x section 71 reports with ratios submitted	Achieved	None	None	Acknowledgement of receipts by the Executive Mayor	Acknowledgement of receipts attached verified.
To ensure sound and sustainable financial management, compliance and accountability	48	Debtors book analysis	Number of debtors book analysis reports submitted to Council	New Target	1 x Debtors book analysis report submitted to Council by 30 June 2023	1 x Debtors book analysis report submitted to Council	Debtors Book Analysis done	Achieved	None	None	Report and Council Resolution	Report and Council Resolution attached verified.

Objectives	KPI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure sound and sustainable financial management, compliance and accountability	50	Percentage collection rate attained	Percentage collection rate attained	87% collection rate attained	87% Collection rate attained by 30 June 2023	Collection rate attained	Q1 : JULY 2022 72% AUGUST 2022 83% SEPTEMBER 2022 79%  Q2 : The revenue collection has improved due to NBC paying its outstanding debt hence the increase especially on the farming communities	Achieved	None	Finalization of the procurement of prepaid electricity smart meters as revenue generated from the sales of prepaid electricity is decreasing from an average of R3.5 million monthly to an average of R2.5 million.	Monthly revenue report indicating 78% collection rate	POE attached and verified. Target achieved.
To ensure sound and sustainable financial management, compliance and accountability	53	AFS	Annual Financial Statements (AFS) submitted to Auditor General free from material misstatements on or before the 31st August 2021	2021/22 AFS were submitted to Auditor General	1 x Annual Financial Statements (AFS) submitted to Auditor General free from material misstatements on or before the 31st August 2023	1 x Annual Financial Statements (AFS) submitted to Auditor General free from material misstatements on or before the 31st August 2023	A set of Annual Financial Statements was submitted to AG on the 31st of August	Achieved	N/A	N/A	Annual financial statement & Acknowledgment of receipts	Target achieved POE verified.

Objective s	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure sound and sustainable financial management, compliance and accountability	55	Procurement/demand management plan	Procurement/demand management plan compiled and approved by the Accounting Officer	1x procurement plan was developed and approved by Accounting Officer for the 2021/22 financial year	1 x Procurement/demand management plan compiled and approved by Accounting Officer by 30 June 2023	1 x Procurement/demand management plan compiled and approved by Accounting Officer	Procurement/demand management plan compiled and approved by Accounting Officer	Achieved	N/A	N/A	Procurement/demand management plan	
To ensure sound and sustainable financial management, compliance and accountability	56	Progress reports on the implementation of SCM Policy	Number of quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor within 30 days after the end of each quarter	4 x quarterly reports were submitted	4 x quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor within 30 days by 30 June 2023	2 x quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor within 30 days	2 x Quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor within 30 days	Achieved	None	None	Acknowledgment of quarterly SCM reports by the Executive Mayor	POE attached reviewed and verified.



Objective s	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure sound and sustainable financial management, compliance and accountability	57	Number of days taken to conclude and award tenders	Number of days taken to conclude and award tenders above R200 000	90 days after the closure of the tender	Conclude and award tenders above R200 000 within 30 days by 30 June 2023	30 days after closure	Target not met, bid awarded in average 52 days	Not Achieved	1. Non-attendance by members of the Bid Evaluation Committee 2. The KPI is not aligned to the validity of bids of 90 days after closure.	Consequence management in terms of DC for members who are not attending BEC meetings Align the KPI to the validity of bids of 90 days after closure	Quarterly report from SCM	Target not achieved.
To ensure sound and sustainable financial management, compliance and accountability	58	Asset verifications	Number of asset verifications conducted	2 Asset verification conducted	4 x asset verifications conducted and submitted to Council by 30 June 2023	2 x asset verifications conducted and submitted to Council	Quarter one and two verification report	Achieved	None	None	Quarterly Assets verification report	An assets verification excel spreadsheet attached verified.
To ensure sound and sustainable financial management, compliance and accountability	61	Billing reports	Number of monthly billing reports submitted to Council	New Target	12 x monthly billing reports submitted to Council by 30 June 2023	6 x monthly billing reports submitted to Council	Billing reports submitted	Achieved	None	None	Billing report & Council resolution	POE attached verified. Target achieved.

Objective s	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure sound and sustainable financial management, compliance and accountability	62	Supplementary valuation rolls	Number of supplementary valuation rolls developed	One supplementary valuation Roll	1 x Supplementary Valuation developed by 30 June 2023	1 x Supplementary Valuation developed by 30 June 2023	One supplementary roll was performed by the department	Achieved	None	None	Supplementary Valuation Roll	POE attached verified. Target achieved.
To ensure sound and sustainable financial management, compliance and accountability	63	Unauthorized, Irregular, Fruitless and wasteful expenditure	Number of Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports submitted to Council with no non-compliance	12 x Unauthorised, Irregular, Fruitless and wasteful expenditure reports submitted to Council	12 x Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports submitted to Council with no non-compliance by 30 June 2023	6 x Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports submitted to Council with no non-compliance	6 x Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports submitted to Council	Achieved	None	None	Unauthorised, Irregular, Fruitless and wasteful expenditure reports & Council resolution	Reports & Council resolution attached verified. Target achieved.
To ensure sound and sustainable financial management, compliance and accountability	64	Unauthorised, Irregular, Fruitless and wasteful expenditure prevention	Number of Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports with supporting evidence submitted to MPAC	New Target	12 x Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports with supporting evidence submitted to MPAC by 30 June 2023	6 x Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports with supporting evidence submitted to MPAC	6 x Unauthorised, Irregular, Fruitless and wasteful expenditure prevention reports with supporting evidence submitted to MPAC	Achieved	None	None	Unauthorised, Irregular, Fruitless and wasteful expenditure reports & Proof of submission	Target achieved.

Objectives	KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure sound and sustainable financial management, compliance and accountability	66	% spent on FMG	% spent on FMG	100% Spending	100% expenditure on FMG by 30 June 2023	25% expenditure on FMG	Q1 : Payments of interns stipend and all their tools of work  Q2 : Payment to intern stipend & the financial system upgrade	Achieved	None	None	Expenditure report	Target achieved.

## 7.3 LOCAL ECONOMIC DEVELOPMENT

**Strategic Objective:** To promote social and economic development

Objectives	KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To promote social and economic development	28	CWP LRC Forum Meetings	Number of CWP LRC Forum Meetings held	4 x CWP LRC Forum Meetings	`	2 x CWP LRC Forum Meetings held	Q1 : 1 X LRC Forum held on the 30th September 2022  Q2 : 1 X LRC Meeting	Achieved	None	None	Minutes & Attendance Register	POE attached and verified.
To promote social and economic development	30	EPWP Forums	Number of EPWP Forums meetings held	New Target	4 x EPWP Forum Meetings held by 30 June 2023	2 x EPWP Forum Meetings held	Q1 : 2 EPWP Forums held on the 27th September 2022 and 30 September 2022  Q2 : 1 X EPWP Forum on the 07 December 2022	Achieved	None	None	Minutes Attendance Register	POE attached and reviewed
To promote social and economic development	36	EPWP job opportunities	Number of EPWP job opportunities created	100 job opportunities created	100 x Job opportunities created by 30 June 2023	86 x Job opportunities created	218 EPWP Job Opportunities created	Achieved	None	Addition of Security Services and Municipal Own Funding	Appointment letters	POE attached reviewed and verified. Target achieved.

Objectives	KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To promote social and economic development	37	Training / workshop	Number training / workshop conducted	2 x Training / workshops conducted	2 x Training / workshops conducted by 30 June 2023	1 x Training / workshops conducted	1 X Training / Workshop 1 - 2 September 2022	Achieved	None	None	Attendance registers	POE attached and verified
To promote social and economic development	38	LED Forum	Number of LED Forum meetings held	4 LED Forums held	4 x LED Forum meetings held by 30 June 2023	2 x LED Forum meetings held	Q1 : 1 x LED Forum meetings held  Q2 : 1 X LED Forum Re-Launch 4 October 1 X LED Forum Meeting 02 Dec 2022 1 X LED Forum Meeting 13 Dec 2022	Achieved	First Quarter Postponed and LED Challenges	None	Attendance registers & Minutes	POE attached reviewed and verified.
To promote social and economic development	39	Reports on procurement of goods and services opportunities	Number of reports on procurement of goods and services opportunities awarded to local youth, women and people living with disability submitted to Council	New Target	4 x Reports on procurement of goods and services opportunities awarded to local youth, women and people living with disability submitted to Council by 30 June 2023	2 x Reports on procurement of goods and services opportunities awarded to local youth, women and people living with disability submitted to Council	Q1 : July Report Council Resolution No. 19/07/2022, 20/07/2022, 21/07/2022, 22/07/2022 and August Report Council Resolution No. 15/08/2022, 16/08/2022, 17/08/2022, 18/08/2022, 19/07/2022  Q2 : 1Report	Achieved	None	None	Report & Council Resolution	POE attached verified and reviewed. Target achieved.

Objectives	KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To promote social and economic development	40	Number of reports on capital project opportunities awarded to local youth, women and people living with disability submitted to Council	Number of reports on capital project opportunities awarded to local youth, women and people living with disability submitted to Council	New Target	1 x Reports on capital project opportunities awarded to local youth, women and people living with disability submitted to Council.	1 x Reports on capital project opportunities awarded to local youth, women and people living with disability submitted to Council.	1 X Report inclusive of Council Minutes, policy and adverts	Achieved	N/A	None	Report & Council Resolution	POE attached reviewed and verified. Target achieved.

## 7.4 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

**Strategic Objectives:** To ensure adherence with legislation and implementation of systems that will result in service excellence

Objectives	KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure adherence with legislation and implementation of systems that will result in service excellence	140	RMAC meetings	Number of RMAC meetings held	6 x RMAC meetings held by 30 June 2022	4 x RMAC meetings held by 30 June 2023	2 x RMAC meetings held	2 x RMAC meeting held	Achieved	None	None	Minutes and attendance registers	POE attached reviewed and verified. Target achieved.
To ensure adherence with legislation and implementation of systems that will result in service excellence	141	Disposal Committee meetings	Number of Disposal Committee meetings held	4 x Disposal Committee meetings held	4 x Disposal Committee meetings held by 30 June 2023	2 x Disposal Committee meetings held	2 x Disposal Committee meeting held	Achieved	None	None	Minutes and attendance registers	POE attached reviewed and verified. Target achieved.
To ensure adherence with legislation and implementation of systems that will result in service excellence	142	Management Committee meetings	Number of Management Committee meetings held	12 Management Committee meetings held	12 x Management Committee meetings held by 30 June 2023	6 x Management Committee meetings held	6 x Management Committee meetings held	Achieved	None	None	Minutes and attendance register	Minutes and attendance register attached verified.

Objectives	KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure adherence with legislation and implementation of systems that will result in service excellence	144	Mayoral Committees meetings	Number of Mayoral Committees meetings held	11 x Mayoral Committees meetings	9 x Mayoral Committees meetings held by 30 June 2023	5 x Mayoral Committees meetings held	5 x Mayoral Committee meetings held	Achieved	None	None	Agenda & Acknowledgment of receipt	POE attached reviewed and verified.
To ensure adherence with legislation and implementation of systems that will result in service excellence	145	Council meetings	Number of Council meetings held	6 x Number of Council Meeting held	7 x Number of Council meetings held by 30 June 2023	3 x Number of Council meetings held	3 x number of council meetings held	Achieved	None	None	Agenda & Acknowledgment of receipt	Target achieved POE verified but the actual performance indicate 1, POE attached is 2 for the quarter
To ensure adherence with legislation and implementation of systems that will result in service excellence	146	Section 79 meetings	Number of Section 79 meetings held	Section 79 Committee meetings held	12 x Section 79 Committee meetings held by 30 June 2023	4 x Section 79 Committee meetings held	4 x Section 79 Committee meetings held	Achieved	None	None	Agenda & Acknowledgment of receipt	Agenda & Acknowledgment of receipt attached verified.
To ensure adherence with legislation and implementation of systems that will result in service excellence	147	Inductions and re-inductions conducted	Number of inductions and re-inductions conducted	Inductions and re-inductions conducted	11 x Inductions and re-inductions conducted by 30 June 2023	5 x Inductions and re-inductions conducted	17 x Inductions and re-inductions conducted	Achieved	None	Not Applicable	Induction Report & Attendance register	Induction Report & Attendance register attached verified.



## 7.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

**Strategic Objectives:** To encourage the involvement of communities and community organizations in the matters of local government.

Objectives	K PI No	Project / Programm e Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To encourage the involvement of communities and community organizations in the matters of local government.	71	Local AIDS Council meetings	Number of Local AIDS Council meetings held	4 LAC meeting held	4 x Local AIDS Council meetings held by 30 June 2023	2 x Local AIDS Council meetings held	2 x Local AIDS Council meetings held	Achieved	None	None	Minutes and attendance register	Minutes and attendance register attached verified.

Objectives	KPI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To encourage the involvement of communities and community organizations in the matters of local government.	72	HIV/AIDS awareness campaigns	Number of HIV/AIDS awareness campaigns held	04 health education held	4 x HIV/AIDS awareness campaigns held by 30 June 2023	2 x HIV/AIDS awareness campaigns held	2 HIV awareness campaign held	Achieved	None	None	Awareness Campaign report & Council Resolution	Awareness campaign report attached and verified however council resolution still outstanding.
To encourage the involvement of communities and community organizations in the matters of local government.	73	Disability Forum meetings	Number of disability Forum meetings held	02 Disability forum meetings held	2 x Disability Forum meetings held by 30 June 2023	1 x Disability Forum meetings held	Disability forum meeting held	Achieved	None	None	Minutes and attendance register	Target achieved minutes and register verified.

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To encourage the involvement of communities and community organizations in the matters of local government.	74	Elderly Forum meetings	Number of elderly Forum meetings held	02 Elderly Forum Meeting held	2 x Elderly Forum meetings held by 30 June 2023	1 x Elderly Forum meetings held	1 Elderly forum meeting held	Achieved	None	None	Minutes and Attendance Register	Minutes and register verified target achieved
To encourage the involvement of communities and community organizations in the matters of local government.	75	Elderly activities	Number of Elderly activities conducted	02 elderly activities conducted	2 x Elderly activities conducted by 30 June 2023	1 x Elderly activities conducted	1 Elderly activity held	Achieved	None	None	Report, Council resolution and attendance register	Report, attendance register verified, and Council resolution was submitted.

Objectives	KPI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To encourage the involvement of communities and community organizations in the matters of local government.	76	Children forum meetings	Number of children forum meetings held	4 children forum meetings held	4 x Children forum meetings held by 30 June 2023	2 x Children forum meetings.	2 Children forum meetings	Achieved	None	None	Minutes & attendance register	Target achieved and Minutes & attendance register verified
To encourage the involvement of communities and community organizations in the matters of local government.	77	Women empowerment workshops	Number of women empowerment workshops conducted	New Target	1 x Women empowerment workshop conducted by 30 June 2023	1 x Women empowerment workshop conducted	1 x Women empowerment workshop held	Achieved	None	None	Report, Council resolution & Attendance Register	Target achieved report, register obtained and council resolution verified

Objectives	K PI No	Project / Programm e Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To encourage the involvement of communities and community organizations in the matters of local government.	78	Moral Regeneratio n	Number of Moral Regenerati on events held	1 x Moral Regenerat ion event held	1 x Moral Regenerati on event held by 30 June 2023	1 x Moral Regenerati on event held	0 Moral Regeneration event	Not Achieved	Due to financial states of the Municipality	We are going to request assistance from Nkangala District	Report on Moral Regeneration and Council Resolution	Target not implemented due to budget constraints .
To encourage the involvement of communities and community organizations in the matters of local government.	79	Empowerm ent workshops for men	Number of empowerm ent workshops for men conducted	New Target	1 x Empowerm ent workshop for men conducted by 30 June 2023	1 x Empowerm ent workshop for men conducted	1 x Men empowerment workshop held	Achieved	None	None	Report and Council Resolution	Target achieved POE verified

Objectives	KPI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To encourage and ensure cooperative governance.	80	Schools motivational programmes	Number of schools motivational programmes held	1 x School motivational programme held	1 x School motivational programme held by 30 June 2023	1 x School motivational programme held		Not Achieved			Report with attendance Register and photos	
To encourage and ensure cooperative governance.	81	Teenage pregnancy awareness	Number of teenage pregnancy awareness conducted	2 x Teenage pregnancy awareness campaign held	2 x Teenage pregnancy awareness campaigns held by 30 June 2023	1 x Teenage pregnancy awareness campaigns held		Not Achieved			Report with attendance Register and photos	
To encourage and ensure cooperative governance.	82	Substance and drug abuse awareness	Number of substance and drug abuse awareness conducted	4 substance and drug abuse awareness held and 02 LDAC meetings were held	4 x Substance and drug abuse awareness conducted by 30 June 2023	2 x Substance and drug abuse awareness conducted		Not Achieved			Q1 : Report with attendance Register and photos  Q2 : Report with attendance Register and photos	

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To encourage and ensure cooperative governance.	83	Wards committee functionality	Number of reports on wards committee functionality submitted to Council	New target	4 x Reports on wards committee functionality by 30 June 2023	2 x Reports on wards committee functionality	2 x report on ward committee functionality and a council resolution	Achieved	None	None	Quarterly Reports & Council Resolution	Target achieved POE verified
To encourage and ensure cooperative governance.	84	ICT Steering Committee Terms of Reference	Number of reviews of the ICT Steering Committee Terms of Reference	Developed ICT Steering Committee Terms of Reference	1 x Review of the ICT Steering Committee Terms of Reference by 30 June 2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A
To encourage and ensure cooperative governance.	89	ICT Steering Committee meetings	Number of ICT Steering Committee meetings held	ICT Steering Committee meetings held	4 x ICT Steering Committee meetings held by 30 June 2023	2 x ICT Steering Committee meetings held	2 x ICT Steering committee meeting held.	Achieved	None	None	Minutes & Attendance Register	Target achieved POE verified

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To ensure that communications across the municipality is well co-ordinated, effectively managed and responsive to the diverse information needs of stakeholders	92	Municipal newsletters	Number of Municipal newsletters published	New Target	2 x Municipal Newsletters published by 30 June 2023	1 x Municipal Newsletters published	1 x Municipal Newsletters published	Achieved	None	None	Newsletters	Newsletters attached reviewed and verified.



Objectives	KPI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To encourage the involvement of communities and community organizations in the matters of local government.	94	IDP Process Plans approved by Council	Number of IDP Process Plans approved by Council	New Target	1 x IDP Process Plan approved by Council by 30 June 2023	1 x IDP Process Plan approved by Council	1 X Draft IDP Process Plan Council Resolution No. 29/07/2022 and 1 X Final IDP Process Plan Council Resolution No. 25/08/2022 approved by Council	Achieved	1 draft IDP Process Plan approved for consultation	None	Council resolution	Target achieved Council resolutions verified
To encourage the involvement of communities and community organizations in the matters of local government.	99	Council sittings issued	Number of notices of ordinary Council sittings issued	8 council sittings held	6 x notices of ordinary council sittings issued by 30 June 2023	3 x notices of ordinary council sittings issued	5 x Sms notices issued and attendance register	Achieved	None	None	SMS notices issued & attendance register	Target achieved POE verified

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To encourage the involvement of communities and community organizations in the matters of local government.	103	Civic education workshops	Number of civic education workshops on good governance held	4 civic awareness workshop held	4 x Civic education workshops held by 30 June 2023	2 x Civic education workshops held	2 x civic education workshops held for the quarter.	Achieved	None	None	Report, Council resolution & Attendance Register	Target achieved POE verified
To encourage the involvement of communities and community organizations in the matters of local government.	104	Local council of stakeholders meetings	Number of local council of stakeholders meetings held	None	4 x Local Council of Stakeholders meetings held by 30 June 2023	2 x Local Council of Stakeholders meetings held	Q1 : 1 local council of stakeholders meetign held on the 30th of September 2022  Q2 : 1x Local stakeholder meeting held for the 2nd quarter on the 29th of November 2022	Achieved	None	None	Minutes and Attendance Register	Target achieved POE verified

Objectives	KPI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	107	Performance Agreements signed	% of Performance Agreements signed	Performance Agreements for 2021/22 were signed	100% Performance Agreements signed by 30 June 2023	100% Performance Agreements signed	100% Performance Agreements signed	Achieved	None	None	Signed Performance Agreements	Target achieved POE verified
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	108	Performance Scorecard signed with Managers	Number of Performance Scorecard signed with Managers	PMS cascaded to Managers and Strategic Units	14 x Performance Scorecards signed with Managers by 30 June 2023	14 x Performance Scorecards signed with Managers	18 x Performance Scorecards signed with Managers	Achieved	None	None	Signed Performance Scorecards	Target achieved POE verified

Objectives	K PI No	Project / Programm e Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	109	SDBIP approval by Executive Mayor	SDBIP approved by Executive Mayor within 28 days after approval of the Budget	2021/22 SDBIP was approved	1 x SDBIP approved by Executive Mayor within 28 days after approval of the Budget by 30 June 2023	1 x SDBIP approved by Executive Mayor within 28 days after approval of the Budget	1 x SDBIP approved by Executive Mayor within 28 days after approval of the Budget	Achieved	None	None	Approved 2022/23 SDBIP	Target achieved POE verified
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	110	Number of performance reports submitted to Council not later than 30 days	Number of performance reports submitted to Council not later than 30 days after the end of the quarter	4 x performance reports submitted	4 x Performance reports submitted to Council not later than 30 days after the end of the quarter by 30 June 2023	2 x Performance reports submitted to Council not later than 30 days after the end of the quarter	2 x Performance report submitted to Council not later than 30 days after the end of the quarter	Achieved	None	None	4 x Performance reports and Council Resolutions	Target achieved POE verified

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	111	Number of performance reports submitted to MPAC not later than 30 days	Number of performance reports submitted to MPAC not later than 30 days after the end of the quarter	New Target	4 x Performance reports submitted to MPAC not later than 30 days after the end of the quarter by 30 June 2023	2 x Performance reports submitted to MPAC not later than 30 days after the end of the quarter	2 x Performance reports submitted to MPAC not later than 30 days after the end of the quarter	Achieved	None	None	4 x Performance reports and Proof of Submission	Target achieved POE verified
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	112	MPAC meetings held	Number of MPAC meetings held	MPAC meetings held	4 x MPAC meetings held by 30 June 2023	2 x MPAC meetings held	2 x MPAC meeting held	Achieved	None	None	Minutes and attendance registers	Target achieved POE verified

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	120	Risk Management, Anti-fraud and Anti-corruption Committee meetings	Number of Risk Management, Anti-fraud and Anti-corruption Committee meetings held	4 Risk Management Committee meetings held in 2021/22	4 x RMAAC meetings held by 30 June 2023	2 x RMAAC meetings held	2 x RMAAC meetings held	Achieved	None	None	Minutes of meetings and attendance register	Target achieved POE verified
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	121	Fraud and Corruption Awareness Workshops.	Conduct Fraud and Corruption Awareness Workshops	1 Risk workshops were conducted in 2021/22	1 x Fraud and Corruption Awareness Campaign conducted by June 2023	1 x Fraud and Corruption Awareness Campaign conducted by 31 December 2022	1 x Fraud and Corruption Awareness Campaign conducted by 31 December 2022	Achieved	None	None	Staff Email	Target achieved POE verified

Objectives	K PI No	Project / Programm e Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	12 2	Whistle Blowing Awareness Workshops.	Conduct Whistle Blowing Awareness Workshops .	1 Risk workshops were conducted in 2021/22	1 x Whistle Blowing Awareness Campaign conducted by 30 June 2023	1 x Whistle Blowing Awareness Campaign conducted by 31 December 2022	1 x Whistle Blowing Awareness Campaign conducted by 31 December 2022	Achieved	None	None	SMS request/ Attendance register	Target achieved POE verified
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	12 3	Risk Management Awareness Workshops.	Conduct Risk Management Awareness Workshops .	1 Risk workshops were conducted in 2021/22	1 x Risk Management Awareness Campaign by 30 June 2023	1 x Risk Management Awareness Campaign by 31 December 2022	1 x Risk Management Awareness Campaign by 31 December 2022	Achieved	None	None	Staff Email	Target achieved POE verified

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	12 4	Risk action plans implementation	Number of Risk action plans implemented to address Identified Strategic and Operational Risk	mitigation measures were implemented for 2021/22	200 x Risk action plans resolved to address Strategic and Operational Risk Identified per quarter by 30 June 2023	100 x Risk action plans resolved to address Strategic and Operational Risk Identified per quarter	61 x Risk action plans resolved to address Strategic and Operational Risk Identified per quarter	Not Achieved	Consolidation of risk reports concluded late due to late submission by the management.	Target will be met in the third quarter after consolidation.	Progress report on implemented mitigating measures	Target not achieved
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	12 5	Internal Audit Plan	Internal Audit Plan approved by the Audit Committee	An Internal Audit Plan was approved by the Audit Committee	1 x Internal Audit Plan approved by 30th June 2023	1 x Internal Audit Plan approved	1 Internal Audit Plan for 2022-2023 was approved by the Audit Committee on the 22 August 2022 resolution no: 04/08/2022	Achieved	None	None	Audit Committee resolution	



To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	129	Audits conducted and submitted to the Municipal Manager	Number of audits conducted and submitted to the Municipal Manager	11 audits conducted	11 x Audits to be conducted by 30th June 2023	5 x Audits to be conducted	<p>Q1 : 3 audits were conducted for the 1st quarter: 4th Quarter Performance Information, Audit of the Annual Financial Statements and Alignment of the IDP, SDBIP and Procurement Plan</p> <p>Q2 : 2 Audits were conducted in the 2nd quarter 1st Quarter Performance Information and Follow-up on Internal Audit Recommendation</p>	Achieved	None	None	Final Internal Audit Reports	POE attached verified. Target achieved.
To add value to the	130	Internal Audit	Number of Internal	4 progress reports	4 x Internal Audit	2 x Internal	Q1 : 1 x Internal Audit	Achieved	The Municipality	None	Audit Committee	Audit Committee

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
operations of the municipality in relation to technological systems, internal control, risk management and governance processes	.	quarterly progress reports	Audit quarterly progress reports submitted to the Audit Committee	were submitted to the Audit Committee	quarterly progress reports submitted by 30th of June 2023	Audit quarterly progress reports submitted	quarterly progress report was submitted to the Audit Committee on the meeting that took place on the 22 August 2022  Q2 : 2 X Internal Audit reports were submitted to APC for the meetings that were held on the 21st November 2022 and 7th December 2022		y had a Performance Audit Committee meeting.		minutes and Reports	e minutes and reports attached verified. Target achieved.

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	13 1	LLF meetings held	Number of LLF meetings held	12 x LLF meetings held	10 x LLF meetings held by 30 June 2023	5 x LLF meetings held	5 x meetings held	Achieved	None	None	Agenda & Acknowledgment of receipt	Target Achieved.
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	13 2	Contract Management Committee	Number of Contract Management Committee meetings held	4 x Contract Management Committee meetings	4 x Contract Management Committee meetings held by 30 June 2023	2 x Contract Management Committee meetings held	2 x Contract Management Committee meetings held	Achieved	None	Contract management members shall be required to submit items before going on leave.	Minutes and attendance registers	Minutes and attendance registers attached reviewed and verified.

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievem ent	Variance Reason	Correctiv e Measures	Means of verification	Reviewer 's Comment s
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	13 5	Safety meetings	Number of Safety meetings held	4 x Safety meetings held	4 x Safety meetings held by 30 June 2023	2 x Safety meetings held	Q1 : One Safety Meeting held on the 16 September 2022  Q2 : 1 x Safety meetings held	Achieved	None	Not Applicable	Minutes and attendance register	Target achieved. Minutes and attendance register attached reviewed and verified.
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	13 6	OHS inspections	Number of OHS inspections conducted	12 x OHS inspections conducted	12 x OHS inspections conducted	6 x OHS inspections conducted	6 x OHS inspections conducted	Achieved	None	Not Applicable	12 Inspection Reports	Target achieved.

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	137	Number of medical check-ups conducted	Number of medical check-ups conducted	1 x Medical check-up conducted	2 x Medical check-up conducted by 30 June 2023	1 x Medical check-up conducted	1 x Medical check-up conducted on the 14 October 2022	Achieved	None	Not Applicable	1 Medical check-up report and attendance register	Medical check-up report and attendance register attached verified.
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	138	Number of training programmes conducted	Number of training programmes conducted	training programmes conducted	6 x training programmes conducted by 30 June 2023	3 x training programmes conducted	7 x training programmes conducted.	Achieved	None	Not Applicable	Training report & Attendance registers	Training report & Attendance registers attached verified.

Objectives	K PI No	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes	139	Training Committee meetings	Number of Training Committee meetings held	4 x training committee meetings held	4 x training committee meetings held by 30 June 2023	2 x training committee meetings held	Q1 : One Training Committee meeting held on the 29 September 2022  Q2 : 1 x training committee meetings held on the 14 December 2022	Achieved	None	Not Applicable	Minutes and attendance registers	Minutes and attendance registers verified.
To encourage the involvement of communities and community organizations in the matters of local government.	--	Disability Awareness	Number of disability awareness campaigns conducted	02 Disability awareness campaign was held	Disability awareness campaign was held	Disability awareness campaign was held	Disability awareness campaign was held	Achieved	None	None	Report, Council resolution & Attendance Register	Target achieved POE verified

## 7.6 SPATIAL RATIONALE

**Strategic Objective:** To ensure sustainable rural and urban planning in order to meet the needs of the community

Objectives	KPI No.	Project / Programme Name	KPI	Baseline	Annual Target	Mid-Term Target	Mid-Term Actual Performance	Achievement	Variance Reason	Corrective Measures	Means of verification	Reviewer's Comments
To ensure sustainable rural and urban planning in order to meet the needs of the community	150	Compliance with NHBRC & NBR standards submitted to Council	Number of reports on inspections of compliance with NHBRC & NBR standards submitted to Council	4 reports submitted	4 x Quarterly reports on inspections of compliance with NHBRC & NBR standards submitted to Council by 30 June 2023	2 x Quarterly reports on inspections of compliance with NHBRC & NBR standards submitted to Council	2 x Quarterly reports on inspections of compliance with NHBRC & NBR standards submitted to Council	Achieved	None	None	Quarterly Inspection reports & Council resolution	POE attached and verified
To ensure sustainable rural and urban planning in order to meet the needs of the community	151	% of building plans received and assessed	% of building plans received and assessed	100%	100% building plans received & assessed by 30 June 2023	100% building plans received & assessed	100% building plans received and assessed	Achieved	None	None	Submission register, Proof of payment & approval letters	Target achieved POE verified
To ensure sustainable rural and urban planning in order to meet the needs of the community	152	Number of SPLUMA Certificates issued	Number of SPLUMA Certificates issued	New Target	80 x SPLUMA certificates issued by 30 June 2023	40 x SPLUMA certificates issued	176 x SPLUMA certificates issued	Achieved	The municipality is experiencing a number of property transfers	The target to be revised	Copies of SPLUMA certificates issued	POE attached verified and targets achieved.





# PART B: FINANCIAL RESULTS AS OF 31 DECEMBER 2022

## INTRODUCTION

In terms of Section 72 of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the budget and performance of the Municipality during the first half of the financial year. A report on such assessment must in terms of section 72 (1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

The Mid-Year performance supporting tables were prepared in accordance with MFMA Circular 13, Municipal Budget and Reporting Regulations and Provincial Treasury Circular PT/MF 69 of 2022

## MAYOR'S REPORT

### MAYORAL 2022/23 MID- YEAR BUDGET AND PERFORMANCE ASSESSMENT SPEECH

Honourable Speaker, Cllr. NA Mashele

Members of the Council of Emakhazeni Municipality

Councillors present.

Officials, all protocol observed.

Greetings to all

I thank you Mr Speaker, I would like to greet you and all members of the council and officials, and I present this Mid - Year Budget and Performance Assessment for 2022/23 financial year as outlined in the Municipal Finance Management Act. (MFMA, Section 72 of MFMA in relation to the tabling of Mid-Year Budget and Performance Assessment Report, I would like to highlight the following items:

Actual Operating Expenditure	: R 123,781,000 (34% spending of the budget)
Actual Capital expenditure	: R 17, 644,000 (27% spending of the budget)
Actual Operating revenue	: R 157,150,000 (51% of projected revenue)

Honourable Speaker, this report reflects the wishes and aspirations of the people of Emakhazeni and it is aligned with the priorities set by Treasury (circular 72) and it is in line with the Emakhazeni SDBIP and IDP priorities which according to my administration's point of view should be implemented at a Local Level after considering the needs of the Community.

Considering the content of the report there are indications that the municipality is facing financial risks and/or problems, this is also emphasised by the fact that the municipality received an Adverse opinion from the Auditor General for 2021/2022 financial year. The Accounting Officer is recommending the adjustments budget as there are line items that require such adjustments as a result of, over/under collection of revenue and over/ under expenditure identified. I would like to grant council members a chance to look into the content and more details are contained in the attached reports.

As I conclude I would like council members to have in mind the need to provide quality services to our community when considering Mid –Year Budget and Performance Assessment, I thank you for this wonderful opportunity granted to me to present this report to the Council of Emakhazeni.

I thank you.

## RESOLUTIONS

On 25<sup>th</sup> January 2023, the Council of Emakhazeni Local Municipality met in the Council Chambers of Emakhazeni Municipality to consider the Mid-Year Budget and Performance Assessment Report of the municipality for the financial year 2022/23. The Council approved and adopted the following resolutions:

1. The Council of Emakhazeni Local Municipality, acting in terms of section 72 of the Municipal Finance Management Act, (Act 56 of 2003) notes:
  - 1.1. Mid-Year Budget and Performance Assessment

## **EXECUTIVE SUMMARY**

### **PURPOSE**

The purpose of this report is for Council to note the mid-year budget and performance assessment for the 2022/23 financial year and service delivery actual performance against the set targets.

The purpose of this report is also to comply with 72 (1) (a) (b), (2) and (3) (a) (b) of the Municipal Finance Management Act (MFMA) and the requirements as promulgated in the Government Gazette no 32141 of 17 April 2009 regarding Municipal Budget and Reporting Regulations which requires that specific financial particulars be reported on and in the formats prescribed.

### **BACKGROUND**

Sec 72 (1) (a) of the Municipal Finance Management Act (MFMA) No.56 of 2003 states:

The accounting officer of the municipality 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– the monthly statements referred to in section 71 for the first half of the year.
- (b) Submit the report on such assessments to - the mayor of the municipality; national treasury and relevant provincial treasury

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

After careful analysis of the mid-year revenue and expenditure results of the municipality the accounting officer is recommending the adjustments budget since there are line items that require such adjustments as a result over/under collection of revenue and over/ under performance of expenditure identified.

The mid-year report and supporting tables of Emakhazeni Municipality prepared in accordance with the Municipal Budget and Reporting Regulations are attached as Annexures A, B and C.

### **Overall performance of the municipality**

Municipality's performance against the budget is not satisfactory, however one must consider the effects of the pandemic. As there are a few Revenue sources which have been affected, the Municipality has implemented strict measures on trying to limit the negative financial impact on the budget.

In assessing the Mid-year Budget and performance the following have been identified:

### **Overall performance of the municipality**

Municipality's performance against the budget is not satisfactory, however one must consider the effects of the pandemic. As there are a few Revenue sources which have been affected, the Municipality has implemented strict measures on trying to limit the negative financial impact on the budget.

In assessing the Mid-year Budget and performance the following have been identified:

### **Financial Performance for the first six (6) months.**

## Operating Revenue

Description	Budget R '000	YTD Budget R '000	Actual R '000	Variance	%
Property rates	69,423	34,712	50,718	16,006	46%
Service Charges	138,152	69,076	45,376	(23,700)	-34%
Investment income	3,200	1,600	820	(780)	-49%
Transfers and subsidies	80,712	40,356	58,701	18,345	45%
Other revenue	18,016	9,008	1,535	(7,473)	-83%
<b>Total</b>	<b>309,504</b>	<b>154,752</b>	<b>157,150</b>	<b>2,398</b>	<b>2%</b>

### Operating revenue variance explanations

**Property rates** – There are properties that were on the valuation roll but were not being billed on the financial system in the previous financial year. These properties have now been added to the financial system in the current financial year. The municipality will have to increase the property rates budget during the adjustments budget taking into considering the new properties added onto the financial system

**Service Charges** – The Electricity Service charges budget was based on the prior year performance which had been captured incorrectly. Service charges have been subsequently decreased by 21 million in the 2022 Financial statements. The municipality will review the Service charges during the adjustments budget and calculations will be based on current year performance.

**Rental of facilities and equipment** – The Municipality has received more rentals of facilities in the current year than anticipated. With the country having gone back to normal after the pandemic there is an increased demand for the use of facilities.

**Investment income** – Due to cashflow challenges faced by the Municipality, withdrawals were effected earlier than the investments' maturity dates and this affected the interest received on the investment accounts. The Municipality will have to decrease interest on investment during the adjustments budget.

**Interest on Outstanding Debtors**- The Interest on outstanding debtors is being charged on the incorrect revenue accounts. The municipality will correct this by the month of April. The municipality is currently busy with a data cleansing exercise which will be completed by the end of April.

**Transfers and subsidies** – The majority of equitable share has been received hence the over performance of this line item.

**Fines, penalties, and forfeits** – The municipality's traffic fines management module, is not yet integrated with the financial system and journals have not yet been processed on to the financial management system. Journals will be processed at year end.

**Other Revenue**- The municipality had over budgeted for this line item and will decrease the budget during the adjustments budget.

## Operating expenditure

Description	Budget R '000	YTD Budget R '000	Actual R '000	Variance	% Var
Employee related cost	119,379	59,690	50,270	(9,420)	-16%
Remuneration of councillors	8,611	4,306	247	(4059)	-94%
Depreciation and assets impairment	48,450	24,225	0	(24,225)	-100%
Finance charges	3,000	1,500	6,975	5475	-365%
Inventory consumed and Bulk Purchases	84,945	42,473	48,837	6365	15%
Other expenditure	103,959	51,979	17,452	(34,528)	-66%
<b>Total</b>	<b>368,344</b>	<b>184,172</b>	<b>123,781</b>	<b>-60 391</b>	<b>-33%</b>

### Operating expenditure variance explanations

**Employee Related Cost** –The municipality has not captured the December Salaries of 9 million onto the system. The Salaries Journals are captured manually from the payroll system to the financial system. This exercise is time consuming and leaves room for errors. The municipality is in discussion with the Payroll system vendor to integrate the two system to allow for importing of journals. Thereafter, taking the above into consideration the Employee related performance is in line with the budget.

**Remuneration of councilors**- Due to the Employee related costs being captured manually, Remuneration for councilors has been captured in the incorrect accounts. Correction journals will be processed to correct this expenditure item. The Remuneration of councilors is currently at 2.6 million as at the end of December.

**Depreciation and assets impairment** – the Municipality is still in the process of having the asset Register uploaded into the system. Currently the asset Register is being done outside the system and depreciation journals are only process at year end.

**Debt impairment** – The Municipality is in the process of data cleansing to get the accurate debtors balances. Once the exercise is complete, the municipality will be able to process debt impairment journals

**Finance Charges** – The over performing expense in this line item is interest charged by Eskom on the outstanding balance. The Municipality will have to adjust this budget to avoid unauthorized expenditure. However, the municipality will be working hard to decrease the outstanding Eskom debt.

**Inventory Consumed-** The over performing expenses in this line item are chemicals for water treatment works, fuel and oil and materials for repairs. Adjustments will be made during the adjustments budget however the municipality will be implementing strict cost containment measures on this line item.

**Other Expenditure-** Due to cashflow challenges, the municipality is implementing strict const containment measures on other expenditures, hence the underperformance in this line item.

**Conditional Grants:**

Description	Budget R '000	Allocation R '000	YTD Spent R '000	% Var
MIG	20 272	20 272	10 484	52%
WSIG	20 000	20 000	3 174	16%
INEP	14 000	14 000	8 382	60%
EPWP	1 473	1 473	1 077	73%
FMG	2 900	2 900	2 382	82%
<b>TOTAL</b>	<b>58 645</b>	<b>58 645</b>	<b>24 599</b>	<b>42%</b>

**Conditional grant variance explanations**

WSIG- The Water Service Infrastructure Grant has underperformed in the first half of the financial year. This is due to the delay in Supply chain management processes. The Municipality has fully spent the transferred funds and the Municipality is positive that should the withheld funds be transferred they would be fully spent by the end of the financial year.

The following allocations have been received:

DESCRIPTION	AMOUNT
EQUITABLE SHARE	103,104,000.00
Expanded Public Works Programme grant	1 032 000.00
Finance management grant	2 900 000.00
Municipal Infrastructure Grant	16 272 000
Integrated National Electrification Programme Grant	9 000 000
Water Service Infrastructure Grant	2 500 000

**Borrowings**

The Municipality has no borrowings and has no intentions of securing borrowings.

**Adjustments budget**

After careful analysis of the mid-year revenue and expenditure results of the municipality the Accounting Officer is recommending that we prepare an adjustments budget since there are line items that require such adjustments because of over/under collection of revenue and over/ under expenditure identified.

**SERVICE DELIVERY PERFORMANCE ANALYSIS**

Early indicators are that the performance against the output and goals of the Service Delivery Budget Implementation Plan (SDBIP) are well on track.

**IN - YEAR REPORT BUDGET STATEMENT TABLES**

**MP314 Emakhazeni - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment**

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	71,702	69,423	–	4,391	50,718	34,712	16,006	46%	69,423
Service charges	113,597	138,152	–	7,331	45,376	69,076	(23,700)	-34%	138,152
Investment revenue	586	3,200	–	192	820	1,600	(780)	-49%	3,200
Transfers and subsidies	126,792	80,712	–	26,299	58,701	40,356	18,345	45%	80,712
Other own revenue	31,601	18,016	–	487	1,535	9,008	(7,473)	-83%	18,016
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>344,278</b>	<b>309,504</b>	<b>–</b>	<b>38,700</b>	<b>157,150</b>	<b>154,752</b>	<b>2,398</b>	<b>2%</b>	<b>309,504</b>
Employee costs	114,987	119,379	–	9,886	50,270	59,690	(9,420)	-16%	119,379
Remuneration of Councillors	7,267	8,611	–	51	247	4,306	(4,059)	-94%	8,611
Depreciation & asset impairment	119,868	48,450	–	–	–	24,225	(24,225)	-100%	48,450
Finance charges	5,820	3,000	–	1,592	6,975	1,500	5,475	365%	3,000
Inventory consumed and bulk purchases	88,635	84,945	–	6,415	48,837	42,473	6,365	15%	84,945
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	172,788	103,959	–	4,592	17,452	51,979	(34,528)	-66%	103,959
<b>Total Expenditure</b>	<b>509,365</b>	<b>368,344</b>	<b>–</b>	<b>22,537</b>	<b>123,781</b>	<b>184,172</b>	<b>(60,391)</b>	<b>-33%</b>	<b>368,344</b>
<b>Surplus/(Deficit)</b>	<b>(165,087)</b>	<b>(58,840)</b>	<b>–</b>	<b>16,164</b>	<b>33,369</b>	<b>(29,420)</b>	<b>62,789</b>	<b>-213%</b>	<b>(58,840)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	55,279	53,258	–	–	5,591	26,629	####	-79%	53,258
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(109,808)</b>	<b>(5,582)</b>	<b>–</b>	<b>16,164</b>	<b>38,960</b>	<b>(2,791)</b>	<b>41,751</b>	<b>-1496%</b>	<b>(5,582)</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>(109,808)</b>	<b>(5,582)</b>	<b>–</b>	<b>16,164</b>	<b>38,960</b>	<b>(2,791)</b>	<b>41,751</b>	<b>-1496%</b>	<b>(5,582)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>(96,525)</b>	<b>64,834</b>	<b>–</b>	<b>7,535</b>	<b>17,644</b>	<b>32,417</b>	<b>(14,774)</b>	<b>-46%</b>	<b>64,834</b>
Capital transfers recognised	(77,925)	53,258	–	7,272	16,100	26,629	(10,530)	-40%	53,258
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	<b>(14,511)</b>	<b>11,576</b>	<b>–</b>	<b>264</b>	<b>1,180</b>	<b>5,788</b>	<b>(4,608)</b>	<b>-80%</b>	<b>11,576</b>
<b>Total sources of capital funds</b>	<b>(92,436)</b>	<b>64,834</b>	<b>–</b>	<b>7,535</b>	<b>17,279</b>	<b>32,417</b>	<b>(15,138)</b>	<b>-47%</b>	<b>64,834</b>
<b>Financial position</b>									
Total current assets	268,711	207,806	–	–	327,101	–	–	–	207,806
Total non current assets	1,779,718	1,775,198	–	–	1,797,362	–	–	–	1,775,198
Total current liabilities	334,272	134,334	–	–	371,482	–	–	–	134,334
Total non current liabilities	72,083	105,579	–	–	72,083	–	–	–	105,579
Community wealth/Equity	<b>1,734,134</b>	<b>1,743,090</b>	<b>–</b>	<b>–</b>	<b>1,680,897</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,743,090</b>
<b>Cash flows</b>									
Net cash from (used) operating	95,715	26,014	–	23,002	76,579	13,007	(63,572)	-489%	26,014
Net cash from (used) investing	(84,859)	(64,834)	–	(10,605)	(39,188)	(32,417)	6,771	-21%	(64,834)
Net cash from (used) financing	61	–	–	(11)	(163)	–	163	#DIV/0!	–
<b>Cash/cash equivalents at the month/year end</b>	<b>48,483</b>	<b>(9,402)</b>	<b>–</b>	<b>–</b>	<b>59,354</b>	<b>10,008</b>	<b>(49,346)</b>	<b>-493%</b>	<b>(16,694)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	12,359	9,759	8,844	8,648	8,855	17,177	36,655	291,968	394,266
<b>Creditors Age Analysis</b>									
Total Creditors	9,398	7,711	10,115	10,514	11,903	10,303	16,074	90,077	166,096

**MP314 Emakhazeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment**

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>223,948</b>	<b>176,169</b>	<b>-</b>	<b>31,351</b>	<b>112,933</b>	<b>88,085</b>	<b>24,848</b>	<b>28%</b>	<b>176,169</b>
Executive and council		123,197	96,802	-	26,246	58,141	48,401	9,740	20%	96,802
Finance and administration		100,751	79,367	-	5,105	54,792	39,684	15,108	38%	79,367
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>2,359</b>	<b>8,299</b>	<b>-</b>	<b>208</b>	<b>244</b>	<b>4,150</b>	<b>(3,906)</b>	<b>-94%</b>	<b>8,299</b>
Community and social services		60	75	-	202	230	38	193	515%	75
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2,299	8,224	-	6	13	4,112	(4,099)	-100%	8,224
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>2,582</b>	<b>3,741</b>	<b>-</b>	<b>(190)</b>	<b>496</b>	<b>1,870</b>	<b>(1,374)</b>	<b>-73%</b>	<b>3,741</b>
Planning and development		2,515	3,716	-	(190)	491	1,858	(1,367)	-74%	3,716
Road transport		67	25	-	-	5	12	(7)	-59%	25
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>170,668</b>	<b>174,553</b>	<b>-</b>	<b>7,331</b>	<b>49,068</b>	<b>87,277</b>	<b>(38,208)</b>	<b>-44%</b>	<b>174,553</b>
Energy sources		107,272	109,801	-	3,807	26,678	54,900	(28,222)	-51%	109,801
Water management		39,879	40,219	-	1,406	9,713	20,109	(10,396)	-52%	40,219
Waste water management		13,256	13,109	-	1,184	7,091	6,554	536	8%	13,109
Waste management		10,261	11,424	-	934	5,586	5,712	(127)	-2%	11,424
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>399,557</b>	<b>362,762</b>	<b>-</b>	<b>38,700</b>	<b>162,741</b>	<b>181,381</b>	<b>(18,640)</b>	<b>-10%</b>	<b>362,762</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>226,222</b>	<b>174,261</b>	<b>-</b>	<b>6,892</b>	<b>41,986</b>	<b>87,131</b>	<b>(45,144)</b>	<b>-52%</b>	<b>174,261</b>
Executive and council		147,525	104,249	-	2,783	13,635	52,125	(38,490)	-74%	104,249
Finance and administration		78,697	70,012	-	4,109	28,351	35,006	(6,655)	-19%	70,012
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>35,672</b>	<b>32,216</b>	<b>-</b>	<b>4,944</b>	<b>14,013</b>	<b>16,108</b>	<b>(2,095)</b>	<b>-13%</b>	<b>32,216</b>
Community and social services		2,555	3,516	-	182	1,163	1,758	(595)	-34%	3,516
Sport and recreation		7,333	9,953	-	454	2,223	4,976	(2,753)	-55%	9,953
Public safety		22,381	18,547	-	4,244	10,502	9,273	1,229	13%	18,547
Housing		-	-	-	-	-	-	-	-	-
Health		3,403	200	-	64	125	100	25	25%	200
<i><b>Economic and environmental services</b></i>		<b>29,980</b>	<b>27,658</b>	<b>-</b>	<b>2,158</b>	<b>10,940</b>	<b>13,829</b>	<b>(2,890)</b>	<b>-21%</b>	<b>27,658</b>
Planning and development		5,558	3,639	-	961	4,514	1,820	2,695	148%	3,639
Road transport		24,422	24,019	-	1,197	6,425	12,009	(5,584)	-47%	24,019
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>217,491</b>	<b>134,209</b>	<b>-</b>	<b>8,543</b>	<b>56,842</b>	<b>67,105</b>	<b>(10,263)</b>	<b>-15%</b>	<b>134,209</b>
Energy sources		79,288	88,607	-	5,011	42,557	44,303	(1,746)	-4%	88,607
Water management		19,677	24,974	-	1,901	5,721	12,487	(6,766)	-54%	24,974
Waste water management		5,171	11,247	-	863	3,769	5,624	(1,855)	-33%	11,247
Waste management		113,354	9,381	-	769	4,795	4,690	104	2%	9,381
<i><b>Other</b></i>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>509,365</b>	<b>368,344</b>	<b>-</b>	<b>22,537</b>	<b>123,781</b>	<b>184,172</b>	<b>(60,391)</b>	<b>-33%</b>	<b>368,344</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(109,808)</b>	<b>(5,582)</b>	<b>-</b>	<b>16,164</b>	<b>38,960</b>	<b>(2,791)</b>	<b>41,751</b>	<b>-1496%</b>	<b>(5,582)</b>

**MP314 Emakhaseni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year**

Vote Description	Ref	2021/22 Audited Outcome	Budget Year Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - EXECUTIVE AND COUNCIL		123,197	96,802	–	26,246	58,141	48,401	9,740	20.1%	96,802
Vote 2 - FINANCE AND ADMIN		100,751	79,367	–	5,105	54,792	39,684	15,108	38.1%	79,367
Vote 3 - PLANNING AND DEVELOPMENT		2,582	3,741	–	(190)	496	1,870	(1,374)	-73.5%	3,741
Vote 4 - HEALTH		–	–	–	–	–	–	–	–	–
Vote 5 - COMMUNITY AND SOCIAL SERVICES		60	75	–	202	230	38	193	514.7%	75
Vote 6 - PUBLIC SAFETY		–	30	–	–	–	15	(15)	-100.0%	30
Vote 7 - SPORTS AND RECREATION		–	–	–	–	–	–	–	–	–
Vote 8 - WASTE MANAGEMENT		10,261	11,424	–	934	5,586	5,712	(127)	-2.2%	11,424
Vote 9 - WASTE WATER MANAGEMENT		13,256	13,109	–	1,184	7,091	6,554	536	8.2%	13,109
Vote 10 - ROAD TRANSPORT		2,299	8,194	–	6	13	4,097	(4,084)	-99.7%	8,194
Vote 11 - WATER		39,879	40,219	–	1,406	9,713	20,109	(10,396)	-51.7%	40,219
Vote 12 - ELECTRICITY		107,272	109,801	–	3,807	26,678	54,900	(28,222)	-51.4%	109,801
Vote 13 - OTHER		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>399,557</b>	<b>362,762</b>	<b>–</b>	<b>38,700</b>	<b>162,741</b>	<b>181,381</b>	<b>(18,640)</b>	<b>-10.3%</b>	<b>362,762</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - EXECUTIVE AND COUNCIL		147,525	104,249	–	2,783	13,635	52,125	(38,490)	-73.8%	104,249
Vote 2 - FINANCE AND ADMIN		75,766	68,392	–	4,043	27,481	34,196	(6,715)	-19.6%	68,392
Vote 3 - PLANNING AND DEVELOPMENT		29,980	27,608	–	2,158	10,940	13,804	(2,865)	-20.8%	27,608
Vote 4 - HEALTH		3,403	200	–	64	125	100	25	25.0%	200
Vote 5 - COMMUNITY AND SOCIAL SERVICES		2,555	3,516	–	182	1,163	1,758	(595)	-33.9%	3,516
Vote 6 - PUBLIC SAFETY		2,166	3,467	–	345	1,805	1,733	72	4.1%	3,467
Vote 7 - SPORTS AND RECREATION		7,333	9,953	–	454	2,223	4,976	(2,753)	-55.3%	9,953
Vote 8 - WASTE MANAGEMENT		113,354	9,381	–	769	4,795	4,690	104	2.2%	9,381
Vote 9 - WASTE WATER MANAGEMENT		5,171	11,247	–	863	3,769	5,624	(1,855)	-33.0%	11,247
Vote 10 - ROAD TRANSPORT		20,215	15,080	–	3,899	8,697	7,540	1,157	15.3%	15,080
Vote 11 - WATER		19,677	24,974	–	1,901	5,721	12,487	(6,766)	-54.2%	24,974
Vote 12 - ELECTRICITY		79,288	88,607	–	5,011	42,557	44,303	(1,746)	-3.9%	88,607
Vote 13 - OTHER		1,482	1,620	–	66	371	810	(439)	-54.2%	1,620
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	2	<b>507,916</b>	<b>368,294</b>	<b>–</b>	<b>22,537</b>	<b>123,281</b>	<b>184,147</b>	<b>(60,866)</b>	<b>-33.1%</b>	<b>368,294</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(108,359)</b>	<b>(5,532)</b>	<b>–</b>	<b>16,164</b>	<b>39,459</b>	<b>(2,766)</b>	<b>42,225</b>	<b>-1526.6%</b>	<b>(5,532)</b>

MP314 Emakhazeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Vote Description	Ref	2021/22	Budget Year 2022/23							
		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		71,702	69,423	–	4,391	50,718	34,712	16,006	46%	69,423
Service charges - electricity revenue		71,504	93,435	–	3,807	23,154	46,717	(23,564)	-50%	93,435
Service charges - water revenue		18,599	20,219	–	1,406	9,550	10,109	(560)	-6%	20,219
Service charges - sanitation revenue		13,233	13,074	–	1,184	7,087	6,537	550	8%	13,074
Service charges - refuse revenue		10,261	11,424	–	934	5,586	5,712	(127)	-2%	11,424
Rental of facilities and equipment		8,916	235	–	124	535	118	417	355%	235
Interest earned - external investments		586	3,200	–	192	820	1,600	(780)	-49%	3,200
Interest earned - outstanding debtors		12,333	3,000	–	–	–	1,500	(1,500)	-100%	3,000
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3,885	10,537	–	198	178	5,269	(5,090)	-97%	10,537
Licences and permits		–	15	–	–	–	8	(8)	-100%	15
Agency services		–	–	–	–	–	–	–	–	–
Transfers and subsidies		126,792	80,712	–	26,299	58,701	40,356	18,345	45%	80,712
Other revenue		2,702	4,229	–	165	822	2,115	(1,293)	-61%	4,229
Gains		3,765	–	–	–	0	–	0	#DIV/0!	–
Total Revenue (excluding capital transfers and contributions)		344,278	309,504	–	38,700	157,150	154,752	2,398	2%	309,504
Expenditure By Type										
Employee related costs		114,987	119,379	–	9,886	50,270	59,690	(9,420)	-16%	119,379
Remuneration of councillors		7,267	8,611	–	51	247	4,306	(4,059)	-94%	8,611
Debt impairment		62,914	50,000	–	–	–	25,000	(25,000)	-100%	50,000
Depreciation & asset impairment		119,868	48,450	–	–	–	24,225	(24,225)	-100%	48,450
Finance charges		5,820	3,000	–	1,592	6,975	1,500	5,475	365%	3,000
Bulk purchases - electricity		72,691	73,500	–	4,337	39,735	36,750	2,985	8%	73,500
Inventory consumed		15,944	11,445	–	2,078	9,102	5,723	3,380	59%	11,445
Contracted services		45,944	27,939	–	3,860	10,335	13,969	(3,634)	-26%	27,939
Transfers and subsidies		–	–	–	–	–	–	–	–	–
Other expenditure		27,256	26,020	–	731	7,117	13,010	(5,893)	-45%	26,020
Losses		36,674	–	–	–	–	–	–	–	–
Total Expenditure		509,365	368,344	–	22,537	123,781	184,172	(60,391)	-33%	368,344
Surplus/(Deficit)		(165,087)	(58,840)	–	16,164	33,369	(29,420)	62,789	(0)	(58,840)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		55,279	53,258	–	–	5,591	26,629	(21,038)	(0)	53,258
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(109,808)	(5,582)	–	16,164	38,960	(2,791)	–	–	(5,582)
Taxation		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(109,808)	(5,582)	–	16,164	38,960	(2,791)	–	–	(5,582)
Attributable to minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(109,808)	(5,582)	–	16,164	38,960	(2,791)	–	–	(5,582)
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		(109,808)	(5,582)	–	16,164	38,960	(2,791)	–	–	(5,582)



**MP314 Emakhazeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year**

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-		-
Vote 2 - FINANCE AND ADMIN		-	-	-	-	-	-	-		-
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-		-
Vote 4 - HEALTH		-	-	-	-	-	-	-		-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-		-
Vote 7 - SPORTS AND RECREATION		-	-	-	-	-	-	-		-
Vote 8 - WASTE MANAGEMENT		-	-	-	-	-	-	-		-
Vote 9 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-		-
Vote 10 - ROAD TRANSPORT		-	-	-	-	-	-	-		-
Vote 11 - WATER		-	-	-	-	-	-	-		-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-		-
Vote 13 - OTHER		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	-	-	-	-	-	-	-		-
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-		-
Vote 2 - FINANCE AND ADMIN		(2,572)	4,000	-	264	552	2,000	(1,448)	-72%	4,000
Vote 3 - PLANNING AND DEVELOPMENT		(15,672)	17,272	-	2,614	2,956	8,636	(5,680)	-66%	17,272
Vote 4 - HEALTH		-	-	-	-	-	-	-		-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-		-
Vote 7 - SPORTS AND RECREATION		-	1,350	-	-	-	675	(675)	-100%	1,350
Vote 8 - WASTE MANAGEMENT		-	-	-	-	-	-	-		-
Vote 9 - WASTE WATER MANAGEMENT		(8,542)	17,038	-	2,745	5,577	8,519	(2,942)	-35%	17,038
Vote 10 - ROAD TRANSPORT		-	1,070	-	-	-	535	(535)	-100%	1,070
Vote 11 - WATER		(24,797)	8,949	-	506	672	4,474	(3,803)	-85%	8,949
Vote 12 - ELECTRICITY		(44,942)	15,156	-	1,406	7,888	7,578	310	4%	15,156
Vote 13 - OTHER		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	<b>4</b>	(96,525)	64,834	-	7,535	17,644	32,417	(14,774)	-46%	64,834
<b>Total Capital Expenditure</b>		<b>(96,525)</b>	<b>64,834</b>	<b>-</b>	<b>7,535</b>	<b>17,644</b>	<b>32,417</b>	<b>(14,774)</b>	<b>-46%</b>	<b>64,834</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>(2,572)</b>	<b>4,000</b>	<b>-</b>	<b>264</b>	<b>552</b>	<b>2,000</b>	<b>(1,448)</b>	<b>-72%</b>	<b>4,000</b>
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		(2,572)	4,000	-	264	552	2,000	(1,448)	-72%	4,000
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		<b>-</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>(1,000)</b>	<b>-100%</b>	<b>2,000</b>
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	1,350	-	-	-	675	(675)	-100%	1,350
Public safety		-	650	-	-	-	325	(325)	-100%	650
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		<b>(15,672)</b>	<b>17,692</b>	<b>-</b>	<b>2,614</b>	<b>2,956</b>	<b>8,846</b>	<b>(5,890)</b>	<b>-67%</b>	<b>17,692</b>
Planning and development		191	4,000	-	-	30	2,000	(1,970)	-99%	4,000
Road transport		(15,863)	13,692	-	2,614	2,927	6,846	(3,919)	-57%	13,692
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		<b>(78,281)</b>	<b>41,143</b>	<b>-</b>	<b>4,657</b>	<b>14,136</b>	<b>20,571</b>	<b>(6,436)</b>	<b>-31%</b>	<b>41,143</b>
Energy sources		(44,942)	15,156	-	1,406	7,888	7,578	310	4%	15,156
Water management		(24,797)	8,949	-	506	672	4,474	(3,803)	-85%	8,949
Waste water management		(8,542)	17,038	-	2,745	5,577	8,519	(2,942)	-35%	17,038
Waste management		-	-	-	-	-	-	-		-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>(96,525)</b>	<b>64,834</b>	<b>-</b>	<b>7,535</b>	<b>17,644</b>	<b>32,417</b>	<b>(14,774)</b>	<b>-46%</b>	<b>64,834</b>

**MP314 Emakhazeni - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment**

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		967	(28,660)	–	3,602	(28,660)
Call investment deposits		21,159	19,258	–	26,133	19,258
Consumer debtors		38,310	39,802	–	78,924	39,802
Other debtors		204,114	167,427	–	214,281	167,427
Current portion of long-term receivables		–	–	–	–	–
Inventory		4,161	9,978	–	4,161	9,978
<b>Total current assets</b>		<b>268,711</b>	<b>207,806</b>	<b>–</b>	<b>327,101</b>	<b>207,806</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		254,175	260,601	–	254,204	260,601
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,525,393	1,514,182	–	1,543,008	1,514,182
Biological		–	–	–	–	–
Intangible		36	300	–	36	300
Other non-current assets		114	114	–	114	114
<b>Total non current assets</b>		<b>1,779,718</b>	<b>1,775,198</b>	<b>–</b>	<b>1,797,362</b>	<b>1,775,198</b>
<b>TOTAL ASSETS</b>		<b>2,048,429</b>	<b>1,983,004</b>	<b>–</b>	<b>2,124,463</b>	<b>1,983,004</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		2,026	1,855	–	1,863	1,855
Trade and other payables		318,841	128,519	–	356,213	128,519
Provisions		13,406	3,961	–	13,406	3,961
<b>Total current liabilities</b>		<b>334,272</b>	<b>134,334</b>	<b>–</b>	<b>371,482</b>	<b>134,334</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		72,083	105,579	–	72,083	105,579
<b>Total non current liabilities</b>		<b>72,083</b>	<b>105,579</b>	<b>–</b>	<b>72,083</b>	<b>105,579</b>
<b>TOTAL LIABILITIES</b>		<b>406,355</b>	<b>239,913</b>	<b>–</b>	<b>443,565</b>	<b>239,913</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1,642,073</b>	<b>1,743,090</b>	<b>–</b>	<b>1,680,897</b>	<b>1,743,090</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1,734,134	1,743,090	–	1,680,897	1,743,090
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1,734,134</b>	<b>1,743,090</b>	<b>–</b>	<b>1,680,897</b>	<b>1,743,090</b>

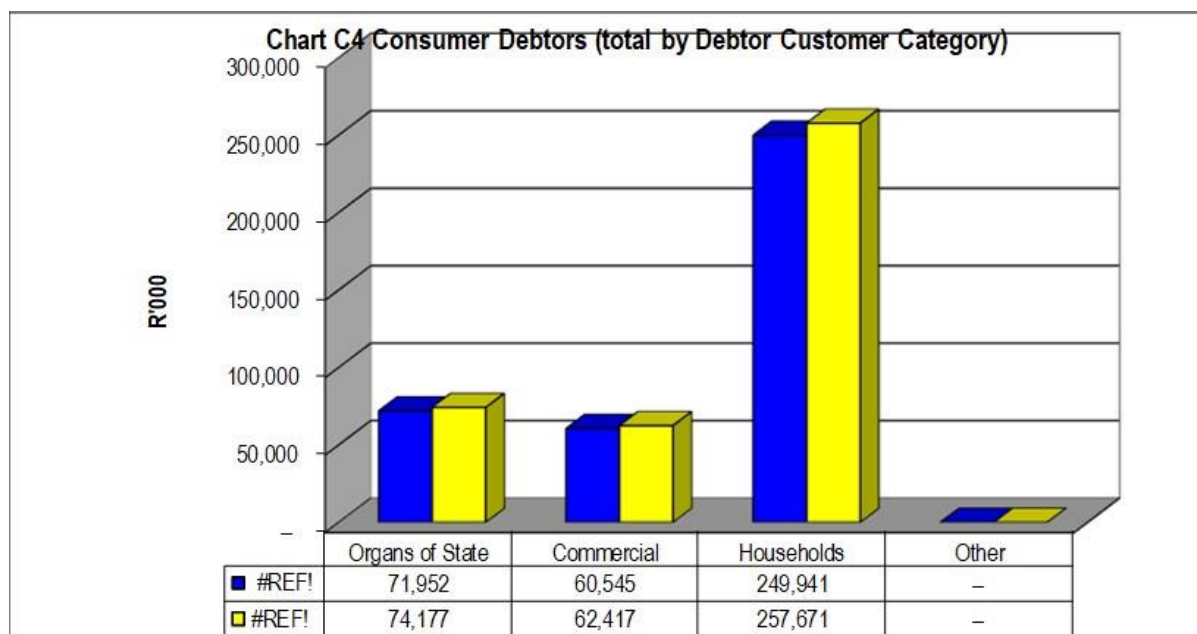


**MP314 Emakhazeni - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment**

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		49,204	63,008	–	8,413	25,497	31,504	(6,007)	-19%	63,008
Service charges		74,136	120,227	–	5,060	36,736	60,114	(23,378)	-39%	120,227
Other revenue		14,486	14,976	–	6,305	20,658	7,488	13,170	176%	14,976
Transfers and Subsidies - Operational		69,789	80,712	–	27,225	61,834	40,356	21,478	53%	80,712
Transfers and Subsidies - Capital		73,046	53,258	–	5,272	27,772	26,629	1,143	4%	53,258
Interest		262	3,200	–	2	31	1,600	(1,569)	-98%	3,200
Dividends		–	–	–	–	–	–	–		–
<b>Payments</b>										
Suppliers and employees		(185,208)	(306,369)	–	(29,275)	(95,949)	(153,184)	(57,236)	37%	(306,369)
Finance charges		–	(3,000)	–	–	–	(1,500)	(1,500)	100%	(3,000)
Transfers and Grants		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>95,715</b>	<b>26,014</b>	<b>–</b>	<b>23,002</b>	<b>76,579</b>	<b>13,007</b>	<b>(63,572)</b>	<b>-489%</b>	<b>26,014</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
<b>Payments</b>										
Capital assets		(84,859)	(64,834)	–	(10,605)	(39,188)	(32,417)	6,771	-21%	(64,834)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(84,859)</b>	<b>(64,834)</b>	<b>–</b>	<b>(10,605)</b>	<b>(39,188)</b>	<b>(32,417)</b>	<b>6,771</b>	<b>-21%</b>	<b>(64,834)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		61	–	–	(11)	(163)	–	(163)	#DIV/0!	–
<b>Payments</b>										
Repayment of borrowing		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>61</b>	<b>–</b>	<b>–</b>	<b>(11)</b>	<b>(163)</b>	<b>–</b>	<b>163</b>	<b>#DIV/0!</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>10,917</b>	<b>(38,820)</b>	<b>–</b>	<b>12,387</b>	<b>37,228</b>	<b>(19,410)</b>			<b>(38,820)</b>
Cash/cash equivalents at beginning:		37,566	29,419	–		22,126	29,419			22,126
Cash/cash equivalents at month/year end:		48,483	(9,402)	–		59,354	10,008			(16,694)

**MP314 Emakhazeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment**

Description	NT Code	Budget Year 2022/23								
		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
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	1200	1,530	1,255	1,269	1,173	1,172	1,079	4,897	41,999	54,375
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,319	2,690	2,477	2,678	2,963	2,276	8,705	65,797	90,905
Receivables from Non-exchange Transactions - Property Rates	1400	4,068	2,997	2,472	2,250	2,294	11,559	12,685	115,005	153,330
Receivables from Exchange Transactions - Waste Water Management	1500	1,243	837	732	706	652	569	2,495	22,198	29,433
Receivables from Exchange Transactions - Waste Management	1600	966	795	733	700	661	606	2,741	23,673	30,874
Receivables from Exchange Transactions - Property Rental Debtors	1700	0	0	0	0	0	0	2	107	112
Interest on Arrear Debtor Accounts	1810	1,225	1,180	1,156	1,137	1,109	1,084	5,110	19,333	31,333
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–
Other	1900	8	4	4	4	4	4	21	3,856	3,904
<b>Total By Income Source</b>	<b>2000</b>	<b>12,359</b>	<b>9,759</b>	<b>8,844</b>	<b>8,648</b>	<b>8,855</b>	<b>17,177</b>	<b>36,655</b>	<b>291,968</b>	<b>394,266</b>
<b>2022/23 - totals only</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2200	2,487	1,748	1,651	1,664	1,583	8,639	6,428	49,978	74,177
Commercial	2300	2,657	1,799	1,675	1,838	2,156	1,494	5,080	45,719	62,417
Households	2400	7,216	6,212	5,518	5,146	5,116	7,044	25,148	196,270	257,671
Other	2500	–	–	–	–	–	–	–	–	–
<b>Total By Customer Group</b>	<b>2600</b>	<b>12,359</b>	<b>9,759</b>	<b>8,844</b>	<b>8,648</b>	<b>8,855</b>	<b>17,177</b>	<b>36,655</b>	<b>291,968</b>	<b>394,266</b>



The blue on the above table represents the Budget and the yellow represents the Actual performance. The debtor's balance is 396 million as at the end of December, however the municipality is busy conducting a data cleansing exercise. The debtor's balance is expected to decrease as there are duplications and other errors in the debtors' balances. 92% of debtors are above 90 days. 65% of the debtors are household debtors.

**MP314 Emakhazeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment**

M14 Enkhruzen - Supporting Table 004 Monthly Budget Statement - aged creditors - mid-year Assessment										
Description	NT Code	Budget Year 2022/23								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	164	-	-	-	-	-	-	-	164
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	459	-	-	-	-	-	1	8	468
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	8,775	7,711	10,115	10,514	11,903	10,303	16,073	90,069	165,464
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	9,398	7,711	10,115	10,514	11,903	10,303	16,074	90,077	166,090

The Municipality had outstanding creditors of 166 million as at 31 December 2023. As we are currently busy addressing our cash flow challenges by implementing our established Revenue Enhancement Strategies, we are upbeat that we will be able to reduce outstanding creditors that are long overdue. These challenges results in our inability to pay creditors within 30 days as required by section 65(e) of the MFMA. Bulk of the creditors relates to Eskom account with an amount of R132 million.

**MP314 Emakhazeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment**

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		4,689	4,426	–	51	229	2,213	(1,984)	-90%	4,426
Pension and UIF Contributions		729	751	–	–	–	375	(375)	-100%	751
Medical Aid Contributions		112	136	–	–	–	68	(68)	-100%	136
Motor Vehicle Allowance		1,027	1,698	–	–	18	849	(831)	-98%	1,698
Cellphone Allowance		664	1,555	–	–	–	777	(777)	-100%	1,555
Housing Allowances		46	45	–	–	–	23	(23)	-100%	45
Other benefits and allowances		–	–	–	–	–	–	–		–
<b>Sub Total - Councillors</b>		<b>7,267</b>	<b>8,611</b>	<b>–</b>	<b>51</b>	<b>247</b>	<b>4,306</b>	<b>(4,059)</b>	<b>-94%</b>	<b>8,611</b>
<b>% increase</b>	4		<b>18.5%</b>							<b>18.5%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		2,406	3,372	–	–	–	1,686	(1,686)	-100%	3,372
Pension and UIF Contributions		19	653	–	–	–	326	(326)	-100%	653
Medical Aid Contributions		–	231	–	–	–	116	(116)	-100%	231
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	229	–	–	–	115	(115)	-100%	229
Motor Vehicle Allowance		5,763	655	–	–	–	327	(327)	-100%	655
Cellphone Allowance		–	59	–	–	–	30	(30)	-100%	59
Housing Allowances		–	12	–	–	–	6	(6)	-100%	12
Other benefits and allowances		1	5	–	–	–	2	(2)	-100%	5
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
<b>Sub Total - Senior Managers of Municipality</b>		<b>8,188</b>	<b>5,216</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,608</b>	<b>(2,608)</b>	<b>-100%</b>	<b>5,216</b>
<b>% increase</b>	4		<b>-36.3%</b>							<b>-36.3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		68,730	68,346	–	6,202	30,398	34,173	(3,776)	-11%	68,346
Pension and UIF Contributions		13,972	12,912	–	1,243	7,165	6,456	709	11%	12,912
Medical Aid Contributions		5,002	5,234	–	458	2,296	2,617	(320)	-12%	5,234
Overtime		6,337	4,999	–	644	3,236	2,500	737	29%	4,999
Performance Bonus		5,346	6,782	–	305	2,223	3,391	(1,168)	-34%	6,782
Motor Vehicle Allowance		465	9,054	–	526	2,433	4,527	(2,094)	-46%	9,054
Cellphone Allowance		313	459	–	38	179	230	(51)	-22%	459
Housing Allowances		673	659	–	58	444	329	115	35%	659
Other benefits and allowances		3,416	2,900	–	413	1,869	1,450	419	29%	2,900
Payments in lieu of leave		–	2,386	–	–	–	1,193	(1,193)	-100%	2,386
Long service awards		315	29	–	–	–	15	(15)	-100%	29
Post-retirement benefit obligations	2	2,231	403	–	–	27	202	(174)	-86%	403
<b>Sub Total - Other Municipal Staff</b>		<b>106,799</b>	<b>114,164</b>	<b>–</b>	<b>9,886</b>	<b>50,270</b>	<b>57,082</b>	<b>(6,812)</b>	<b>-12%</b>	<b>114,164</b>
<b>% increase</b>	4		<b>6.9%</b>							<b>6.9%</b>
<b>Total Parent Municipality</b>		<b>122,255</b>	<b>127,991</b>	<b>–</b>	<b>9,937</b>	<b>50,517</b>	<b>63,995</b>	<b>(13,478)</b>	<b>-21%</b>	<b>127,991</b>



**MP314 Emakhazeni - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid-Year Assessment**

Description	Ref	Budget Year 2022/23								
		July	August	Sept	October	Nov	Dec	January	Feb	March
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget
<b>R thousands</b>	<b>1</b>									
<b>Cash Receipts By Source</b>										
Property rates		6,577	2,971	2,618	2,365	2,553	8,413	5,251	5,251	5,251
Service charges - electricity revenue		4,423	3,606	3,677	2,862	3,680	2,682	6,774	6,774	6,774
Service charges - water revenue		1,113	1,180	1,008	1,150	1,091	974	1,466	1,466	1,466
Service charges - sanitation revenue		1,012	996	949	860	987	857	951	951	951
Service charges - refuse		634	672	615	570	591	548	828	828	828
Rental of facilities and equipment		–	1	1	–	3	–	17	17	17
Interest earned - external investments		15	2	12	–	–	2	267	267	267
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		55	46	29	40	44	31	878	878	878
Licences and permits		–	–	–	–	–	–	0	0	0
Agency services		–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational		31,294	3,269	–	–	46	27,225	6,726	6,726	6,726
Other revenue		(2,626)	3,451	3,503	8,245	1,561	6,275	353	353	353
<b>Cash Receipts by Source</b>		<b>42,496</b>	<b>16,195</b>	<b>12,413</b>	<b>16,092</b>	<b>10,555</b>	<b>47,005</b>	<b>23,510</b>	<b>23,510</b>	<b>23,510</b>
<b>Other Cash Flows by Source</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		13,500	–	5,000	–	4,000	5,272	4,438	4,438	4,438
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		(21)	(118)	(2)	3	(15)	(11)	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–
<b>Total Cash Receipts by Source</b>		<b>55,976</b>	<b>16,077</b>	<b>17,411</b>	<b>16,095</b>	<b>14,541</b>	<b>52,266</b>	<b>27,949</b>	<b>27,949</b>	<b>27,949</b>
<b>Cash Payments by Type</b>										
Employee related costs		(1,618)	2	(3,238)	–	(1,653)	(1,709)	10,752	10,752	10,752
Remuneration of councillors		–	–	–	–	–	–	–	–	–
Interest paid		–	–	–	–	–	–	250	250	250
Bulk purchases - Electricity		314	279	654	–	164	190	6,125	6,125	6,125
Acquisitions - water & other inventory		–	–	–	–	1,047	3,406	1,359	1,359	1,359
Contracted services		–	–	–	–	702	7,527	2,303	2,303	2,303
Grants and subsidies paid - other municipalities		–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other		–	–	–	–	–	–	–	–	–
General expenses		33,269	10,687	11,193	9,185	5,686	19,861	4,992	4,992	4,992
<b>Cash Payments by Type</b>		<b>31,965</b>	<b>10,969</b>	<b>8,610</b>	<b>9,185</b>	<b>5,946</b>	<b>29,275</b>	<b>25,781</b>	<b>25,781</b>	<b>25,781</b>
<b>Other Cash Flows/Payments by Type</b>										
Capital assets		18,050	3,771	2,366	3,756	640	10,605	5,403	5,403	5,403
Repayment of borrowing		–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments		–	–	–	–	–	–	–	–	–
<b>Total Cash Payments by Type</b>		<b>50,015</b>	<b>14,740</b>	<b>10,975</b>	<b>12,941</b>	<b>6,586</b>	<b>39,879</b>	<b>31,184</b>	<b>31,184</b>	<b>31,184</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>5,960</b>	<b>1,337</b>	<b>6,436</b>	<b>3,154</b>	<b>7,954</b>	<b>12,387</b>	<b>(3,235)</b>	<b>(3,235)</b>	<b>(3,235)</b>
Cash/cash equivalents at the month/year beginning:		22,126	28,086	29,423	35,859	39,013	46,967	59,354	56,119	52,884
Cash/cash equivalents at the month/year end:		28,086	29,423	35,859	39,013	46,967	59,354	56,119	52,884	49,649

## CAPITAL PROGRAMME PERFORMANCE

-	TotalBudget	TotalActual	Recon Total	vat	Total	Funding Source
install 132/11kva substation	13,000,000.00	7,198,221.60	7,198,221.60	1,079,733.24	8,277,954.84	INEP
Electrification of Empumelweni	1,000,000.00	90,873.79	90,873.79	13,631.07	104,504.86	INEP
ZCC Street Ward 6	2,900,000.00	521,291.62	521,291.62	78,193.74	599,485.36	MIG
Madala access Road(new)	2,600,000.00	1,510,969.40	1,510,969.40	226,645.41	1,737,614.81	MIG
Siyathuthuka Road ward 1	1,600,000.00		-		-	MIG
Siyathuthuka Ward 3 Road	1,170,491.00		-		-	MIG
ward 4	2,000,000.00	596,698.65	596,698.65	89,504.80	686,203.45	MIG
Thembisa Street Ward 5	2,100,000.00	297,704.18	297,704.18	44,655.63	342,359.81	MIG
Upgrading of roman pump new	3,754,415.00	2,004,733.26	2,004,733.26	300,709.99	2,305,443.25	MIG
water supply rural areas	2,200,000.00	671,676.76	671,676.76	100,751.51	772,428.27	MIG
Refurbishment of Dullstroom WWT	933,494.00	811,734.83	811,734.83	121,760.22	933,495.05	MIG
Upgrading of Emgwenya Waste Water Ti	6,448,968.00	1,861,284.81	1,861,284.81	279,192.72	2,140,477.53	WSIG
Ugrading of sgwabula Sewer line	13,551,024.00	898,796.79	898,796.79	134,819.52	1,033,616.31	WSIG
	<b>53,258,392.00</b>	<b>16,463,985.69</b>	<b>16,463,985.69</b>	<b>2,469,597.85</b>	<b>18,933,583.54</b>	

### Capital expenditure variance explanations:

- **MIG EXPENDITURE**

Expenditure on MIG is R 7.7 million which is equivalent to 40% spending, this is due to December invoices which were not captured on the system. When considering the mentioned invoices they bring the total MIG expenditure to 10 million. Which is equivalent to 51.7% of the total MIG spending and 95% of the transferred funds.

- **ELECTRIFICATION GRANT EXPENDITURE**

Expenditure on INEP grant is R 8.3 million which is Equivalent to 60% spending of the entire grant and 93% of the transferred funds.

- **WATER SERVICE INFRASTRUCTURE GRANT**

Expenditure on WSIG grant is R3 million which is equivalent to 16% spending of the entire WSIG grant and 124% of the transferred funds.

### **INTERNALLY GENERATED FUNDS**

- Expenditure on internally generated funds amounts to 1 million.
- Total Capital Expenditure is at 27% to date (31 December 2022)

## INVESTMENT PARTICULARS

NAME	ACCOUNT NUMBER	BALANCE
MIG Account	62727019957	5,554,520.60
Service Delivery 2	62774589801	6,345,665.66
Retention Account	62774591385	10,090.53
Solidarity Fund	62855646926	94,402.59
INEP Account	74720710702	1,289,548.88
LED Account	74720709953	210,000.00
EPWP	74720708666	250,898.19
Sservice Delivery 1	74763982095	10,000,000.00
WSIG Accounty	62178430212	247,449.89
<b>TOTAL</b>		<b>24,002,576.34</b>

### Significant infrastructure projects

The Municipality has no significant infrastructure Projects

### ADJUSTMENT BUDGET

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

“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-Year Budget and performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during financial year”. A report on adjustment to the budget will be submitted for approval by Council before 28 February 2023.



# EMAKHAZENI LOCAL MUNICIPALITY



## MUNICIPAL MANAGER'S QUALITY CERTIFICATE

Dear Sir/Madam

I, Mr. J.W. Shabangu, the Municipal Manager of Emakhazeni Local Municipality, hereby certify that the Mid-Year Budget and Performance Assessment Report for 2022/23 financial year has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act.

**Name** : **Mr. J.W. Shabangu**  
**Municipal Manager**

**Municipal Code** : **MP314**

**Signature** : \_\_\_\_\_

**Date** : **20 January 2022**