



DR BEYERS NAUDE LOCAL MUNICIPALITY
(EC 101)
Section 72
Mid-Year Budget and Financial Performance
Assessment Report
25 January 2019

**MIDYEAR ASSESSMENT REPORT ON BUDGET PERFORMANCE – 2018/19 FINANCIAL
YEAR**

1. INTRODUCTION

Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

Mid-year budget and performance assessment

- 72(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.

Section 54 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

Budgetary control and early identification of financial problems

- 54(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—
- (a) consider the statement or report;
- (2) If the municipality faces any serious financial problems, the mayor must—
- (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—

- (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) the tabling of an adjustments budget; or
 - (iii) steps in terms of Chapter 13; and
- (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Section 28 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

Municipal adjustments budgets

- 28(1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget-
- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the past Financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.

Section 23 of the Municipal Finance Management Act, 2003 (56/2003): Municipal budget and reporting regulations 393 of 2009 stipulates as follows:-

Timeframes for tabling of adjustments budgets

- 23(1) An adjustments budget referred to in section 28 (2) (b), (d) and (f) of the Act 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 the current year.

2. PURPOSE OF THIS REPORT

The purpose of this report is to submit the outcome of the assessment carried out in terms of section 72 of the MFMA, for the period 1 July 2018 to 31 December 2018, to the Mayor of the Dr Beyers Naude Local Municipality with a view to:-

- 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.

Further, in terms of section 54 of the MFMA the Mayor must take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

3. BACKGROUND

A high level assessment of the actual results for the period 1 July 2018 to 31 December 2018 was conducted. The purpose of this review was to enable the Accounting Officer to make recommendations as to whether an adjustments budget for the 2017/2018 financial year is necessary.

To ensure successful outcome only a high level review of the Total Council Summary was undertaken. It should therefore be noted that this report does not provide for an assessment of each individual line item/ vote number contained in the approved budget of the Dr Beyers Naude Local Municipality for the 2018/2019 financial year.

This report merely highlights the status quo of key revenue and expenditure vote numbers that may require the revision of the approved annual budget through an adjustments budget in terms of section 28 of the MFMA.

It must further be noted that the operating expenditure reflects direct expenditure and excludes non-cash transactions e.g. depreciation, provisions and deferred finance charges etc. which expenditure is not accounted for on a monthly basis but rather an annual basis.

In addition, this report does not necessarily provide the detail on how revised projections for revenue and expenditure will be derived at. Such exercise by the management team of the municipality will be a natural outflow of this report being dealt with by the Mayor in terms of section 54 (2) of the MFMA.

4. EXECUTIVE SUMMARY

4.1 INTRODUCTION

The first six months of the 2018/19 financial year was definitely not without its challenges.

The year kicked off with an unfunded budget which posed a challenge to top management. An action plan was developed to address this unfunded budget and management must ensure implementation thereof. This action plan was compiled with the assistance of Provincial Treasury.

The organisational structure was revised and approved by Council during December 2018. Management is now tasked with ensuring placement of staff is concluded within the next two months. The process of equalisation of salaries were concluded during July 2018.

The municipality experienced severe challenges in paying for the bulk electricity and various meetings with Eskom ended without concluding on a payment arrangement. A meeting was also held with municipalities in arrears with Eskom, Eskom and the MEC which resulted in a proposed way forward and discontinuing any processes implemented for disconnection by Eskom.

The severe cash flow constraints are continuing and places enormous pressure on service delivery. Creditors cannot be paid within the required 30 days and leads to suppliers not willing to assist the municipality on credit any more.

Debt collection is at average of 79.4% for the first half of the year which is lower than anticipated. Disconnections or blocking of prepaid accounts are done on monthly basis. The contract with REVCO has been terminated and debt collections will be done in-house. It is of utmost importance that this section is fully capacitated to ensure continuous collection of outstanding debt.

The Eastern Cape Provincial Treasury is assisting management in facilitating meetings and discussions with government departments who owes the municipality. A matter of concern is the number of schools that are again in arrears at end of December 2018. Disconnection notices have been issued and the Department of Education informed.

The review of electricity tariffs has commenced with the assistance of a service provider. The issue of cost reflective tariffs must be addressed starting with the 2019/2020 budget as the municipality cannot continue delivering services at a loss.

Management is currently still struggling in getting the Library Grant released from DSRAC. A letter will be sent to the Head of Department indicating that the municipality is considering stopping the services as we cannot fund this service. Library function is not a function of the municipality and is already regarded as an unfunded service.

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The slow spending on capital projects is a concern and needs to be addressed by Management as matter of urgency. All MIG projects are in implementation stage and Management will ensure that expenditure is expedited.

4.2 MID-YEAR BUDGET PERFORMANCE SUMMARY

The overview of the budget and financial performance for the period 01 July 2018 to 31 December 2018 is reflected on the table below and illustrates the performance summary of each segment of the budget.

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

EC101 Dr. Beyers Naude - Table C1 Monthly Budget Statement Summary - M06 December

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	29 579	29 579	(6)	30 201	14 790	15 411	104%	29 579
Service charges	-	152 796	152 796	7 976	81 126	76 398	4 727	6%	152 796
Investment revenue	-	2 015	2 015	35	224	1 008	(784)	-78%	2 015
Transfers and subsidies	-	97 441	97 441	-	44 409	48 721	(4 312)	-9%	97 441
Other own revenue	-	15 970	15 970	450	3 868	7 985	(4 117)	-52%	15 970
Total Revenue (excluding capital transfers and contributions)	-	297 802	297 802	8 455	159 827	148 901	10 927	7%	297 802
Employee costs	-	136 618	136 618	13 230	83 281	68 309	14 972	22%	136 618
Remuneration of Councillors	-	9 884	9 884	700	4 198	4 942	(744)	-15%	9 884
Depreciation & asset impairment	-	35 453	35 453	-	0	17 726	(17 726)	-100%	35 453
Finance charges	-	5 576	5 576	348	1 873	2 788	(915)	-33%	5 576
Materials and bulk purchases	-	82 368	82 368	6 704	41 792	41 184	608	1%	82 368
Transfers and subsidies	-	239	239	-	10	120	(110)	-92%	239
Other expenditure	-	95 914	95 914	7 085	38 385	47 957	(9 572)	-20%	95 914
Total Expenditure	-	366 051	366 051	28 066	169 538	183 026	(13 487)	-7%	366 051
Surplus/(Deficit)	-	(68 249)	(68 249)	(19 611)	(9 711)	(34 125)	24 414	-72%	(68 249)
Transfers and subsidies - capital (monetary allocation)	-	44 517	44 517	-	11 148	22 259	(11 111)	-50%	44 517
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	(23 732)	(23 732)	(19 611)	1 437	(11 866)	13 303	-112%	(23 732)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	(23 732)	(23 732)	(19 611)	1 437	(11 866)	13 303	-112%	(23 732)
Capital expenditure & funds sources									
Capital expenditure	-	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%	44 884
Capital transfers recognised	-	43 562	43 562	5 426	8 672	21 781	(13 109)	-60%	43 562
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	1 321	1 321	-	-	681	(661)	-100%	1 321
Total sources of capital funds	-	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%	44 884
Financial position									
Total current assets	-	62 027	62 027		103 899				62 027
Total non current assets	-	1 199 188	1 199 188		1 182 156				1 199 188
Total current liabilities	-	102 468	102 468		182 807				102 468
Total non current liabilities	-	62 410	62 410		60 901				62 410
Community wealth/Equity	-	1 096 338	1 096 338		1 042 346				1 096 338
Cash flows									
Net cash from (used) operating	-	27 774	27 774	7 579	(29 527)	13 887	43 414	313%	27 774
Net cash from (used) investing	-	(31 817)	(31 817)	(5 426)	26 558	(15 909)	(42 466)	267%	(31 817)
Net cash from (used) financing	-	100	100	-	-	50	50	100%	100
Cash/cash equivalents at the month/year end	-	1 822	1 822	-	2 785	3 793	998	26%	1 822
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Ds	151-180 Ds	181 Ds-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5 682	4 179	2 700	3 478	7 252	2 321	30 532	10 483	86 628
Creditors Age Analysis									
Total Creditors	23 481	11 665	9 946	51 146	14 880	-	-	-	111 120

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
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5. MID-YEAR OUTCOMES – FINANCIAL

5.1 OPERATING REVENUE

Summary of Revenue per source:

Table 1 – Operating revenue

EC101 Dr. Beyers Naude - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		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		29 579	29 579	(6)	30 201	14 790	15 411	104%	29 579	
Service charges - electricity revenue		101 549	101 549	4 962	50 455	50 775	(319)	-1%	101 549	
Service charges - water revenue		25 470	25 470	1 660	12 350	12 735	(385)	-3%	25 470	
Service charges - sanitation revenue		10 301	10 301	394	8 169	5 150	3 018	59%	10 301	
Service charges - refuse revenue		11 463	11 463	606	8 342	5 732	2 610	46%	11 463	
Service charges - other		4 013	4 013	354	1 810	2 006	(197)	-10%	4 013	
Rental of facilities and equipment		849	849	40	470	425	46	11%	849	
Interest earned - external investments		2 015	2 015	35	224	1 008	(784)	-78%	2 015	
Interest earned - outstanding debtors		9 713	9 713	280	1 476	4 857	(3 381)	-70%	9 713	
Dividends received				-		-	-	-	-	
Fines, penalties and forfeits		121	121	0	5	60	(55)	-91%	121	
Licences and permits		1 501	1 501	16	558	750	(193)	-26%	1 501	
Agency services		2 682	2 682	27	944	1 341	(397)	-30%	2 682	
Transfers and subsidies		97 441	97 441		44 409	48 721	(4 312)	-9%	97 441	
Other revenue		1 104	1 104	87	416	552	(136)	-25%	1 104	
Gains on disposal of PPE		-	-			-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		-	297 802	297 802	8 455	159 827	148 901	10 927	7%	297 802

5.2 DISCUSSION OF REVENUE BY ITEM

5.2.1 Property Rates

Property Rates revenue for the first 6 months indicates a variance of 104% when compared to the year to date budget. The increase in revenue could be contributed to the debt cleansing exercise done specifically on rates by Revenue Section. This resulted in a number of correct rates accounts being issued for the first time since amalgamation especially in the Jansenville area.

5.2.2 Service Charges

Service charge revenue in the first 6 months indicates that 6% more revenue was billed than anticipated. It should be noted that some service charges includes an annual levy which was

billed during July 2018. Careful consideration should also be given to the provision for doubtful debt as the collection rate is not at the required level yet. Average collection rate as at 31 December was at 79%.

5.2.3 Rental of facilities

The actual revenue on Rental of facilities is 11% more than the year to date anticipated figure. Management has developed a new lease register and will allocate the function to a dedicated person to monitor continuously.

5.2.4 Interest earned – external investments

Interest earned on external investments indicates a variance of 78% less when comparing to the year to date budget. Grant funding is not kept for long periods in investment accounts. An investment policy has been approved by Council and is being implemented.

5.2.5 Interest earned – outstanding debtors

Interest earned on outstanding debtors indicates a variance of 70% less when comparing to the year to date budget. A write off of bad debt to the value of R93.5 million was approved by Council during June 2018. This amount was written off at year-end. This now has a significant impact on the interest raised on a monthly basis. An adjustment budget will be required to reduce this revenue stream. Average collection rate for the period ending 31 December 2018 was at 79.3% (previous fin year 83.9%). The budgeted collection rate for 2018/19 is 93%. Collection rate on rates and taxes is 69% (previous fin year 61%). Annual rates were due on 30 September 2018.

A concern is also that collection rate on Refuse and Sewerage is 50.7% and 68% respectively. Although this is a slight increase from the previous financial year it is still clear that debtors have preferences on which debt they are paying to the municipality. The debt collection policy is very clear with regards to this and indicates that services can be disconnected for any debt that is outstanding to the municipality.

The contract with Revco has been terminated and debt collection will be done in-house. It is of utmost importance that the debt collection section be provided with the necessary staff to perform this function.

5.2.6 Fines

The writing of traffic fines is currently not yielding the revenue anticipated and has even indicated a significant drop from the previous financial year where the mid-year revenue was R37 000 compared to the current R5 000. The original budget was very prudent with regards to this revenue source, but still the anticipated target could not be reached.

Revenue from fines indicates a shortfall of 91% as at 31 December 2018 and it is anticipated that the revenue will be decreased in an adjustment budget. Council resolved during December 2018 that as part of the turn-around of the municipality, management should enter into a Section 32 back-to-back revenue enhancement contract to sustainably improve

the cash flow of the municipality through traffic law enforcement without any cost to the Municipality, except for a fee payable (only after a fine has been paid to the municipality), subject to an on-site presentation by the relevant service provider to illustrate the capacity of the equipment and the benefits the municipality stands to acquire,

5.2.7 Licenses and permits

As at 31 December 2018 licenses and permits indicated an under recover of 26%. The non-functionality of the Graaff-Reinet Vehicle Testing Centre has a huge impact on this revenue stream. An insurance claim has been submitted, but no feedback has been received yet. The equipment is damaged and needs to be replaced. Estimated cost is R380 000. Also refer to par 5.2.6 with reference to Council resolution on a turnaround strategy for law enforcement

5.2.8 Agency fee

As at 31 December 2018 Agency fees indicated an under recovery of 30%. The reasons will have to be investigated and management has to ensure that this revenue stream is collected fully. Also refer to par 5.2.6 with reference to Council resolution on a turnaround strategy for law enforcement.

5.2.9 Government grants and subsidies – capital

Government Grants and subsidies – capital indicates a variance of 50% less than anticipated.

The slow expenditure on capital is a matter for concern. The main reasons contributing to the slow expenditure are:

- RBIG – Problems are being experienced with the appointed contractor in Graaff-Reinet. Cession agreements have been entered into with the sub-contractors who are continuing on the project. The Jansenville project has been stopped and will not be implemented this year. The municipality is not the implementing agent on this project. An adjustment budget will be needed.
- Office of the Premier – The R9.7 million water project has been completed and the municipality is just awaiting payment of the grant.
- MIG – The MIG projects are all on implementation status. Increase in expenditure is expected during the 3rd quarter. The Project Management Unit is still confident that all projects will be completed by year end.

5.2.10 Other revenue

Other revenue indicates an under recovery of 25% as at 31 December 2018. Items included in this category which are currently not yielding the revenue as anticipated are Bulk contributions, Tourism fees and work done for private persons. The revenue yielded on these revenue sources were less than 50% at 31 December 2018.

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5.2.11 General comments

It is of concern that the revenue streams are not yielding the required level of income. The budget was realistically prepared based on audit actual outcomes for 2016/17 and anticipated outcomes for 2017/18.

All efforts should be made to secure the revenue streams as a decrease in revenue will be detrimental to the adjustment budget when we already have an unfunded budget.

R30 million for drought relief has been secured through Department of Water Affairs, but the municipality is still awaiting these funds to be released. The release of this grant is most crucial to relief issues relating to the drought but also as it included an amount of R6 million to replace faulty water meters. It is anticipated that about 60% of water meters are faulty and the municipality is losing much needed revenue from this.

5.3 SUMMARY OF OPERATING EXPENDITURE

Operating Expenditure

EC101 Dr. Beyers Naude - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description R thousands	Ref	2017/18		Budget Year 2018/19						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs			136 618	136 618	13 230	83 281	68 309	14 972	22%	136 618
Remuneration of councillors			9 884	9 884	700	4 198	4 942	(744)	-15%	9 884
Debt impairment			3 500	3 500	-	5 105	1 750	3 355	192%	3 500
Depreciation & asset impairment			35 453	35 453	-	0	17 726	(17 726)	-100%	35 453
Finance charges			5 576	5 576	348	1 873	2 788	(915)	-33%	5 576
Bulk purchases			82 368	82 368	6 704	41 792	41 184	608	1%	82 368
Other materials						-	-	-	-	
Contracted services			15 941	15 941	1 827	7 132	7 971	(838)	-11%	15 941
Transfers and subsidies			239	239	-	10	120	(110)	-92%	239
Other expenditure			76 473	76 473	5 258	26 147	38 236	(12 089)	-32%	76 473
Loss on disposal of PPE			-	-			-	-	-	-
Total Expenditure		-	366 051	366 051	28 066	169 538	183 026	(13 487)	-7%	366 051

5.4 DISCUSSION OF EXPENDITURE BY ITEM

5.4.1 Employee Related Costs

The expenditure to date indicates a variance of 22% more than the year to date budget. Consideration should be given that bonuses were paid during November and December 2018. An adjustment budget is required for the final equalisation of salaries that were paid during July 2018 to the value of R5.9 million.

The organizational structure has been reviewed and approved by Council during December 2018. Job evaluations, placements and relocation of staff still needs to be finalized which could have an effect on the budget for the expenditure.

5.4.2 Remuneration of Councillors

The expenditure indicates a 15% under spending as at 31 December 2018. The new upper limits for Councillors were gazetted on 21 December 2018. An item was submitted to Council during January 2018 and the concurrence of MEC still needs to be obtained before implementation. The increases will be implemented retrospectively from 1 July 2018. The gazetted increase is less than the original budget.

5.4.3 Debt Impairment

A correction is needed on this line item as the current year write off of indigent debt was done against this vote instead of against the provision as provided for in the Statement of Financial position. This line item should only be used to capture the increase in the provision at year end.

The collection rate is not yet at 100% and therefore provision needs to be made for debt impairment. Based on the Annual Financial Statements for 2017/18 it is anticipated that the budget for debt impairment will be sufficient and no adjustment budget is needed.

5.4.4 Depreciation

Depreciation is currently calculated on an annual basis.

The municipality is still struggling with the integration of the asset management system with the financial system despite many requests to the service provider to rectify this situation. Based on the expectations of projects that will be capitalized at year end and actual figures presented in the Annual Financial Statements for 2017/18 it is anticipated that the budget will have to be increased for this expenditure.

5.4.5 Contracted services

Contracted services indicates a variance of 11% less than budgeted for.

The contracts of both Revco and Maxprof came to end which contributes to this saving. An adjustment budget is anticipated to contracted services.

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5.4.6 Transfers and subsidies made

Transfers and subsidies indicates a variance of 92% less than budgeted for. The subsidy to Local Tourism offices have not yet been paid. It is anticipated that the budget provision is sufficient and no adjustment budget is needed.

5.4.7 Other Expenditure

Other expenditure indicates an under expenditure of 32% as at 31 December 2018. Other expenditure includes expenditure such as service charges – municipality; prepaid commission paid; legal cost and stipends - ward committee members, repairs and maintenance and other general expenditure.

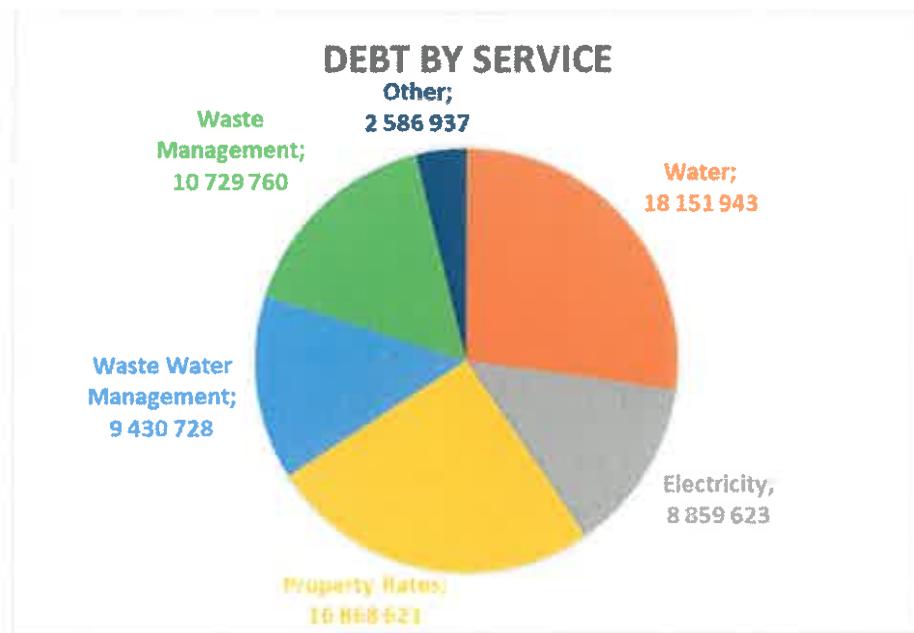
The municipality is currently experiencing cash flow constraints and measures have been implemented to curve expenditure.

Considering the above it is clear that an adjustment budget needs to be adopted. Caution should however be exercised with the adjustment budget as the original budget was regarded as being unfunded. NO NEW ITEMS WILL BE CONSIDERED DURING THE ADJUSTMENT BUDGET.

6. DISCUSSION ON CREDIT CONTROL AND DEBT COLLECTION

EC101 Dr. Beyers Naude - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description R thousands	NT Code	Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
		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	Total over 90 days		
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	504	1 595	923	1 983	985	1 108	9 559	1 515	18 152	15 130		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 403	1 013	490	333	210	128	1 804	480	8 880	2 954		
Receivables from Non-exchange Transactions - Property Rates	1400	(179)	307	222	206	4 319	178	8 456	3 360	16 889	16 519		
Receivables from Exchange Transactions - Waste Water Management	1500	535	469	387	355	793	329	4 118	2 425	9 431	8 020		
Receivables from Exchange Transactions - Waste Management	1600	803	692	604	582	893	545	4 740	1 872	10 730	8 631		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(384)	84	74	40	52	33	1 856	831	2 587	2 813		
Interest on Acrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900									-	-		
Total By Income Source	2000	5 682	4 179	2 700	3 478	7 252	2 321	30 532	10 483	66 628	54 066	-	-
2017/18 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	190	809	463	234	2 126	79	1 639	877	6 418	4 955		
Commercial	2300	3 028	446	182	159	483	123	3 829	1 357	9 608	5 952		
Households	2400	2 470	2 924	2 055	3 085	4 642	2 119	24 801	8 246	50 342	42 893		
Other	2500	(7)	-	-	-	-	-	263	3	259	266		
Total By Customer Group	2600	5 682	4 179	2 700	3 478	7 252	2 321	30 532	10 483	66 628	54 066	-	-



Outstanding debt as at 31 December 2018 amounted to R66.6 million of which debtors owing between 0-30 days amounts to R5.6 million, 30-60 days constitute R4.1 million. Debtors owing over 1 year constitute R10.4 million or 15.7 per cent, while the debt over 90 days constitute R54 million or 81 per cent which is alarming and has an adverse effect on cash flow.

Organs of state owes the municipality R6.4 million (2017/18: R9.2 million) whilst businesses owes the municipality R9.6 million (2017/18: R11,0 million.)

Average collection rate for the year to date is 79.3% (2017/18: 83,9%). Annual rates were levied in July 2018 and was due on 30 September 2018.

The credit control policy is being implemented and electricity is disconnected or blocked on a monthly basis when accounts are in arrears. All indigents approved by Council are receiving their subsidies. The indigent verification process is ongoing throughout the year and indigents are encouraged to apply for the necessary subsidies.

There is continuous interaction with government departments to ensure they pay their outstanding accounts.

7. DISCUSSION ON OUTSTANDING CREDITORS

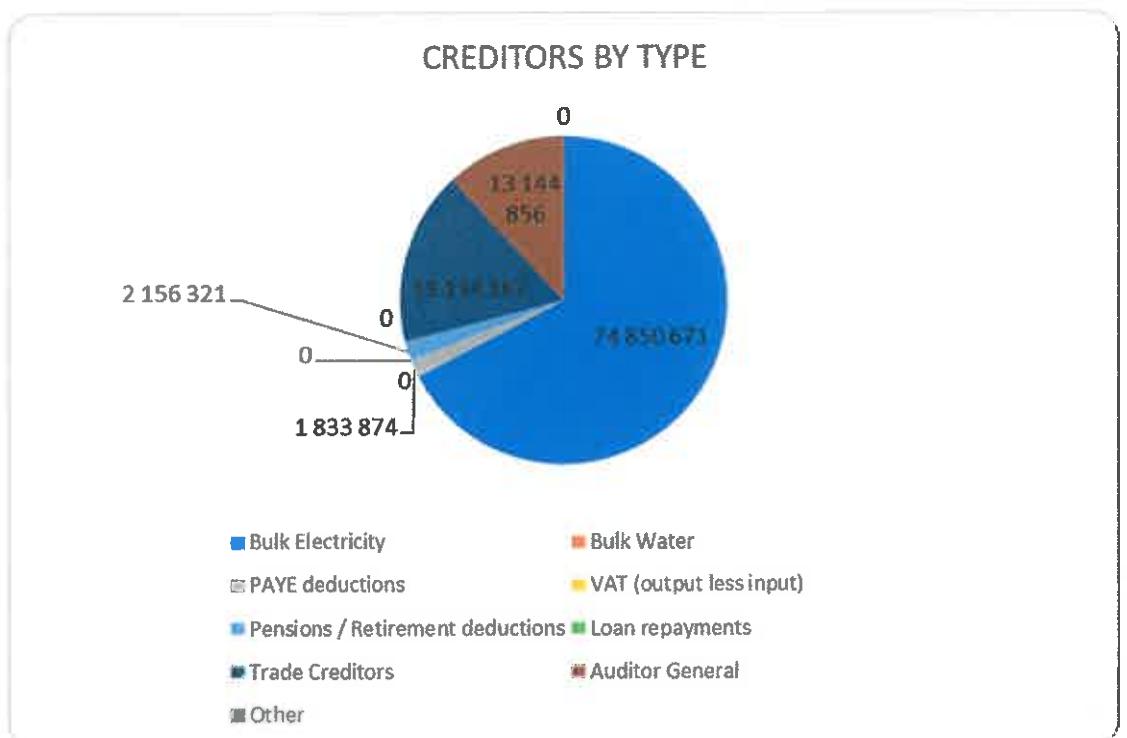
EC101 Dr. Beyers Naude - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description R thousands	NT Code	Budget Year 2018/19								Total
		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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	14 858	8 876	7 072	44 044	-	-	-	-	74 851
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	1 834	-	-	-	-	-	-	-	1 834
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	2 155	-	-	-	-	-	-	-	2 155
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2 208	1 436	1 852	6 481	7 157	-	-	-	19 134
Auditor General	0800	2 424	1 353	1 022	621	7 724	-	-	-	13 145
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	23 481	11 665	9 946	51 146	14 880	-	-	-	111 120

Total creditors outstanding as at 31 December 2018 amounted to R111.1 million of which R14.8 million is outstanding for longer than 120 days. Eskom has combined all bulk accounts and transferred to one bulk account, therefore the long outstanding debt for Jansenville is now included under 91-121 days

Payment arrangements have been entered into with Auditor General as well as Department of Transport. An application has been made to SALGA to write off the old debt relating to the former municipalities. No response has been received yet.

Eskom is currently refusing to sign the payment arrangement proposed by them as they insist that the municipality must pay another R4 million on the outstanding debt. The R4 million was part of an agreement concluded on after the meeting that was held with the MEC. The municipality had to pay a total of R10 million and could only manage to pay R6 Million. The payment agreement however drafted by Eskom includes this R4 million as part of the outstanding amount to be paid in monthly instalments.



8. DISCUSSION ON CONDITIONAL GRANTS RECEIVED AND EXPENDITURE THEREON

The following table reflects conditional grants received and actual expenditure thereon

Grant @31 December 2018	Amount gazetted	Amount Received YTD	Expenditure YTD	Available Funds	% spent on allocation received
RBIG	10 000 000	1 794 274	1 794 274	0	17,94%
INEP	4 500 000	2 500 000	614 871	1 885 129	13,66%
EPWP	1 032 000	723 000	207 673	515 327	20,12%
FMG	6 085 000	6 085 000	2 383 396	3 701 604	39,17%
Equitable Share	83 278 000	62 458 000	62 458 000	0	75,00%
Dept of Public Service	1 106 000	0	0	0	0,00%
Fire Grant	1 961 530	469 975	162 297	307 678	8,27%
Seta Grant	296 800	0	0	0	0,00%
MIG	20 267 000	7 867 000	4 201 775	3 665 225	20,73%
Health	1 280 000	899 150	750 428	148 722	58,63%
Library Grant	2 308 000	0	2 197 069	-2 197 069	95,19%
Dept of Human Settlements	93 780		0	0	0,00%
Office of the Premier	9 750 000		0	0	0,00%
	141 958 110	82 796 399	74 769 783	8 026 616	52,67%

- MIG expenditure – only 53% of the allocation already received has been spent whilst this is only 20% of the total allocation gazetted. All MIG projects are in implementation stage and PMU is confident that all projects will be completed within the financial year.

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
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- RBIG - Problems are being experienced with the appointed contractor in Graaff-Reinet. Cession agreements have been entered into with the sub-contractors who are continuing on the project. The Jansenville project has been stopped and will not be implemented this year. The municipality is not the implementing agent on this project. An adjustment budget will be needed.
- Office of the Premier – The R9.7 million water project has been completed and the municipality is just awaiting payment of the grant where after expenditure can be recorded
- FMG – New interns still have to be appointed. Adverts will be placed during January 2019. The biggest portion of this grant is allocated to the new valuation roll. The project is being implemented and is anticipated to be completed during March 2019.
- INEP - Expenditure is at 13.6% of total allocation as at 31 December 2018. The expenditure is still in line with the business plan submitted. It is anticipated that the amount will be spent in full by 30 June.
- SETA – Nothing has been received from SETA yet
- Library Grant – the municipality is experiencing problems in getting the library grant released. Provincial Treasury has also tried to assist. The Municipal Manager has written a letter to the Head of department to inform them that the function will be stopped unless the grant funds are received. The municipality is not in a position to fund this function. This function is already regarded as unfunded mandate.
- Department of public services – the project relates to the water meter investigation. The project is ongoing and the municipality is awaiting the funds from the department.

9. INVESTMENT PORTFOLIO

	OPENING	MOVEMENT	CLOSING
INVESTMENTS	21 410	5 180	26 590
Money Market - Absa	4 409	144	4 553
Call Account - FNB	187	0	187
7 Day Interest Plus - FNB	0	4 959	4 959
Investec	2 938	0	2 938
FMG CALL ACCOUNT	2 818	15	2 833
MIG CALL ACCOUNT	11 058	62	11 120

The municipality does not have any cash backed reserves to assist with daily operations.

10. BANK BALANCES

Bank balances for the period ending 31 December 2018 are reflected below

	OPENING	MOVEMENT	CLOSING
CURRENT ACCOUNTS	642 033	2 153 000	2 795 032
CURRENT ACCOUNT - FNB	607 748	2 081 276	2 689 025
Current Account Aberdeen- ABSA	-200	95	-105
Current Account Ikwezi- STD Bank	22 409	10 464	32 873
Current Account Baviaans- ABSA	9 854	47 271	57 125
Current Account Baviaans -STD Bank	2 222	13 893	16 115

The municipality is not generating sufficient revenue per month to sustain all operations. The municipal manager presented a “State of the municipality report” to Council with various recommendations on how to improve the cash flow of the municipality. Council resolved, amongst others, on the following:

- Increased focus on debt collection especially focusing on businesses and government departments
- Identify quick wins to assist with cash flow. The following should be considered:
 - Selling of land not used for service delivery. The following land have been identified
 - Camp 39 and quarry
 - Urquart Park Caravan site
 - Botanics
 - Palms
 - Erf 8823
 - Erf 8824
 - Kroonvale swimming pool
 - Brickfields
 - Golf Club
 - Hardwood farm
 - Karoo Vlakte farm
 - Vacant land south of Urquart Park to the north of Spandauville between Sundays river and SANPARKS
 - Selling of worn-out/redundant equipment, plant, vehicles by way of public auction
 - Outsource some of the law enforcement functions such as parking meters
 - Stringent implementation of by-laws e.g. taxis driving without permits
 - Increase traffic fines, driver licenses and motor registration revenue
- Expanding the revenue base should be a high priority. The following should be considered:
 - Obtaining funding to assist with replacement of faulty water and electricity meters
 - Obtaining funding to increase maximum demand for Jansenville to avoid paying penalties to Eskom

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
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- Increase capacity of debt collection unit and perform debt collection function in-house
 - Further cost cutting measures to be implemented immediately
 - Finalise placement and relocation of staff within next 2 months to avoid additional cost of travelling and accommodation
 - Consider legal ways to cancel contracts such as Revco and Maxprof
 - That Management be urged to explore all avenues to obtain funding for the improvement of Councils ICT Systems.
- That COGTA and SBDM be requested to assist in engaging with Departments of Roads, Transport and Public Works for supporting the municipality with plant and equipment for service delivery purposes – both in Engineering and Planning, and Community Services directorates to improve basic service delivery
- Approved as part of the turn-around of the municipality, to enter into a Section 32 back-to-back revenue enhancement contract to sustainably improve the cash flow of the municipality through traffic law enforcement without any cost to the Municipality, except for a fee payable (only after a fine has been paid to the municipality), subject to an on-site presentation by the relevant service provider to illustrate the capacity of the equipment and the benefits the municipality stands to acquire.
 - To effect a turn-around strategy for Protection Services for unity and control to create a safe environment conducive to economic development as first priority with main focus on security, traffic and law enforcement of by-laws

11. DISCUSSION ON EMPLOYEE BENEFITS AND COUNCILLOR REMUNERATION

ITEM	MONTH AMOUNT	YTD AMOUNT	YTD BUDGET	ANNUAL BUDGET
ALLOWANCE - HOUSING SUBSIDY	105 283	624 015	1 017 725	2 035 450
ALLOWANCE - TRAVELLING ALLOW	176 660	1 059 708	875 421	1 750 842
ALLOWANCE - UNIFORMS / OVERALL	5 379	16 468	355 361	710 721
BARGAINING COUNCIL: Senior Management	18	106	53	106
BONUSES	1 676 993	7 761 664	3 686 433	7 372 866
CONTRIBUTIONS - MEDICAL AID FD	479 224	2 829 522	2 900 054	5 800 107
CONTRIBUTIONS - PENSION FUND	1 535 279	9 047 057	7 124 112	14 248 224
INSURANCE: GROUP LIFE	1 264	7 582	18 433	36 866
INSURANCE: UIF	74 018	423 696	454 632	909 263
LEVY - BARGAINING[IND] COUNCIL	4 728	28 477	29 374	58 747
OVERTIME	375 230	2 118 109	2 273 472	4 546 944
SALARIES & WAGES	8 595 635	58 302 092	48 603 393	97 206 785
SALARIES: Senior Management - Basic sala	200 540	1 062 015	386 010	772 020
WORKMAN'S COMPENSATION	0	0	584 281	1 168 561
ALLOWANCE COUNCILLORS	699 708	4 326 048	4 941 880	9 883 760
Grant Total	13 929 959	87 606 559	73 250 631	146 501 262

Employee Related Costs: The budget amounts to R146.5 million, while the expenditure to date amounts to R87.6 million or 59.7 per cent of the budget. This expenditure is well on track and in line with anticipations during the first 6 months except for the final payment on equalisation of salaries made during July 2018. This amounted to R5.9 million.

Remuneration of Councillors: The budget amounts to R9.8 million, while the expenditure to date amounts to R4.3 million or 43.7 per cent of the budget. The new upper limits for Councillors were gazetted on 21 December 2018 and an application for concurrence has been sent to the MEC for Cooperative Governance and Traditional Affairs. The increases will be implemented retrospectively from 1 July 2018.

12. SUMMARY OF CAPITAL EXPENDITURE

The table below reflects the capital expenditure as at 31 December 2018. Capital expenditure is still very low for this time of the year. The main reasons for the low expenditure are:

- MIG expenditure – only 53% of the allocation already received has been spent whilst this is only 20% of the total allocation gazetted. All MIG projects are in implementation stage and PMU is confident that all projects will be completed within the financial year.
- RBIG - Problems are being experienced with the appointed contractor in Graaff-Reinet. Cession agreements have been entered into with the sub-contractors who are continuing on the project. The Jansenville project has been stopped and will not be implemented this year. The municipality is not the implementing agent on this project. An adjustment budget will be needed.
- Office of the Premier – The R9.7 million water project has been completed and the municipality is just awaiting payment of the grant where after expenditure can be recorded

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

**EC101 Dr. Beyers Naude - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06
December**

Vote Description	Ref	2017/18		Budget Year 2018/19						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Multi-Year expenditure appropriation</u>	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES - ADMINISTRATION		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	-	-	-	-	-	-	-
Vote 8 - COUNCIL		-	-	-	-	-	-	-	-	-
Vote 9 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 10 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - INFRASTRUCTURE SERVICES		-	-	-	-	-	-	-	-	-
Vote 13 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES - ADMINISTRATION		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	-	-	-	-	-	-	-
Vote 8 - COUNCIL		-	-	-	-	-	-	-	-	-
Vote 9 - OFFICE OF THE MUNICIPAL MANAGER		-	50	50	-	10	25	(15)	-62%	50
Vote 10 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - INFRASTRUCTURE SERVICES		-	38 884	38 884	4 153	6 311	19 442	(13 130)	-68%	38 884
Vote 13 - COMMUNITY SERVICES		-	5 950	5 950	1 274	2 351	2 975	(624)	-21%	5 950
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%	44 884
Total Capital Expenditure		-	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%	44 884
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		-	50	50	186	263	25	238	961%	50
Executive and council										
Finance and administration		-	9	9	186	254	4	249	5800%	9
Internal audit		-	41	41	-	10	21	(11)	-54%	41
<i>Community and public safety</i>		-	2 486	2 486	1 215	2 290	1 243	1 047	84%	2 486
Community and social services										
Sport and recreation		-	2 486	2 486	1 215	2 290	1 243	1 047	84%	2 486
Public safety										
Housing		-								
Health		-								
<i>Economic and environmental services</i>		-	9 169	9 169	130	232	4 584	(4 352)	-95%	9 169
Planning and development		-	18	18	14	32	9	23	262%	18
Road transport		-	9 151	9 151	117	200	4 578	(4 376)	-96%	9 151
Environmental protection		-								
<i>Trading services</i>		-	33 179	33 179	3 895	5 887	16 580	(10 703)	-65%	33 179
Energy sources		-	5 103	5 103	441	554	2 551	(1 997)	-78%	5 103
Water management		-	24 048	24 048	3 396	4 840	12 024	(7 184)	-60%	24 048
Waste water management		-	565	565	-	432	282	149	53%	565
Waste management		-	3 464	3 464	59	61	1 732	(1 671)	-98%	3 464
<i>Other</i>		-								
Total Capital Expenditure - Functional Classification	3	-	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%	44 884
Funded by:										
National Government			33 812	33 812			16 906	(8 234)	-49%	33 812
Provincial Government			9 750	9 750			4 875	(4 875)	-100%	9 750
District Municipality										
Other transfers and grants										
Transfers recognised - capital	5	-	43 562	43 562	5 426	8 672	21 781	(13 109)	-60%	43 562
Public contributions & donations	6									
Borrowing			1 321	1 321						
Internally generated funds										
Total Capital Funding		-	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%	44 884

13. BUDGET TABLES

Please refer to Annexure A

14. MID-YEAR ASSESSMENT – NON FINANCIAL

Attached as annexure B

15. CLOSURE

Based on the analysis above, an Adjustments Budget is necessary to effect the changes in the estimates and bring in line the expenditure budget to the revenue that can be collected.

16. RECOMMENDATIONS

- 16.1 That the Report of the Municipal Manager to the Mayor of Dr Beyers Naude Local Municipality on the assessment carried out in terms of section 72 of the MFMA be noted.
- 16.2 That the Mayor considers the report in terms of section 54 (1) of the MFMA.
- 16.3 That the Mayor, in terms of section 54(1)(f) of the MFMA, submits the report to the Council by 31 January 2019.
- 16.4 That the Mayor, in terms of section 54(2)(a)(ii) of the MFMA, tables an Adjustments Budget as contemplated in section 28(a), (b), (d) and (f) of the MFMA.
- 16.5 That the Adjustments Budget, in terms of section 23 of the Municipal Budget and Reporting Regulations 393 of 2009, be tabled in the Municipal Council not later than 28 February 2019

DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Dr E.M. Rankwana, Municipal Manager for Dr Beyers Naude Municipality, hereby certify that the budget performance assessment report for the mid-year period ended December 2018 and supporting documentation has been prepared in accordance with the requirements of the Municipal Finance Management Act and the regulations made under the Act.



DR E.M. RANKWANA
MUNICIPAL MANAGER

DATE:
14 JANUARY 2019

ANNEXURE A – BUDGET TABLES

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

EC101 Dr. Beyers Naude - Table C1 Monthly Budget Statement Summary - M06 December

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	29 579	29 579	(6)	30 201	14 790	15 411	104%	29 579
Service charges	-	152 796	152 796	7 976	81 126	76 398	4 727	6%	152 796
Investment revenue	-	2 015	2 015	35	224	1 008	(784)	-78%	2 015
Transfers and subsidies	-	97 441	97 441	-	44 409	48 721	(4 312)	-9%	97 441
Other own revenue	-	15 970	15 970	450	3 868	7 985	(4 117)	-52%	15 970
Total Revenue (excluding capital transfers and contributions)	-	297 802	297 802	8 455	159 827	148 901	10 927	7%	297 802
Employee costs	-	136 618	136 618	13 230	83 281	68 309	14 972	22%	136 618
Remuneration of Councillors	-	9 884	9 884	700	4 198	4 942	(744)	-15%	9 884
Depreciation & asset impairment	-	35 453	35 453	-	0	17 726	(17 726)	-100%	35 453
Finance charges	-	5 576	5 576	348	1 873	2 788	(915)	-33%	5 576
Materials and bulk purchases	-	82 368	82 368	6 704	41 792	41 184	608	1%	82 368
Transfers and subsidies	-	239	239	-	10	120	(110)	-92%	239
Other expenditure	-	95 914	95 914	7 085	38 385	47 957	(9 572)	-20%	95 914
Total Expenditure	-	366 051	366 051	28 066	169 538	183 026	(13 487)	-7%	366 051
Surplus/(Deficit)	-	(68 249)	(68 249)	(19 611)	(9 711)	(34 125)	24 414	-72%	(68 249)
Transfers and subsidies - capital (monetary allocation)	-	44 517	44 517	-	11 148	22 259	(11 111)	-50%	44 517
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	(23 732)	(23 732)	(19 611)	1 437	(11 866)	13 303	-112%	(23 732)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	(23 732)	(23 732)	(19 611)	1 437	(11 866)	13 303	-112%	(23 732)
Capital expenditure & funds sources									
Capital expenditure	-	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%	44 884
Capital transfers recognised	-	43 562	43 562	5 426	8 672	21 781	(13 109)	-60%	43 562
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	1 321	1 321	-	-	661	(661)	-100%	1 321
Total sources of capital funds	-	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%	44 884
Financial position									
Total current assets	-	62 027	62 027		103 899				62 027
Total non current assets	-	1 199 188	1 199 188		1 182 156				1 199 188
Total current liabilities	-	102 468	102 468		182 807				102 468
Total non current liabilities	-	62 410	62 410		60 901				62 410
Community wealth/Equity	-	1 096 338	1 096 338		1 042 346				1 096 338
Cash flows									
Net cash from (used) operating	-	27 774	27 774	7 579	(29 527)	13 887	43 414	313%	27 774
Net cash from (used) investing	-	(31 817)	(31 817)	(5 426)	26 558	(15 909)	(42 466)	267%	(31 817)
Net cash from (used) financing	-	100	100	-	-	50	50	100%	100
Cash/cash equivalents at the month/year end	-	1 822	1 822	-	2 795	3 793	998	26%	1 822
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 DYS	151-180 DYS	181 DYS-1 YR	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5 682	4 179	2 700	3 478	7 252	2 321	30 532	10 483	66 628
Creditors Age Analysis									
Total Creditors	23 481	11 665	9 946	51 146	14 880	-	-	-	111 120

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

EC101 Dr. Beyers Naude - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2017/18		Budget Year 2018/19						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		–	67 479	67 479	614	74 702	33 739	40 963	121%	67 479
Executive and council		–	5 600	5 600	2	19	2 800	(2 781)	-99%	5 600
Finance and administration		–	61 879	61 879	613	74 683	30 939	43 744	141%	61 879
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		–	18 511	18 511	34	2 084	9 256	(7 172)	-77%	18 511
Community and social services		–	12 670	12 670	34	207	6 335	(6 128)	-97%	12 670
Sport and recreation		–	2 498	2 498	0	36	1 249	(1 213)	-97%	2 498
Public safety		–	1 966	1 966	–	471	983	(512)	-52%	1 966
Housing		–	98	98	0	2	49	(47)	-96%	98
Health		–	1 280	1 280	–	1 369	640	729	114%	1 280
<i>Economic and environmental services</i>		–	15 839	15 839	43	10 149	7 919	2 229	28%	15 839
Planning and development		–	2 364	2 364	–	1 014	1 182	(169)	-14%	2 364
Road transport		–	13 475	13 475	43	9 135	6 737	2 398	36%	13 475
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	239 905	239 905	7 679	83 834	119 953	(36 118)	-30%	239 905
Energy sources		–	119 090	119 090	5 018	53 108	59 545	(6 437)	-11%	119 090
Water management		–	69 328	69 328	1 661	14 197	34 664	(20 467)	-59%	69 328
Waste water management		–	25 064	25 064	394	8 187	12 532	(4 345)	-35%	25 064
Waste management		–	26 423	26 423	606	8 342	13 212	(4 870)	-37%	26 423
Other	4	–	585	585	85	206	293	(86)	-30%	585
Total Revenue - Functional	2	–	342 319	342 319	8 455	170 975	171 159	(184)	0%	342 319
Expenditure - Functional										
<i>Governance and administration</i>		–	103 407	103 407	8 556	48 000	51 704	(3 703)	-7%	103 407
Executive and council		–	21 080	21 080	1 823	12 592	10 540	2 052	19%	21 080
Finance and administration		–	80 644	80 644	6 670	34 967	40 322	(5 355)	-13%	80 644
Internal audit		–	1 683	1 683	62	442	842	(400)	-47%	1 683
<i>Community and public safety</i>		–	29 481	29 481	3 117	17 551	14 730	2 820	19%	29 481
Community and social services		–	6 294	6 294	448	3 425	3 147	278	9%	6 294
Sport and recreation		–	16 384	16 384	1 678	8 333	8 192	141	2%	16 384
Public safety		–	3 890	3 890	565	3 472	1 945	1 527	78%	3 890
Housing		–	1 336	1 336	–	–	668	(668)	-100%	1 336
Health		–	1 556	1 556	426	2 321	778	1 543	198%	1 556
<i>Economic and environmental services</i>		–	43 062	43 062	2 980	18 553	21 531	(2 979)	-14%	43 062
Planning and development		–	12 263	12 263	1 243	8 288	6 132	2 157	35%	12 263
Road transport		–	30 799	30 799	1 737	10 264	15 400	(5 135)	-33%	30 799
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	187 320	187 320	13 042	83 933	93 660	(9 728)	-10%	187 320
Energy sources		–	105 513	105 513	8 643	52 375	52 756	(381)	-1%	105 513
Water management		–	44 178	44 178	2 104	16 599	22 089	(5 490)	-25%	44 178
Waste water management		–	21 939	21 939	999	7 138	10 969	(3 832)	-35%	21 939
Waste management		–	15 691	15 691	1 296	7 821	7 846	(25)	0%	15 691
Other		–	2 800	2 800	372	1 502	1 400	102	7%	2 800
Total Expenditure - Functional	3	–	366 051	366 051	28 068	169 538	183 026	(13 487)	-7%	366 051
Surplus/ (Deficit) for the year		–	(23 732)	(23 732)	(19 611)	1 437	(11 866)	13 303	-112%	(23 732)

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

EC101 Dr. Beyers Naude - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06

Vote Description R thousands	Ref	2017/18		Budget Year 2018/19					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote									
Vote 1 - EXECUTIVE & COUNCIL	1	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES - ADMINISTRATION		-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	-	-	-	-	-	-
Vote 8 - COUNCIL		-	-	-	-	-	-	-	-
Vote 9 - OFFICE OF THE MUNICIPAL MANAGER		-	20	20	-	-	10	(10)	-100.0%
Vote 10 - FINANCIAL SERVICES		-	60 808	60 808	591	74 331	30 404	43 927	144.5%
Vote 11 - CORPORATE SERVICES		-	16 681	16 681	26	402	8 341	(7 938)	-95.2%
Vote 12 - INFRASTRUCTURE SERVICES		-	225 012	225 012	7 116	84 135	112 506	(28 371)	-25.2%
Vote 13 - COMMUNITY SERVICES		-	39 798	39 798	722	12 108	19 899	(7 791)	-39.2%
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	342 319	342 319	8 455	170 975	171 159	(184)	-0.1%
Expenditure by Vote									
1									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES - ADMINISTRATION		-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	-	-	-	-	-	-
Vote 8 - COUNCIL		-	-	-	-	-	-	-	-
Vote 9 - OFFICE OF THE MUNICIPAL MANAGER		-	10 932	10 932	1 031	7 610	5 466	2 144	39.2%
Vote 10 - FINANCIAL SERVICES		-	55 055	55 055	4 840	23 374	27 527	(4 154)	-15.1%
Vote 11 - CORPORATE SERVICES		-	43 358	43 358	2 938	18 839	21 679	(2 840)	-13.1%
Vote 12 - INFRASTRUCTURE SERVICES		-	205 521	205 521	14 590	90 768	102 760	(11 992)	-11.7%
Vote 13 - COMMUNITY SERVICES		-	51 186	51 186	4 667	28 947	25 593	3 354	13.1%
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	366 051	366 051	28 066	169 538	183 028	(13 487)	-7.4%
Surplus/ (Deficit) for the year	2	-	(23 732)	(23 732)	(19 611)	1 437	(11 866)	13 303	-112.1%

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

EC101 Dr. Beyers Naude - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2017/18		Budget Year 2018/19						
		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		29 579	29 579	(6)	30 201	14 790	15 411	104%	29 579	
Service charges - electricity revenue		101 549	101 549	4 962	50 455	50 775	(319)	-1%	101 549	
Service charges - water revenue		25 470	25 470	1 660	12 350	12 735	(385)	-3%	25 470	
Service charges - sanitation revenue		10 301	10 301	394	8 169	5 150	3 018	59%	10 301	
Service charges - refuse revenue		11 463	11 463	606	8 342	5 732	2 610	46%	11 463	
Service charges - other		4 013	4 013	354	1 810	2 006	(197)	-10%	4 013	
Rental of facilities and equipment		849	849	40	470	425	46	11%	849	
Interest earned - external investments		2 015	2 015	35	224	1 008	(784)	-78%	2 015	
Interest earned - outstanding debtors		9 713	9 713	280	1 476	4 857	(3 381)	-70%	9 713	
Dividends received				-	-	-	-	-	-	
Fines, penalties and forfeits		121	121	0	5	60	(55)	-91%	121	
Licences and permits		1 501	1 501	16	558	750	(193)	-26%	1 501	
Agency services		2 682	2 682	27	944	1 341	(397)	-30%	2 682	
Transfers and subsidies		97 441	97 441		44 409	48 721	(4 312)	-9%	97 441	
Other revenue		1 104	1 104	87	416	552	(136)	-25%	1 104	
Gains on disposal of PPE		-	-		-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		-	297 802	297 802	8 455	159 827	148 901	10 927	7%	297 802
Expenditure By Type										
Employee related costs		136 618	136 618	13 230	83 281	68 309	14 972	22%	136 618	
Remuneration of councillors		9 884	9 884	700	4 198	4 942	(744)	-15%	9 884	
Debt impairment		3 500	3 500	-	5 105	1 750	3 355	192%	3 500	
Depreciation & asset impairment		35 453	35 453	-	0	17 726	(17 726)	-100%	35 453	
Finance charges		5 576	5 576	348	1 873	2 788	(915)	-33%	5 576	
Bulk purchases		82 368	82 368	6 704	41 792	41 184	608	1%	82 368	
Other materials					-	-	-	-	-	
Contracted services		15 941	15 941	1 827	7 132	7 971	(838)	-11%	15 941	
Transfers and subsidies		239	239	-	10	120	(110)	-92%	239	
Other expenditure		76 473	76 473	5 258	26 147	38 236	(12 089)	-32%	76 473	
Loss on disposal of PPE		-	-		-	-	-	-	-	
Total Expenditure		-	366 051	366 051	28 066	169 538	183 026	(13 487)	-7%	366 051
Surplus/(Deficit)		-	(68 249)	(68 249)	(19 611)	(9 711)	(34 125)	24 414	-72%	(68 249)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			44 517	44 517		11 148	22 259	(11 111)	-50%	44 517
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)										
Transfers and subsidies - capital (in-kind - all)										
Surplus/(Deficit) after capital transfers & contributions		-	(23 732)	(23 732)	(19 611)	1 437	(11 866)			(23 732)
Taxation										
Surplus/(Deficit) after taxation		-	(23 732)	(23 732)	(19 611)	1 437	(11 866)			(23 732)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	(23 732)	(23 732)	(19 611)	1 437	(11 866)			(23 732)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	(23 732)	(23 732)	(19 611)	1 437	(11 866)			(23 732)

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

EC101 Dr. Beyers Naude - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2017/18		Budget Year 2018/19					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
<u>Mult-Year expenditure appropriation</u>	2								
Vote 1 - EXECUTIVE & COUNCIL		–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICES - ADMINISTRATION		–	–	–	–	–	–	–	–
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		–	–	–	–	–	–	–	–
Vote 4 - CORPORATE SERVICES - PROTECTION		–	–	–	–	–	–	–	–
Vote 5 - FINANCIAL SERVICES		–	–	–	–	–	–	–	–
Vote 6 - TECHNICAL SERVICES - ENGINEERING		–	–	–	–	–	–	–	–
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		–	–	–	–	–	–	–	–
Vote 8 - COUNCIL		–	–	–	–	–	–	–	–
Vote 9 - OFFICE OF THE MUNICIPAL MANAGER		–	–	–	–	–	–	–	–
Vote 10 - FINANCIAL SERVICES		–	–	–	–	–	–	–	–
Vote 11 - CORPORATE SERVICES		–	–	–	–	–	–	–	–
Vote 12 - INFRASTRUCTURE SERVICES		–	–	–	–	–	–	–	–
Vote 13 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–	–
<u>Single Year expenditure appropriation</u>	2								
Vote 1 - EXECUTIVE & COUNCIL		–	–	–	–	–	–	–	–
Vote 2 - CORPORATE SERVICES - ADMINISTRATION		–	–	–	–	–	–	–	–
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		–	–	–	–	–	–	–	–
Vote 4 - CORPORATE SERVICES - PROTECTION		–	–	–	–	–	–	–	–
Vote 5 - FINANCIAL SERVICES		–	–	–	–	–	–	–	–
Vote 6 - TECHNICAL SERVICES - ENGINEERING		–	–	–	–	–	–	–	–
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		–	–	–	–	–	–	–	–
Vote 8 - COUNCIL		–	–	–	–	–	–	–	–
Vote 9 - OFFICE OF THE MUNICIPAL MANAGER		–	50	50	–	10	25	(15)	-62%
Vote 10 - FINANCIAL SERVICES		–	–	–	–	–	–	–	–
Vote 11 - CORPORATE SERVICES		–	–	–	–	–	–	–	–
Vote 12 - INFRASTRUCTURE SERVICES		–	38 884	38 884	4 153	6 311	19 442	(13 130)	-68%
Vote 13 - COMMUNITY SERVICES		–	5 950	5 950	1 274	2 351	2 975	(824)	-21%
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	–	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%
Total Capital Expenditure		–	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%
Capital Expenditure - Functional Classification									
<i>Governance and administration</i>		–	50	50	186	263	25	238	961%
Executive and council		–	–	–	–	–	–	–	50
Finance and administration		–	9	9	186	254	4	249	5800%
Internal audit		–	41	41	–	10	21	(11)	-54%
<i>Community and public safety</i>		–	2 486	2 486	1 215	2 290	1 243	1 047	84%
Community and social services		–	2 486	2 486	1 215	2 290	1 243	1 047	2 486
Sport and recreation		–	2 486	2 486	1 215	2 290	1 243	1 047	2 486
Public safety		–	2 486	2 486	1 215	2 290	1 243	1 047	2 486
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		–	9 169	9 169	130	232	4 584	(4 352)	-95%
Planning and development		–	18	18	14	32	9	23	262%
Road transport		–	9 151	9 151	117	200	4 576	(4 376)	-96%
Environmental protection		–	–	–	–	–	–	–	–
<i>Trading services</i>		–	33 179	33 179	3 895	5 887	16 590	(10 703)	-65%
Energy sources		–	5 103	5 103	441	554	2 551	(1 987)	-76%
Water management		–	24 048	24 048	3 396	4 840	12 024	(7 184)	-60%
Waste water management		–	565	565	–	432	282	149	53%
Waste management		–	3 464	3 464	59	61	1 732	(1 871)	-96%
Other		–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	–	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%
Funded by:									
National Government		–	33 812	33 812	5 426	8 672	16 908	(8 234)	-49%
Provincial Government		–	9 750	9 750	–	–	4 875	(4 875)	-100%
District Municipality		–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–
Transfers recognised - capital		–	43 562	43 562	5 426	8 672	21 781	(13 109)	-60%
Public contributions & donations	5	–	44 884	44 884	5 426	8 672	–	–	43 562
Borrowing	6	–	1 321	1 321	–	–	–	–	1 321
Internally generated funds		–	–	–	–	–	681	(681)	-100%
Total Capital Funding		–	44 884	44 884	5 426	8 672	22 442	(13 770)	-61%

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

EC101 Dr. Beyers Naude - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			1 822	1 822	2 795	1 822
Call investment deposits			1 050	1 050	27	1 050
Consumer debtors			35 154	35 154	24 328	35 154
Other debtors			17 167	17 167	69 532	17 167
Current portion of long-term receivables					–	
Inventory			6 834	6 834	7 217	6 834
Total current assets		–	62 027	62 027	103 899	62 027
Non current assets						
Long-term receivables						
Investments			2 648	2 648		2 648
Investment property			67 783	67 783	67 783	67 783
Investments in Associate						
Property, plant and equipment			1 115 051	1 115 051	1 114 302	1 115 051
Agricultural						
Biological						
Intangible			253	253		253
Other non-current assets			13 453	13 453	71	13 453
Total non current assets		–	1 199 188	1 199 188	1 182 156	1 199 188
TOTAL ASSETS		–	1 261 215	1 261 215	1 286 055	1 261 215
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits			3 079	3 079	3 082	3 079
Trade and other payables			90 279	90 279	167 219	90 279
Provisions			9 110	9 110	12 506	9 110
Total current liabilities		–	102 468	102 468	182 807	102 468
Non current liabilities						
Borrowing						
Provisions			62 410	62 410	60 901	62 410
Total non current liabilities		–	62 410	62 410	60 901	62 410
TOTAL LIABILITIES		–	164 877	164 877	243 708	164 877
NET ASSETS	2	–	1 096 338	1 096 338	1 042 346	1 096 338
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			1 083 296	1 083 296	1 029 307	1 083 296
Reserves			13 042	13 042	13 039	13 042
TOTAL COMMUNITY WEALTH/EQUITY	2	–	1 096 338	1 096 338	1 042 346	1 096 338

**DR BEYERS NAUDE LOCAL MUNICIPALITY – MID-YEAR ASSESSMENT REPORT ON BUDGET
PERFORMANCE – 2018/19 FINANCIAL YEAR**

EC101 Dr. Beyers Naude - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description R thousands	Ref 1	2017/18		Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		27 509	27 509	1 404	20 404	13 754	6 650	48%	27 509		
Service charges		142 101	142 101	7 256	59 242	71 050	(11 809)	-17%	142 101		
Other revenue		6 256	6 256	10 014	26 778	3 128	23 650	756%	6 256		
Government - operating		97 441	97 441	27 759	70 145	48 721	21 424	44%	97 441		
Government - capital		44 517	44 517	–	12 202	22 259	(10 056)	-45%	44 517		
Interest		11 049	11 049	29	105	5 524	(5 419)	-98%	11 049		
Dividends		–	–	–	–	–	–	–	–		
Payments											
Suppliers and employees		(295 284)	(295 284)	(38 533)	(216 520)	(147 642)	68 879	-47%	(295 284)		
Finance charges		(5 576)	(5 576)	(348)	(1 873)	(2 788)	(915)	33%	(5 576)		
Transfers and Grants		(239)	(239)	(2)	(10)	(120)	(110)	92%	(239)		
NET CASH FROM/(USED) OPERATING ACTIVITIES	–	27 774	27 774	7 579	(29 527)	13 887	43 414	313%	27 774		
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–		
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–		
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–		
Decrease (increase) in non-current investments		–	–	–	34 991	–	34 991	#DIV/0!	–		
Payments											
Capital assets		(31 817)	(31 817)	(5 426)	(8 434)	(15 909)	(7 475)	47%	(31 817)		
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	(31 817)	(31 817)	(5 426)	26 558	(15 909)	(42 466)	267%	(31 817)		
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–		
Borrowing long term/refinancing		–	–	–	–	–	–	–	–		
Increase (decrease) in consumer deposits		100	100	–	–	50	(50)	-100%	100		
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–		
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	100	100	–	–	50	50	100%	100		
NET INCREASE/ (DECREASE) IN CASH HELD	–	(3 943)	(3 943)	2 153	(2 969)	(1 971)				(3 943)	
Cash/cash equivalents at beginning:		5 764	5 764	–	5 764	5 764	–	–	5 764		
Cash/cash equivalents at month/year end:		1 822	1 822	–	2 795	3 793	–	–	1 822		

ANNEXURE B

MID-YEAR

PERFORMANCE

MANAGEMENT

REPORT

MID-YEAR SDBIP PERFORMANCE REPORT

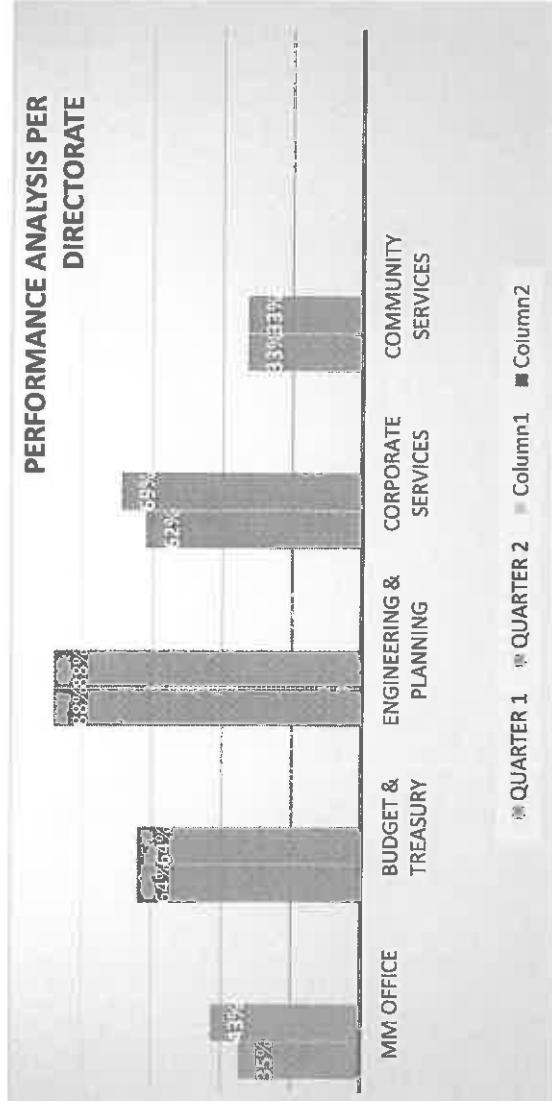
*Dr. Beyers Naudé
Local Municipality
Mid-Year
Performance Report
2018-2019*

SERVICE DELIVERY PERFORMANCE ANALYSIS

Early indications are that the performance against the output and goals of the Service Delivery Budget Implementation Plan (SDBIP) are on track as more than half of the planned Organizational targets have been achieved. The administration achieved **66%** of the planned targets as at 31 December 2018. Most of the planning phases as indicated in the quarterly targets has commenced, and focus should now be placed on implementation. The Mid-Year Assessment is based on the approved Service Delivery and Budget Implementation Plan for the period 01 July 2018 to 31 December 2018. The SDBIP however requires a review to incorporate any changes as a result of an adjustment budget. The SDBIP will therefore, in terms of MFMA Circular 13, be submitted with the Adjustments budget for approval by Council.

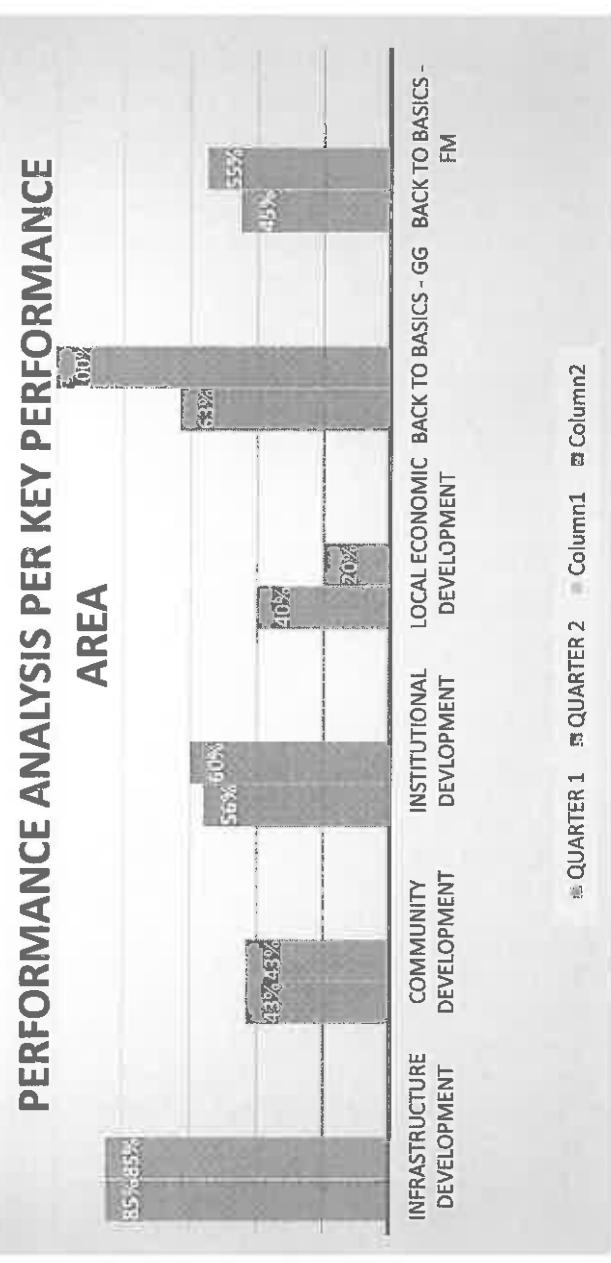
The content of the report is based on the unaudited SDBIP for the first half of the financial year ending 31 December 2018 which measures the municipality's overall performance per National Key Performance Area. The graphs below is the result of the unaudited SDBIP for the first half of the financial year ending 31 December 2018, which measures the municipality's overall performance, per Directorate and per National Key Performance Area (KPA).

DEPARTMENTAL SDBIP OVERALL PERFORMANCE



NATIONAL KPA OVERALL PERFORMANCE

The graph illustrates the SDB/P Organizational performance per Key Performance Area



SDBIP ANALYSIS REPORT PER KPA (ACTUAL PERFORMANCE) – CAPITAL BUDGET PROJECTS - 2018/2019

Infrastructure Development

Number of projects: 12

Number of projects completed/ on Target: 10

Number of projects Not on Target: 2

Percentage on Target: 83%

Total Budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	Expenditure	Expenditure %	Performance for Quarter 2		
									Annual Target	Quarter 2 Target	On Target/ Not on Target
adequately increase bulk water storage, upgrade distribution systems, secure permanent water supply and maintain all infrastructure	Upgrade reticulation system by systematically replacing old installations.	Number of boreholes equipped in Aberdeen by 30 th June 2019.	1	Engineering and Planning	External MIG	4,207,849.00	226,146.52	5%	Equip 2 boreholes	Produce 1 tender document	On Target
											Tender advertised and adjudicated.

1	Upgraded reticulation system by systematically replacing old installations.	Numbers of boreholes equipped in Willowmore by 30 th June 2019.	8,9,13	Engineering and Planning	External OTP	9,750,000.00	0	0%	Equip 2 boreholes	Produce 1 tender document.	Tender advertised and adjudicated
2	Upgraded reticulation system by systematically replacing old installations.	Construction of uPvc pipelines, Installation of electrical mechanical equipment in Graaff-Reinet by 30 th June 2019.	2,3,4,5, 6,7,14	Engineering and Planning	External RBIG	5,000,000.00	0	0%	100m uPvc pipelines and 8 pump stations [mechanical electrical equipment]	Construction of 100m uPvc pipelines.	Pipelines constructed, mechanical and electrical equipment being installed.
3	Upgraded reticulation system by systematically replacing old installations.	Appointment of implementing agent for the refurbishment of a weir and channel at Klipfontein Dam in Klipplaat. Construction of new raw	10,11	Engineering and Planning	External RBIG	5,000,000.00	0	0%	Letter from DWS on appointment of implementing agent. [Municipality vs Amatolo Waterboard]	Letter from DWS confirming implementing agent	Grant has been reduced by DW&S to R3 000 000
4	Upgraded reticulation system by systematically replacing old installations.	Construction of 100m uPvc pipelines and 8 pump stations [mechanical electrical equipment]									Grant has been reduced by DW&S to R500 000

Maintain all infrastructure	bulk water mains from dam to WTW. New WTW in Kliplaat and pumping to Jansenville Reservoirs by 30 th June 2019.								
Waste disposal sites (andills), that are compliant, have adequate capacity and are managed and maintained	Systematically upgrade existing infrastructure; replace and rehabilitate where applicable.	Number of cells constructed in Steytlerville Solid Waste Disposal Facility by 30 th June 2019.	12,13	Engineering and Planning	External MIG	2,964,000.00	431,617.00	15%	2 cells
Provide adequate illegal dumping and littering and sanitation of San and Healthy San areas and surrounding environment.	Skips purchased for all wards and re-modification of existing tractors of the Municipality by 31 st March 2019.	All	Community Services	Internal	250,000	0	0%	Refurbishment of 5 skips + 1 x power rex machine for carting skips	Not on Target

1)	Conduct an audit of electrical needs and infrastructure in the Dr Beyers Naudé L.M. as well as guitar maintenance thereof	Purchase 1080m ABC conductor (570m Willowmore and 510m in Aberdeen) and 2.5km underground cable 30 th June 2019.	1,718	Engineering and Planning	Internal	470,400.00	0	0%	1080m 2.5km underground cable	Procurement processes.	On Target
2)	Conduct an audit of electrical needs and infrastructure in the Dr Beyers Naudé L.M. as well as guitar maintenance thereof	To upgrade old MV switchgear and construction of 400m overhead powerline by 30 th June 2019.	3	Engineering and Planning	External DOE	4,500,000.00	534,670.00	12%	Upgrade switchgear and 400m overhead powerline.	Procurement processes.	On Target
3)	Develop a Streets & Stormwater Management Plan that also contains an Implementation & Action Plan that will systematically address the issue of especially Stormwater in	Construction of Cut-off drain for Stormwater drainage in Graaff-Reinet by 31 st December 2018.	3,4,5,6, 14	Engineering and Planning	External MIG	444,511.00	375,319.00	84%	1 Cut-off drain	Completion certificate.	On Target

	the Dr Beyers Naudé LM.									
)	Develop a Streets & Stormwater Management Plan that also contains an Implementation & Action Plan that will systematically address the issue of especially Stormwater in the Dr Beyers Naudé LM.	Paving of 8000 m ² of road in Jansenville and Klippaat by 30 th June 2019.	10.11	Engineering and Planning	External MIG	2,727,675.00	307,678.00	11%	8000 m ²	Appoint contractor
)	Develop a Streets & Stormwater Management Plan that also contains an Implementation & Action Plan that will systematically address the issue of especially Stormwater in the Dr Beyers Naudé LM.	Paving of 3000 m ² of Road, 500m ² of storm water channel in Graaff-Reinet by 30 th June 2019.	3,4,5,6, 14	Engineering and Planning	External MIG	3,799,112.00	0	0%	3000 m ² + 500m ² of storm water channel	Appoint contractor
)	Develop a Streets & Stormwater Management Plan that also contains an Implementation & Action Plan that will systematically address the issue of especially Stormwater in the Dr Beyers Naudé LM.	Paving of 3000 m ² road in Steytlerville	12.13	Engineering and Planning	External MIG	2,624,400.00	189,167.00	7%	3000 m ²	Appoint contractor.

Community Development

Number of projects: 1

Number of projects completed/ On Target: 1

Number of projects Not on Target: 0

Percentage On Target: 100%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	Expenditure %	Performance for Quarter 2			Reason for Variance and Plan of Action
								Annual Target	Quarter 2 Target	On Target/Not on Target	
Upgrade and maintain sport fields that we have graded properly equipped to action openly and fully utilized.	Upgrade Soccerfield by paving parking area (300 m ²) and construction of 1 ablation facility (138 m ²) by 30 th June 2019.	5	Engineering and Planning External MIG	2,486,103.00	2,149,865.00	86%	Paving (300 m ²) and 1 ablation facility (138 m ²).	Appoint contractor.	On Target	Contractor on site.	During construction it was discovered that a sewer line traverses field, line had to be diverted and reconstructed.
											Paving to be completed during next phase 2019

Institutional Development

Number of projects: 13

Number of projects completed/ On Target: 7

Number of projects Not on Target: 6

Percentage On Target: 54%

Total budget per focus area versus expenditure:

Objective	Strategy	KPI	Wards	Responsible Person	Funding Source	Budget	Expenditure	Expenditure %	Performance for Quarter 2			Reason for Variance and Plan of Action
									Annual Target	Quarter 2 Target	On Target/Not on Target	
Provide efficient institutional requirements to furnish and equip the relevant offices and in-mues, in order to improve efficiency of departments, air staff and the municipality's delivery arms.	Equip offices and areas of service delivery with adequate resources	Upgrade stores building by 30 th June 2019.	Institutional	Engineering & Planning	Internal	60,000.00	3929.00	7%	1 dining area 250m ² paving	n/a	On Target	No output required for this quarter.

Objectives	Key Performance Indicators	Target	Actual	Variance	Status	Notes
All as being implemented	Equip offices and areas of service delivery with adequate resources.	Number of Office furniture purchased for the PMU Office by 30th September 2018.	External FMG	Engineering & Planning	On Target	Balance of funding still to be spent.
All as being implemented	Equip offices and areas of service delivery with adequate resources.	Number of Office furniture purchased for the Internal Audit Office by 31st December 2018.	Internal Audit	MM's Office	Not on Target	Office not yet been occupied and no funding available yet.

air staff id the municipality's offices of service delivery, as all as be jally compliant	Equip offices and areas of service delivery with adequate resources.	Number of Hot appliances purchased by 30 th September 2018.	Institutional	MM's Office Internal Audit	External FMG	500.00	0% 0
) provide sufficient operational requirements to furnish and equip the relevant offices and mues, in der to prove efficiency of departments, air staff id the municipality's offices of service delivery, as all as be jally compliant	Equip offices and areas of service delivery with adequate resources.	n/a	On Target	No output required for this quarter.	Purchases to occur in the 3 rd quarter.		
) provide sufficient operational requirements to furnish and equip the relevant offices and mues, in der to prove efficiency of departments, air staff id the municipality's offices of service delivery, as all as be jally compliant	Equip offices and areas of service delivery with adequate resources.	1	n/a	On Target	No output required for this quarter.	Possible movement to take place as the current air conditioner is working in the new allocated	

Operational requirements to furnish and equip the relevant offices and in- nes, in der to prove efficiency of departments, air staff id the municipality's ells of ervice livery, as ll as be tally mplant	service delivery with adequate resources.	Instruments purchased for waste water management by 31st December 2018.	oral and Planning	Instrument purchased for waste water management by 31st December 2018.	meters & number/ appointment of service provider	purchased.
Provide sufficient operational requirements to furnish and equip the relevant offices and in- nes, in der to prove efficiency of departments, air staff id the municipality's ells of ervice livery, as ll as be tally mplant	Purchase 1 plate compacter by 31 st December 2018.	Engineering and Planning	Internal	30,000.00	0	0% Request quotation from Service provider. Purchased and delivery of Equipment.

• Improve efficiency of T~	Conduct a comprehensive ICT audit.	Institutional	Engineering and Planning	External MIG	12,000.00	9550.00	80%	1	Purchase and delivery of 1 PC/Laptops	On Target	Laptop purchased	n/a
• Provide efficient operational requirements to furnish and equip the levant offices and venues, in order to improve efficiency of departments, their staff and the municipality's vehicles of service delivery, as well as be gally implantant	Equip offices and areas of service delivery with adequate resources.	Small Plant: Number of Weed eaters, chain saw, hedge cutters, blowers, grinders, drills, welding machines, purchased by 30 th June 2019.	Institutional	Community Services	Internal	250,000.00	1,893.00	1%	6 - weed eater machines 4 – blowers 3- grass machines 2- chainsaws 2- hedge cutters	Not on Target	No machinery purchased.	Specs to be done and ITQ to follow.

internal, cost-effective oduction id quality rvice livery	Conduct a comprehensive ICT audit.	Instituti onal	MM's Office	Internal	7,000.00	0	0%	1	n/a	Not on Target	n/a
) improve eral iciency of T ~ Imministratio billing, ord sping, formation aring and municati ; to ensure internal, cost- effective oduction id quality rvice livery	Number of Digital Cameras purchased for communicat ions by 30 th September 2018.									No output. No camera purchased. A virement will occur as a digital camera is no longer required to be purchased.	
) improve eral iciency of T ~ Imministratio billing, ord sping, formation aring and municati ; to ensure internal, cost- effective oduction id quality rvice livery	Conduct a comprehensive ICT audit.	Instituti onal	MM's Office	Internal	1,600.00	0	0%	1	n/a	Not on Target	No output. Voice recorders was to be purchased during the 1 st quarter.

Service delivery										
> improve overall efficiency of T ~ Administration, billing, coding, reporting, training and communications; to ensure timeliness, cost-effective production and quality service delivery	Conduct a comprehensive ICT audit.	Number of overhead projectors purchased for the internal audit unit by 31 st December 2018	Institutional	MM's Office	External FM/G	3,500.00	0	0%	1	n/a

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

Development Priority: Infrastructure Development

Number of Indicators: 8

Number of Indicators on Target: 7

Number of Indicators Not on Target: 1

Percentage on Target: 88%

Development Priority: Community Development

Number of Indicators: 6

Number of Indicators on Target: 2

Number of Indicators Not on Target: 4

Percentage on Target: 33%

Development Priority: Institutional Development

Number of Indicators: 12

Number of Indicators on Target: 8

Number of Indicators Not on Target: 4

Percentage on Target: 67%

Development Priority: Local Economic Development

Number of Indicators: 5

Number of Indicators on Target: 1

Number of Indicators Not on Target: 4

Percentage on Target: 20%

Development Priority: Back to Basics – Good Governance

Number of Indicators: 8

Number of Indicators on Target: 8

Number of Indicators Not on Target: 0

Percentage on Target: 100%

Development Priority: Back to Basics – Sound Financial Management

Number of Indicators: 11

Number of indicators on Target: 6

Number of indicators Not on Target: 5

Percentage on Target: 55%

OVERALL CAPITAL BUDGET PROJECT AND SERVICE DELIVERY KPI'S PERFORMANCE

Total Number of Key Performance Indicators per KPA = 76

Number of Key Performance Indicators on Target/Completed = 50

Number of Key Performance Indicators Not on Target = 26

Percentage on Target = 66%

Service Delivery Key Performance Indicators and Targets

INFRASTRUCTURE DEVELOPMENT - KPA – Infrastructure and Service Delivery							PERFORMANCE MILESTONES					
KPA	Objective	Strategy	Department	KPI	Budget	Expenditure	Expenditure %	Annual Target	Quarter 2 Target	On Target/ Not on Target	Actual Output	Reason for Variance and Plan of Action
Infrastructure and Service delivery	To adequately increase bulk water storage, upgrade reticulation systems, secure permanent water supply and properly maintain all infrastructure.	Identify and implement suitable Projects.	Engineering and Planning	Clean 6 reservoirs to reduce turbidity by 30 June 2018.	100,000	0	0%	8	2	On Target	8 Reservoirs cleaned	n/a
Infrastructure and Service delivery	For all households to have uninterrupted access to good quality, potable water.	Implement Action Plans contained in WSDP and ensure that proper controls and monitoring measures are in place	Engineering and Planning	Monitor water quality through taking 13 Samples per month.	304,500	0	0%	156	39 Samples	On Target	Samples taken in compliance with SANs 241	n/a
Infrastructure and Service delivery	For all households to have uninterrupted	Implement Action Plans contained in WSDP and	Engineering and Planning	n/a	n/a	85%	85%	On Target	>95% achieved	n/a		

	access to good quality, potable water.	ensure that proper controls and monitoring measures are in place	standards (micro-bacteriological) quarterly.						
Infrastructure 1d Service delivery	To have all Municipal water-supply consumers connected to a metering system and registered on the debtor's database for monthly billing purposes.	Systematically upgrade existing infrastructure; replace and rehabilitate where applicable.	Engineering and Planning	Number of Water meter audits conducted by 31 March 2019.	1,100	0	0%	1	n/a
Infrastructure 1d Service delivery	Identify suitable projects, such as making provision for the installation and connection of bulk services on the sites.	New RDP households to be connected in Malva Street, Graaff-Reinet.	Engineering and Planning	Number of households to be connected with water services by 30 th June 2019.	4,500	0	0%	10	n/a
Infrastructure 1d Service delivery	Identify suitable projects, such as making provision for the installation	New RDP households to be connected in Malva Street, Graaff-Reinet.	Engineering and Planning	Number of households to be connected with sanitation services by 30 th June 2019.	20,000	0	0%	10	n/a

	and connection of bulk services on the sites.						
infrastructure 1d Service delivery	Effective recycling programmes that will reduce waste volumes at landfill site and create economic opportunities for the Community	Step up educational campaigns to encourage all citizens to take pride in their areas and keep them clean; to recycle at source	Community Services	Number of Waste management Campaigns held at ward meetings, schools and other institutions by 30 th June 2019.	2,500 0 0%	12 3 waste management campaigns per quarter	Not On Target No waste management campaigns held.
infrastructure 1d Service delivery	Solid Waste Disposal Sites (Landfills), that are compliant, have adequate capacity and are properly managed and maintained.	Provide adequate waste disposal facilities, as well as a regular waste disposal service.	Community Services	Number of audits conducted to determine compliance of landfill sites by 31 March 2019.	8,500 0 0%	1 n/a	On Target 1 Audit conducted. n/a

COMMUNITY DEVELOPMENT –KPA – Good Governance

IA	Objective	Strategy	Department	KPI	Performance Milestones				Reason for Variance and Plan of Action
					Budget	Expenditure	Expenditure %	Quarter 2 Target	
Good governance	To significantly reduce and mitigate the negative impact of disasters and to upgrade road traffic and pedestrian safety, with regular maintenance on installations and infrastructure as an ongoing concern.	Regularly review and update the Municipality's Disaster Management Plan and ensure that it incorporates threats identified throughout the region	Protection Services	Review 1 Disaster management plan and approve by council by 30 th June 2019.	n/a	n/a	n/a	1	Draft Disaster Management Plan submit to all stakeholders for input
Good governance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	Municipal Manager/ SPU unit	Monitor 10 Sports & Cultural events Organized for the Community through reports submitted by SPU Officer to the Office of the Municipal	200,000	0	0%	10	16 days of Activism against women and child abuse. National Day for disabled persons, World Aids Day,

	Women.		Manager by 30 th June 2019.								
odd overnance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	Municipal Manager/ SPU Unit	Number of SPU Consultative Forums established, namely: Youth Council, Local Sports Council, Local Aids Council, Women's Forum and Disabled Forum by 31 September 2018.	100,000. 0	0%	2	Establish Youth Council.	Not On Target	No council established	To be in the 3 rd quarter.
odd overnance	To fully involve, capacitate and empower the SPU Sector, with special focus on the Disabled, Youth and Women.	Design programmes and arrange events that will encourage the participation of the SPU sector, especially the Disabled, Youth and Women.	Municipal Manager/ SPU Unit	Monitor effectiveness of SPU consultative councils/ Forums by providing quarterly reports to the office of the Municipal Manager.	n/a	n/a	4	Quarterly report on all councils/ forums	On Target	Quarterly report submitted to council.	n/a
odd overnance	To fully involve, capacitate and empower	Design programmes and arrange events that will encourage the	Municipal Manager/ SPU Unit	Number of training programmes for vulnerable	100,000. 0	0%	10	Services SETA and BNLM: AET, Internships,	Not on Target	Consultation commencing with service SETA	To be finalized in the 3 rd quarter.

KPI	Objective	Strategy	Department	KPI	Budget	Expenditure %	Annual Target	Quarter 2 Target	On Target/ Not on Target	Performance Milestones	
										Reason for Variance and Plan of Action	Actual Output
Institutional Development - KPA – Organisational Transformation & Institutional Development	Community development	All burial sites must be secured and proper record keeping must be implemented by the Municipality.	Community Services	Numbers of audits conducted to determine compliance of cemeteries by 31 March 2019	5,140.00	0	0%	1	n/a	On Target	No output required for this quarter.
Institutional transformation Institutional development	To recruit staff with adequate qualifications, skills, training and experience.	Finalise the review of the Staff Establishment as a matter of urgency	Corporate Services (HR)	Review organizational structure and table before council by 30 June 2019.	n/a	n/a	n/a	1	n/a	On Target	Organizational structure reviewed and approved by council on the 13 th December 2018.

rganisational transformation Institutional development	To recruit staff with adequate qualifications, skills, training and experience.	Finalise the review of the Staff Establishment as a matter of urgency.	Corporate Services (HR)	100% Implementation of placement policy through placement of staff, based on approved Staff establishment by 31 st March 2019.	n/a	n/a	100%	Placement of staff	Not On Target
rganisational transformation Institutional development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services (HR)	Number of Delegation registers developed by 31 December 2018.	n/a	n/a	1	Workshop plan with all stakeholders. Adoption and approval by Council.	Not on Target
rganisational transformation Institutional development	To provide sufficient operational requirements.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services (HR)	Number of employment equity plans	n/a	n/a	1	n/a	On Target
rganisational transformation Institutional development	To provide sufficient operational requirements.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services (HR)	Number of employment equity plans	n/a	n/a	1	n/a	EEP submitted on 13 th December

Development	requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as legally compliant	systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	developed by 30 June 2019.	
Organisational transformation Institutional development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services (HR) Develop a workplace skills plan with an annual training report by 31 st March 2019.	n/a n/a 1 On Target Information collected from departments and from skills audits to develop WSP that is due 30 April 2019. n/a n/a

Organisational transformation Institutional development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Finance	Number of municipal policies reviewed 30 th June 2019.	n/a	n/a	30	n/a
Organisational transformation Institutional development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Finance (Supply Chain)	Prepare Supply Chain Management Implementation Compliance through 3 quarterly reports by 30 June 2019.	n/a	n/a	3	1 Quarterly SCM Report
Organisational transformation Institutional development				No output required for this quarter.	On Target	On Target	3	Quarterly SCM reports submitted

efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	correctly.	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Finance (Supply Chain/ Asset)	Develop and Monitor Contract register for all service providers and provide quarterly reports by 30 th June 2019.	n/a	n/a
rganisational transformation Institutional development						3	Contract register Report
						On target	Quarterly contract register reports provided

Development	effective PMS	reports to Council.	unit	reports submitted to Council by 30 June 2019, to inform Council of Institutional Performance.	submitted to Council By January 2019.	report tabled before council in January 2019.	
Organisational transformation	Institutional development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly	Corporate Services/ Administration	Monitor Council resolutions by providing 4 quarterly reports on the implementation of council resolutions.	n/a	n/a
Organisational transformation	Institutional development	To provide sufficient operational requirements, furnish and equip the relevant offices and	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to	Corporate Services/ Administration	Ensure an updated Lease Register on a quarterly basis.	n/a	n/a

venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	utilize these systems optimally and correctly.		meeting in February 2019.	
Organisational transformation Institutional development	To provide sufficient operational requirements, furnish and equip the relevant offices and venues, in order to improve efficiency of all departments, their staff and the Municipality's levels of service delivery, as well as be legally compliant.	Implement Plan & Policies and upgrade systems accordingly; provide suitable training to enable staff to utilize these systems optimally and correctly.	Corporate Services (HR) Report on all disciplinary hearings on a quarterly basis to EXCO.	n/a n/a
			Report on all disciplinary hearing	On Target Report was tabled to EXCO and to Council on 13 th December 2018.

SOCIAL ECONOMIC DEVELOPMENT

PERFORMANCE MILESTONES							
Index	Objective	Strategy	Department	KPI	Budget	Expenditure	Expenditure %
					Annual Target	Quarter 2 Target	On Target/ Not on Target
Local economic development	Job Creation, BEE & Partnerships, SMME, Industrial and Sector Development, Skills Development, Mainstreaming of 2 nd Economy, Youth and Women	Support, encourage and facilitate value-adding initiatives, programmes and projects.	Municipal Manager	Number of people employed through the EPWP Labour intensive programme to address high unemployment rate in Dr. Beyers Naudé Local Municipality by 30 June 2019.	882,000	91,091.26	10%
Local economic development	SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF	Develop LED Strategic Plan with an economic Vision for the Municipality.	Municipal Manager/ LED Unit	Number of commongage plans developed by the 31 September 2018.	n/a	n/a	n/a
						1	n/a
							Not On Target
							n/a

2ND ECONOMY, YOUTH, DISABLED & WOMEN	SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Support, encourage and facilitate value-adding initiatives, programmes and projects	Municipal Manager/ LED Unit	Assistance and development of SMME's by 30 June 2019.	n/a	n/a	Not on Target
Local Economic development	SUSTAINABLE JOB CREATION • BEE & PARTNERSHIPS • SMME, INDUSTRIAL AND SECTOR DEVELOPMENT • SKILLS DEVELOPMENT •	Develop LED Strategic Plan with an economic Vision for the Municipality.	Municipal Manager /LED Unit	Develop LED Strategy by 31st December 2018.	n/a	1	Workshop LED strategy
							Action plan in place for the development of the LED strategy.

MENT • MAINSTREAMING OF 2ND ECONOMY, YOUTH, DISABLED & WOMEN	Local Economic development	Creating and enabling environment to attract investment that generates economic growth and job creation	Municipal Manager /LED Unit	Implement 2 initiatives identified by the Mohair summit by 30 th June 2019.	1. Planning and Marketing for SMME Imbizo to be held in March 2019. 2. Planning for Mohair empowerment trust.	Not on Target Planning underway, however no marketing has commenced.

ACK TO BASICS – KPA – Good Governance & Public Participation

PERFORMANCE MILESTONES							
Key	Objective	Strategy	Department	KPI	Budget	Expenditure	Reason for Variance and Plan of Action
Good governance & public participation	To become the best performing Municipality, in all respects.	Developing a credible Integrated Development Plan that will address the developmental needs of our Community.	Municipal Manager/ IDP Unit	A reviewed, amended and credible IDP for 2019/20.	n/a	n/a	<p>(a) Not on Target</p> <p>(b) 14 x Ward-based Community meetings (IDP project implementation & service delivery feedback - MM & Directors)</p> <p>(c) Workshop was cancelled at short notice due to non-availability of many key Officials. Has been rescheduled for 23/01/2019.</p>

Good Governance & Public participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services (Administration)	Number of Meetings held in terms of year planner by 30 June 2019. (4 Ordinary Council Meetings and 4 Standing Committee meetings)	n/a	n/a	8	Ensure that Standing Committee meetings are held, one Ordinary Council Meeting and a Special Council meeting in terms of the year planner. Monthly Resolution Implementation Report submitted to MM
Good Governance & Public participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services (Administration)	Number of MPAC meetings to assist with oversight function until 30 June 2019.	n/a	n/a	4	Organise MPAC meeting

Good Governance & Public participation	To become the best performing Municipality, in all respects.	Having a fully functional Council, with Standing Committees, Fora and other structures.	Corporate Services (Administration	Number of Audit Committee meetings to assist with oversight function until 30 June 2019.	n/a	n/a	4	Organise Audit Committee meeting
Good Governance & Public participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate Services (HR)	Ensure that the LLF is functioning properly and fulfilling its mandate by having 6 Meetings annually	n/a	n/a	6	2 Meetings
Good Governance & Public participation	To become the best performing Municipality, in all respects	Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Municipal Manager /Communications	Number of quarterly External Newsletters distributed to stakeholders by 30 th June 2019	23,000.	0	0%	60 000 Quarterly External Newsletters distributed.

Good Governance & Public participation	To become the best performing Municipality, in all respects.	development. Installing and maintaining effective and efficient communications and other systems that will improve information-sharing, enhance public participation and promote socio-economic development.	Corporate services	Maintain updated housing beneficiary list and submit to Corporate service standing committee on a quarterly basis by 30 th June 2019.	n/a	n/a	n/a	4	Updated beneficiary list and quarterly submission to the Department of Human Settlement	Housing Beneficiary list for the 2 nd quarter was tabled to the corporate service standing committee on the 7 th November and to Council on the 13 th December 2018.	On Target
Good Governance & Public participation	To become the best performing Municipality, in all respects.	Ensuring that Ward Committees have been established and are functioning properly, and that a CDW has been appointed in each Ward.	Municipal Manager/ Ward Co-ordinator	Quarterly Ward Committee meetings with consolidated quarterly reports to council until 30 June 2019.	n/a	n/a	n/a	4	Ensure quarterly ward committee meetings	On Target except on the appointment of CDWs which still need to be appointed but this is Provincial appointments.	On Target
ACK TO BASICS – KPA – Sound Financial Management											PERFORMANCE MILESTONES

KPI	Objective	Strategy	Department	KPI	Budget	Expenditure	Expenditure %	Annual Target	Quarter 2 Target	On Target/ Not on Target	Actual Output	Reason for Variance and Plan of Action
Q1	To become a financially viable and sustainable Municipality.	The development and implementation of a Funding Strategy.	Finance	100% expenditure of Municipal Grants by 30 th June 2019.	141,958,110.00	74,769,783.	52.6%	100%	30%	On Target	52.6% of all grants spent	n/a
Q1	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Finance	100% Reporting compliance by submitting s71, s72 and s52d reports within legislated timeframes 30 th June 2019.	n/a	n/a	100%	100%	100%	Not on Target	No Output	Implement procedures to ensure month end and year end procedures are done quicker to ensure on time reporting
Q1	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Finance	Improve Outcome of the AG report: Execute action plan to address previous findings by 30 June 2019.	n/a	n/a	1	n/a	n/a	On Target	No output required for this quarter.	n/a
Q1	To receive a Clean Audit Opinion from the Auditor-General.	Implementation and execution of an Audit Action Plan.	Finance (Assets)	Verification of the completeness of the Asset	n/a	n/a	100%	All purchases captured and updated on Asset	On Target	All purchases captured, Recon performed and	n/a	

	General.		Register (Asset Register compliant to GRAP standards)	Register and Follow up on queries of Auditor General	annual verification performed	
fund nancial management	To become a financially viable and sustainable Municipality.	Municipal Manager	Percentage CAPEX of budget spend by 30 th June 2019.	100% 30% spent	Not on Target 20% expenditure	RBIG to be adjusted as JV project will not continue. INEP business plan indicates expenditure mainly in 3 rd quarter.
fund nancial management	To become a financially viable and sustainable Municipality.	Municipal Manager	Percentage OPEX of budget spend by 30 th June 2019.	80% 55% spent	Not on Target 46%	Cash flow constraints. Also depreciation charges and debt impairment calculation only done at year end
fund nancial management	To adopt a realistic, credible and funded Annual Budget	Municipal Manager	2019/2020 Budget approved by Council by 31 May 2019.	n/a 1	Budget priorities developed On Target	Process plan adopted by Council during August 2018
fund nancial management	To become a financially	Finance	Improve collection rate	n/a 90% 50%	On 83% collection	Draft Budget processes on Target

management	viable and sustainable Municipality.	of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.	on service debtors to address cash flow constraints by 30 th June 2019 (Service debtors/service debt collected)	n/a	n/a	n/a	Reports to be submitted quarterly to EXCO
fund financial management	To become a financially viable and sustainable Municipality.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.	Financial recovery plan implemented and monitored by submissions quarterly to EXCO by 30 th June 2019.	4	Ensure compliance with Financial recovery plan deadlines by submitting implementation report quarterly to EXCO	Not on Target	No reports submitted
fund financial management	To become a financially viable and sustainable Municipality.	Stringent implementation and execution of the Municipality's Credit Control &	Effective control over 80% collection of property rates: by 30 June	n/a	Ensure average 80% recovery rate of	On Target	68.9% average collection rate. n/a

	Debt Collection Policy.	2019.	Property rates collected/ property rate debtors.	Property rates billed by 30 June 2019.	40%
June financial management	To receive a clean audit opinion from the Auditor General.	Implementation and execution of the Financial Recovery Plan – robust plans for the repayment of debt and/or maintain a healthy level of cash reserves and assets in order to meet unexpected costs.	Average number of days taken for creditors to be paid: Creditors Payment Period Creditors Outstanding/Credit Purchases (Operating & Capital) x 365 (Norm is 30 days)	n/a n/a n/a n/a	30 days 30 days 30 days 30 days Not on Target 153 days as at 30 June 2018 Long outstanding creditors from amalgamation such as AG, Eskom and SALGA. Cash flow constraints

