

Mid-Year Budget & Performance Assessment Report 2011-12



Includes a performance assessment of the Thabazimbi Local Municipality and a variance analysis as required by Section 72 of the MFMA. It also includes recommendations to the Mayor as informed by the assessment.

Thabazimbi Municipality

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12/31/2011



To: The Mayor

In accordance with the Municipal Finance Management Act, I submit the required statement assessing the performance of Thabazimbi Local Municipality during the first half of the 2010-11 financial year. Section 72(1) (a) of the Local Government MFMA requires the accounting officer to, by 25 January of each year, assess the performance of the Municipality during the first half of the financial year. A report on such assessment must then be submitted to the Mayor, Provincial Treasury and National Treasury each year in terms of Section 72(1) (b) of the Act.

Once the Mayor has considered the report in terms of Section 54 of the MFMA, he must submit the report to Council by the 31 January of each year. Section 54 of the MFMA also requires the Mayor of a municipality to 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.

The information contained in this report, prepared in accordance with the Municipal Budget and Reporting Regulations has been reviewed and it is evident that adjustments to the SDBIP will be necessary.

Furthermore adjustments to the Capital and Operating Budgets will also be necessary.

The Senior Managers were requested to indicate the status of the results as well as the remedial actions required in order to achieve the planned results and their comments are included in the report.

In terms of section 72 of the MFMA the SDBIP projections will have to be revised and the Budget amended to ensure that planned services will be rendered.

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TSR NKHUMISE

MUNICIPAL MANAGER

25 January 2012

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Accounting officer's comments

1. **Adjustments budget**

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

“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-Year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year”

Furthermore except under certain circumstances only one adjustment budget may be tabled in the Municipal Council during a financial year. Accordingly a report on adjustments will be submitted for consideration by Council at one of its February meetings.

2. **SDBIP-General**

Early indications are generally that performance against targets contained in the Service Delivery and Budget Implementation Plan are on track. However majority of capital projects are lagging behind for various reasons. Council will be encouraged to intervene and take necessary steps to ensure low achieving areas are brought back on track. A comprehensive analysis in terms of the MFMA Circular 13 on progress against second quarter service delivery targets is covered intensively from page 32.

The SDBIP was reviewed by the Audit Committee and certain inconsistencies were uncovered in the targets that had originally been set. Recommendations were that the SDBIP will be reviewed to incorporate the corrections as well as the impact of the Adjustments Budget. This will be done and tabled before council for approval in February. Some managers have also already reviewed their SDBIPs and performance reports on page 32 already reflect new targets.

3. **Annual report**

The annual report was prepared and presented to the Auditor General for audit together with the Annual Financial Statements. An action plan has been prepared to deal with audit findings and recommendations on the 2010-11 annual report. This will be dealt with by the Audit steering committee as determined by the accounting officer.

An analysis has also been included of the departmental challenges reported in the annual report, including the progress to-date achieved in dealing with the challenges. This analysis is contained in this report on page 59.

Executive Summary

Introduction

The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 72(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) on or before 25 January of each year to:

- (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) Where applicable, 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.

As part of the review, in terms of Section 72(3), the Accounting Officer is also required to make recommendations as to whether the SDBIP and the annual budget (both capital and operating) need to be adjusted.

Thereafter, the Mayor must, in terms of Section 54(1);

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget,
- (d) Issue any appropriate instructions to the accounting officer to ensure;
 - (i) That the budget is implemented in accordance with the SDBIP; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 31 January of each year.

Take note that the Section 52, Quarterly Budget Monitoring Report will be incorporated in this report. The requirements of section 52(d) will be met in this mid-year Budget and Assessment Report.

The report is detailed to such an extent that additional comments will be limited to the most important aspects.

Financial performance analysis

1. Operational financial performance

A surplus of R22m has been achieved to date, from operating activities. This however includes R25m in capital revenue from MIG. This implies that more operational projects need to be identified and funded out of the surplus funds or that current service delivery projects should be speeded up. Operational financial performance is tabulated in Tables C2-Table C4 from page 9.

2. Capital spending and sources of finance

A total of R15m has been spent on capital assets representing only 29% of the annual capital budget. The majority of capital projects budgeted has not yet been implemented for reasons detailed later in this report. Detailed analysis is provided in Table C5 on page 14.

3. Financial position

The balance sheet size has increased sharply from R11m to R64m mainly comprising of current assets. Non-current assets have only changed by the magnitude of the cumulative capital expenditure incurred to date net of a provision for depreciation. A further analysis has been given later in the report. The statement of financial position is given in Table C6 on page 17.

4. Cash flows

Generally the real cash flow position is positive. Book value cash and cash equivalents balance has gone up from R4m to R33m. This however is a temporary situation emanating from delays in reconciliations of the cash book. Details of the cash flow statement are given on Table C7, page 18.

5. Performance indicators

Except for liquidity worries, the rest of the municipality's fiscal situation remains in a healthy position. Financial performance indicators are reflected on Supporting Table SC2 on page 22.

6. Spending on Conditional grants

It can be seen from SC7 on page 28 that there is a general under-spending on conditional grants. MIG was basically under-spent as a result of delays in commencement of WWTW projects, while FMG spending was delayed because our interns were only appointed in January 2012.

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T.B.Mothogoane

(Chief Financial Officer)

Financial performance

The following table is a summary of overall performance of the municipality together with the financial position and with cash flows for the first half of 2011-12 financial year. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges.

Table C1 Mid-Year Assessment Summary

Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Financial Performance							
Property rates	15 834	30 474	8 987	15 747	(6 760)	-43%	17 973
Service charges	76 664	95 860	43 877	49 542	(5 665)	-11%	87 755
Investment revenue	4 223	5 604	1 516	2 940	(1 424)	-48%	3 031
Transfers recognised - operational	51 172	57 176	42 485	49 236	(6 751)	-14%	57 176
Other own revenue	13 950	10 372	3 234	5 246	(2 012)	-38%	6 467
Total Revenue (excluding capital transfers and contributions)	161 844	199 486	100 098	122 711	(22 613)	-18%	172 403
Employee costs	60 860	68 106	31 495	34 056	(2 561)	-8%	62 991
Remuneration of Councillors	6 074	4 800	3 075	2 400	675	28%	6 150
Depreciation & asset impairment	12 914	2 638	1 319	1 320	(1)	-0%	2 638
Finance charges	2 025	960	523	663	(140)	-21%	1 046
Materials and bulk purchases	42 974	43 187	18 611	22 319	(3 708)	-17%	37 222
Other expenditure	65 035	58 442	22 602	30 202	(7 600)	-25%	45 203
Total Expenditure	189 882	178 133	77 625	90 960	(13 335)	-15%	155 250
Surplus/(Deficit)	(28 038)	21 353	22 473	31 751	(9 278)	-29%	17 152
Transfers recognised - capital	31 409	36 350	13 380	31 302	(17 922)	-57%	36 350
Surplus/ (Deficit) for the year	3 370	57 703	35 853	63 053	(27 200)	-43%	53 502
Capital expenditure & funds sources							
Capital expenditure	36 002	57 973	14 914	37 956	(23 042)	-61%	71 415
Capital transfers recognised	33 892	36 350	8 418	20 839	(12 421)	-60%	-
Borrowing	-	3 950	-	1 720	(1 720)	-100%	3 950
Internally generated funds	2 110	17 673	6 496	15 397	(8 901)	-58%	20 160
Total sources of capital funds	36 002	57 973	14 914	37 956	(23 042)	-61%	24 110
Financial position							
Total current assets	27 134	30 344	42 468				30 344
Total non current assets	82 782	102 115	97 696				102 115
Total current liabilities	90 122	51 118	68 533				51 118
Total non current liabilities	8 124	13 824	7 167				13 824
Community wealth/Equity	11 670	67 517	64 463				67 517
Cash flows							
Net cash from (used) operating	48 953	56 138	41 748	50 609	(8 861)	-18%	65 292
Net cash from (used) investing	(36 002)	(53 823)	(14 914)	(35 707)	20 793	-58%	(54 023)
Net cash from (used) financing	(1 816)	(977)	(936)	(688)	(248)	36%	(961)
Cash/cash equivalents at the month/year end	407	2 208	26 304	15 084	11 220	74%	10 714
Debtors & creditors analysis	0-30 Days	31-60 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis							
Total By Revenue Source	3 844	20 597	69 102	-	-	-	98 271
Creditors Age Analysis							
Total Creditors	10 098	832	567	259	1 531	5 384	24 443

The table above shows an operating surplus of R22m, against R31m targeted surplus at the end of the first half. This figure is basically a result of an 18% under-achievement of operating revenue as well as 57% negative variance on capital grants. The impact is, however, neutralised by an under-spending on operations of 29%.

Major contributors to the overall 28% negative revenue variance include property rates (43%), investment revenue (48%) and other revenue (38%). Other revenue includes rental income, fines, agency fees and gains from disposal of property and equipment.

Operating expenditure was R78m, R13m less than the targeted figure or 29% under-spending. Other expenditure contributed to the bulk of the under-spending of R8m out of R13m. Other expenditure comprises of contracted services, telephones, stationery, repairs and maintenance and other related operational expense items.

Capital spending was 60% below target. Capital projects from the Technical department, which take the bulk of the capital budget funding, were delayed resulting in the huge negative variance.

Total assets have basically increased significantly with current assets (bank balance) contributing the greatest proportion, while property and equipment has only been changed by the amount of capital assets acquired during the year. Overall the balance sheet size has grown from R13m to R76m.

The table below shows how the municipality performed by standard classification.

Table C2 Mid-Year Assessment - Financial Performance (standard classification)

Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue - Standard							
Governance and administration	76 504	92 390	53 575	67 876	(14 301)	-21%	78 832
Executive and council	66 380	85 312	51 065	64 700	(13 635)	-21%	73 813
Budget and treasury office	8 788	6 225	2 233	2 941	(708)	-24%	4 466
Corporate services	1 336	853	276	235	41	18%	553
Community and public safety	7 820	8 414	2 207	7 836	(5 629)	-72%	4 414
Community and social services	242	264	129	142	(14)	-10%	257
Sport and recreation	0	1	-	0	(0)	-100%	-
Public safety	7 577	8 149	2 078	7 693	(5 615)	-73%	4 157
Economic and environmental services	265	482	300	200	100	50%	599
Planning and development	265	422	300	175	125	71%	599
Environmental protection	-	60	-	25	(25)	-100%	-
Trading services	82 242	98 839	44 811	59 600	(14 789)	-25%	88 022
Electricity	37 731	48 341	19 729	29 505	(9 776)	-33%	37 858
Water	29 569	31 285	15 670	19 095	(3 425)	-18%	31 341
Waste water management	8 358	8 919	5 440	5 444	(4)	0%	10 880
Waste management	6 584	10 294	3 971	5 555	(1 584)	-29%	7 942
Other	26 421	35 711	12 586	21 797	(9 211)	-42%	36 886
Total Revenue - Standard	193 252	235 836	113 478	157 308	(43 830)	-28%	208 753
Expenditure - Standard							
Governance and administration	65 388	58 109	24 963	33 722	(8 759)	-26%	49 926
Executive and council	21 154	17 742	8 518	7 288	1 230	17%	17 036
Budget and treasury office	24 135	20 263	9 564	11 575	(2 011)	-17%	19 129
Corporate services	20 099	20 104	6 881	14 859	(7 978)	-54%	13 762
Community and public safety	16 724	16 912	7 466	7 305	160	2%	14 932
Community and social services	3 667	3 806	1 216	1 644	(428)	-26%	2 432
Sport and recreation	4 897	4 352	1 873	1 880	(6)	0%	3 747
Public safety	8 160	8 754	4 377	3 781	595	16%	8 753
Economic and environmental services	26 192	32 628	11 670	15 324	(3 654)	-24%	23 339
Planning and development	3 660	5 443	2 241	1 859	381	21%	4 481
Road transport	22 281	26 556	9 263	13 250	(3 987)	-30%	18 525
Environmental protection	252	629	166	215	(48)	-23%	333
Trading services	78 273	68 251	30 930	33 494	(2 564)	-8%	61 860
Electricity	37 981	34 624	21 142	17 275	3 867	22%	42 285
Water	18 731	21 451	3 505	10 703	(7 198)	-67%	7 010
Waste water management	4 635	3 833	2 245	1 912	333	17%	4 490
Waste management	16 925	8 343	4 037	3 604	434	12%	8 075
Other	3 305	2 233	2 597	1 115	1 482	133%	5 193
Total Expenditure - Standard	189 882	178 133	77 625	90 960	(13 335)	-15%	155 250
Surplus/ (Deficit) for the year	3 370	57 703	35 853	66 348	(57 165)	-86%	53 502

Governance and administration have contributed the greatest proportion (47%) of revenue although it remains below target (-21%). This comprises of operating grants recognised as well as property rates revenue that had shortfalls of 42% and 14% respectively. Economic and environmental services revenue surpassed the targets although this was not enough to offset the under-achievements in the rest of the categories by standard classification. Economic and environmental services comprises activity in the Planning and economic development department.

Low revenue generation patterns as described above resulted in the slow rate of spending in all categories by standard classification except for the **other** which comprises of a separate section of Mechanical workshop and office of the technical manager that fall under Technical department.

Table C3 below consolidates the report on financial performance per municipal vote. The bulk of revenue was generated by the technical services department (46%) as budgeted. Revenue has

surpassed budgeted figures by 17.6% for Budget and Treasury vote and by 49.8% for Corporate Services vote; whereas all other votes had shortfalls against targets. Reasons for the abovementioned variances are detailed later in the report on Annexure 1.

Overall operational spending shows a shortfall of 15% with the Corporate services vote contributing the highest shortfall of 53.7%. except for political office bearers vote. Adjustments may therefore be necessary to align budget with actual spending patterns, all other votes indicated at least an under-spending. The overspending in Political office bearers' vote of 36% was not large enough though to offset the combined shortfalls in the rest of the other votes.

Table C3 Mid-Year Assessment - Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue by Vote							
Vote 1 - 100 Political Office Bearers	66 380	85 313	51 065	64 700	(13 635)	-21.1%	73 813
Vote 2 - 200 Municipal Manager	-	-	-	-	-		-
Vote 3 - 300 Budget & Treasury	8 788	6 224	2 233	2 941	(708)	-24.1%	4 466
Vote 4 - 400 Corporate Services	1 336	854	276	235	41	17.6%	553
Vote 5 - 500 Planning and Economic Development	265	482	300	200	100	49.8%	599
Vote 6 - 600 Community Services	14 403	18 708	6 178	10 096	(3 918)	-38.8%	12 356
Vote 7 - 700 Technical Services	102 080	124 255	53 426	75 841	(22 415)	-29.6%	116 965
Total Revenue by Vote	193 252	235 836	113 478	154 013	(40 535)	-26.3%	208 753
Expenditure by Vote							
Vote 1 - 100 Political Office Bearers	17 891	13 368	7 128	5 260	1 868	35.5%	14 256
Vote 2 - 200 Municipal Manager	3 263	4 374	1 390	2 028	(638)	-31.5%	2 780
Vote 3 - 300 Budget & Treasury	24 135	20 263	9 564	11 575	(2 011)	-17.4%	19 129
Vote 4 - 400 Corporate Services	20 099	20 104	6 881	14 859	(7 978)	-53.7%	13 762
Vote 5 - 500 Planning and Economic Development	3 911	6 072	2 407	2 074	333	16.1%	4 814
Vote 6 - 600 Community Services	33 649	25 254	11 503	10 909	594	5.4%	23 007
Vote 7 - 700 Technical Services	86 933	88 698	38 752	44 255	(5 503)	-12.4%	77 504
Total Expenditure by Vote	189 882	178 133	77 625	90 960	(13 335)	-14.7%	155 250
Surplus/ (Deficit) for the year	3 370	57 703	35 853	63 053	(53 870)	-85.4%	53 502

Table C3-2 below is an expanded view of the financial performance by municipal vote. Variances shown on the table are explained in Annexure1.

Table C3C Mid-Year Assessment - Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2010/11	Budget Year 2011/12					
R thousand	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote							
Vote 1 - 100 Political Office Bearers	66 380	85 313	51 065	64 700	(13 635)	-21%	73 813
101 Council General	66 380	85 313	51 065	64 700	(13 635)	-21%	73 813
102 Secretariat	-	-	-	-	-	-	-
103 Public Relations	-	-	-	-	-	-	-
Vote 2 - 200 Municipal Manager	-	-	-	-	-	-	-
201 Office of Municipal Manager	-	-	-	-	-	-	-
202 Internal Audit	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury	8 788	6 224	2 233	2 941	(708)	-24%	4 466
301 Office of Chief Financial Officer	-	-	-	-	-	-	-
302 Supply Chain Management & Expenditure	4 313	488	634	231	403	175%	1 267
303 Debtors' Management & Income	4 475	5 736	1 599	2 710	(1 111)	-41%	3 199
304 Budgeting & Reporting	-	-	-	-	-	-	-
Vote 4 - 400 Corporate Services	1 336	854	276	235	41	18%	553
401 Office of Corporate Services Manager	719	204	17	56	(39)	-69%	35
402 Human Resources Management	152	249	115	69	46	68%	230
403 Administration & Council Support	-	-	-	-	-	-	-
404 Legal Services	464	401	144	110	33	30%	288
Vote 5 - 500 Planning and Economic Development	265	482	300	200	100	50%	599
501 Office of Planning & Economic Development	-	-	-	-	-	-	-
502 Town Planning	265	422	300	175	125	71%	599
503 Local Economic Development	-	-	-	-	-	-	-
504 Game Reserve	-	60	-	25	(25)	-100%	-
Vote 6 - 600 Community Services	14 403	18 708	6 178	10 096	(7 214)	-71%	12 356
601 Office of Community Services Manager	-	-	-	-	-	-	-
602 Community Development Services	54	68	47	37	10	28%	94
603 Cemeteries	188	196	82	106	(24)	-23%	163
604 Protection Services	7 103	7 128	1 785	3 847	(2 061)	-54%	3 571
605 Fire fighting	474	1 021	293	3 847	(3 554)	-92%	586
606 Parks, Sport & Recreation	0	1	-	1	(1)	-100%	-
607 Waste Management	6 584	10 294	3 971	5 555	(1 584)	-29%	7 942
Vote 7 - 700 Technical Services	102 080	124 255	53 426	75 841	(22 415)	-30%	116 965
701 Office of Technical Services Manager	26 421	35 711	12 586	21 797	(9 211)	-42%	36 886
702 Civil, Roads & Stormwater	-	-	-	-	-	-	-
703 Waste Water Management	8 358	8 919	5 440	5 444	(4)	0%	10 880
704 Water Distribution Services	29 569	31 285	15 670	19 095	(3 425)	-18%	31 341
705 Electricity Distribution Services	37 731	48 340	19 729	29 505	(9 776)	-33%	37 858
706 Mechanical Workshop	-	-	-	-	-	-	-
Total Revenue by Vote	193 252	235 836	113 478	154 013	(43 830)	-28%	208 753
					-		

Table C4 Mid-Year Assessment - Financial Performance (revenue and expenditure)

Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue By Source							
Property rates	15 834	29 928	8 988	15 465	(6 477)	-42%	17 975
Property rates - penalties & collection charges	-	546	(1)	282	(283)	-100%	(2)
Service charges - electricity revenue	32 324	45 659	18 892	23 594	(4 702)	-20%	37 785
Service charges - water revenue	29 493	31 062	15 605	16 053	(448)	-3%	31 211
Service charges - sanitation revenue	8 358	8 919	5 439	4 611	828	18%	10 878
Service charges - refuse revenue	6 488	10 220	3 940	5 284	(1 344)	-25%	7 881
Rental of facilities and equipment	499	433	165	216	(51)	-24%	330
Interest earned - external investments	270	804	15	460	(445)	-97%	29
Interest earned - outstanding debtors	3 953	4 800	1 501	2 480	(979)	-39%	3 002
Fines	509	652	408	338	70	21%	817
Licences and permits	1 340	5 791	629	2 992	(2 363)	-79%	1 258
Agency services	4 550	350	727	179	548	306%	1 454
Transfers recognised - operational	51 172	57 176	42 485	49 236	(6 751)	-14%	57 176
Other revenue	6 337	2 947	1 304	1 521	(217)	-14%	2 609
Gains on disposal of PPE	716	199	-	-	-		-
Total Revenue (excluding capital transfers and contributions)	161 844	199 486	100 098	122 711	(22 613)	-18%	172 403
Expenditure By Type							
Employee related costs	60 860	68 106	31 495	34 056	(2 561)	-8%	62 991
Remuneration of councillors	6 074	4 800	3 075	2 400	675	28%	6 150
Depreciation & asset impairment	12 914	2 638	1 319	1 320	(1)	0%	2 638
Finance charges	2 025	960	523	663	(140)	-21%	1 046
Bulk purchases	42 974	43 187	18 611	22 319	(3 708)	-17%	37 222
Contracted services	18 158	7 495	4 850	3 872	978	25%	9 701
Other expenditure	46 877	50 947	17 751	26 330	(8 579)	-33%	35 502
Total Expenditure	189 882	178 133	77 625	90 960	(13 335)	-15%	155 250
Surplus/(Deficit)	(28 038)	21 353	22 473	31 751	(35 948)	(0)	17 152
Transfers recognised - capital	31 409	36 350	13 380	31 302			36 350
Surplus/ (Deficit) for the year	3 370	57 703	35 853	63 053			53 502

Most of the revenue to the end of first half was generated from operational grants (equitable shares, MSIG and FMG), while service revenue contributed the second largest portion of actual revenue. This is also in-line with the budget. The worst performing revenue sources is interest on investments revenue with a shortfall of 97%.

The shortfall on operational spending of 15% arises mainly from a lower achievement on **other expenditure** of 33%, other expenditure other expenditure comprises of telephone costs, stationery costs, repairs and maintenance and contracted services.

Capital expenditure

Expenditure on capital assets that has been incurred to date represents 26% of the annual budget. This is against a target capital expenditure level of R38million, or 66% of the annual budget. This is an underperformance that has resulted from various reasons as detailed in Table SC1 including the fact that some budgeted capital projects have not been implemented or have been postponed to the second half.

Table C5 below shows capital expenditure performance for the first half by standard classification and source of funding. The table indicates that the R15million of total capital expenditure incurred to date has been funded 56% by National Government in form of Municipal Infrastructural Grant and Department of Minerals and Energy and the remainder was financed by operating income. This proportion could have been higher if National Government had transferred funds as per original schedule.

Governance and administration shows a shortfall of only 8% constituted mainly by non-performance in Corporate Services office (they have the largest budget in the category). The almost abnormal performance in Economic and environmental services category is basically because of the unforeseen completion of the Roads project. Generally, however all categories performed at a very slow pace compared to what was targeted. This emanates from various causes all that are detailed on Table SC1 on page 19.

Table C5 Mid-Year Assessment - Capital Expenditure (municipal vote, standard classification and funding)

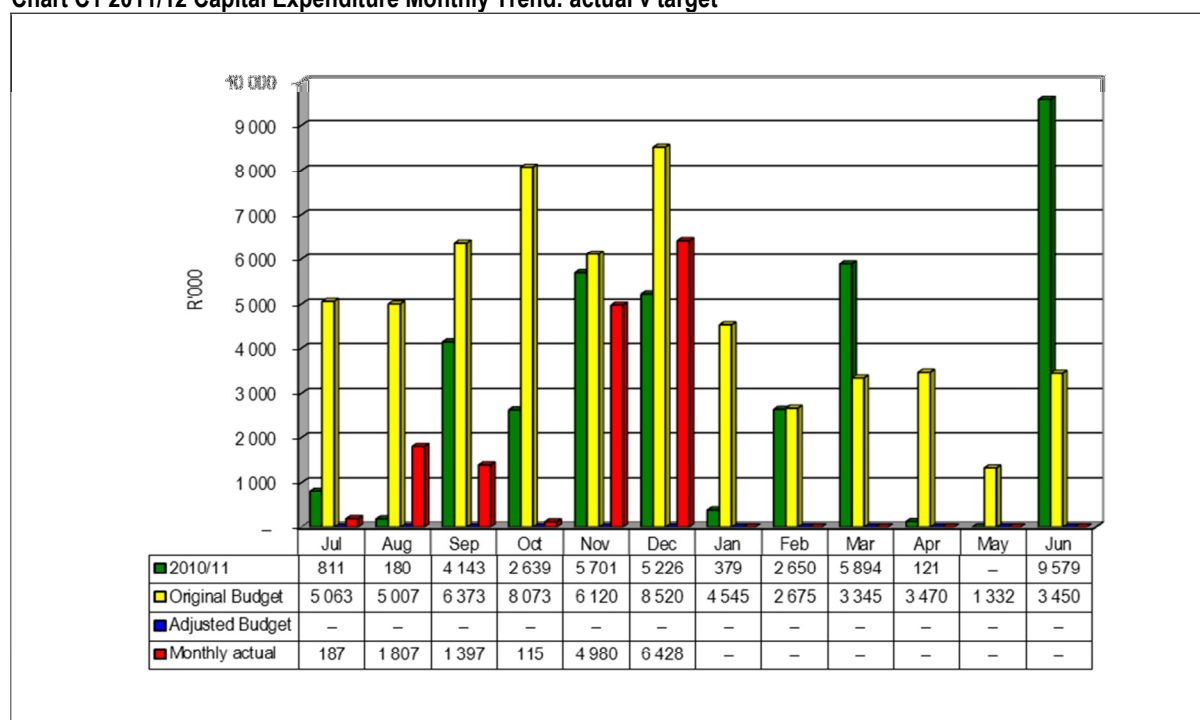
Vote Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Multi-Year expenditure appropriation							
Vote 1 - 100 Political Office Bearers	–	6	–	–	–		6
Vote 2 - 200 Municipal Manager	–	–	847	6	841	14011%	1 693
Vote 3 - 300 Budget & Treasury	–	300	21	150	(129)	-86%	300
Vote 4 - 400 Corporate Services	807	5 725	3 469	4 550	(1 081)	-24%	5 725
Vote 5 - 500 Planning and Economic Development	–	210	3	50	(47)	-93%	210
Vote 6 - 600 Community Services	299	7 232	2 155	5 232	(3 077)	-59%	7 232
Vote 7 - 700 Technical Services	34 896	44 500	8 418	27 968	(19 550)	-70%	56 249
Total Capital Expenditure by vote	36 002	57 973	14 914	37 956	(23 042)	-61%	71 415
Capital Expenditure - Standard Classification							
Governance and administration	807	6 031	4 337	4 706	(369)	-8%	7 724
Executive and council	–	6	847	6	841	14011%	1 699
Budget and treasury office	–	300	21	150	(129)	-86%	300
Corporate services	807	5 725	3 469	4 550	(1 081)	-24%	5 725
Community and public safety	299	5 126	2 155	3 132	(977)	-31%	5 126
Community and social services	19	4 560	2 155	2 560	(405)	-16%	4 560
Public safety	280	566	–	572	(572)	-100%	566
Economic and environmental services	28 028	210	5 878	50	5 828	11656%	11 959
Planning and development	–	210	3	50	(47)	-93%	210
Road transport	28 028	–	5 874	–	5 874	0%	11 749
Trading services	6 736	46 606	2 544	30 068	(27 525)	-92%	46 606
Electricity	6 225	4 800	2 544	3 600	(1 057)	-29%	4 800
Water	510	5 750	–	3 529	(3 529)	-100%	5 750
Waste water management	–	33 950	–	20 839	(20 839)	-100%	33 950
Waste management	–	2 106	–	2 100	(2 100)	-100%	2 106
Other	131	–	–	–	–		–
Total Capital Expenditure - Standard Classification	36 002	57 973	14 914	37 956	(23 042)	-61%	71 415
Funded by:							
National Government	33 892	36 350	8 418	20 839	(12 421)	-60%	36 350
Transfers recognised - capital	33 892	36 350	8 418	20 839	(12 421)	-60%	36 350
Borrowing	–	3 950	–	1 720	(1 720)	-100%	3 950
Internally generated funds	2 110	17 673	6 496	15 397	(8 901)	-58%	31 115
Total Capital Funding	36 002	57 973	14 914	37 956	(23 042)	-61%	71 415

Table 5A below shows capital expenditure performance by municipal vote. Overall the municipality underperformed on capital expenditure by 31%. This is mainly attributable to a 70% shortfall in technical services, shortfall of 86% in Budget and Treasury, shortfall of 24% in corporate services, and 59% in Community services votes. Reasons for the individual departments' failure to achieve targets are explained in Table SC1 on page 19.

Chart C1 below is comparative analysis of capital expenditure performance comparing actual monthly results at end of first half to budgeted figures as well prior year audited results. The chart shows that the bulk of the capital expenditure was budgeted for in December and performance followed similar trend. The budgeted activity was based on the planned grant disbursement schedule from National Government. The chart indicates the least activity was in July and September but improved in November and December. The chart also shows that capital budget has almost doubled in the 2010/11 financial year compared to the prior year. This is in line with increased efforts to service delivery.

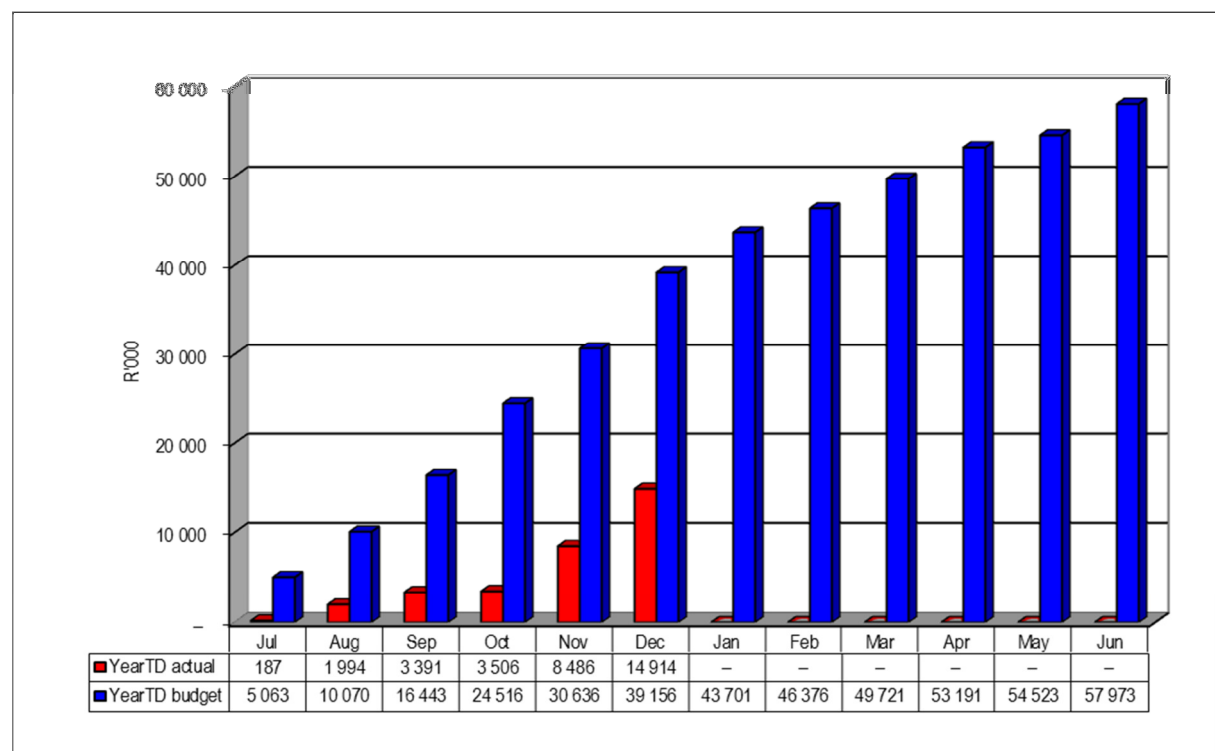
Overall the chart shows actual expenditure remains below targets though rate of performance is positive.

Chart C1 2011/12 Capital Expenditure Monthly Trend: actual v target



The graph below is a reflection of a comparative analysis of the actual and targeted capital expenditure taken on a month on month basis. The graph shows that actual expenditure to date remains very low at less than half of the targeted amounts of capital expenditure.

Chart C2 2010/11 Capital Expenditure: YTD actual v YTD target



Financial position

The table below shows an increase in equity of the municipality R64million from the 2010/11 audited annual financial statements. This increase is mainly attributable to the increase in bank balance from R4million to a positive balance of R33million, an increase in debtors without a corresponding adjustment of the impairment provision as well as the additional property and equipment of R14million already acquired during the year.

The status quo reflects that there may be a need to make adjustments for the budgeted figures for current assets that have already approached the annual figures, unless double efforts are applied to collect money owed by customers. This may be maybe in the form of reviewing the budgeted impairment provision. Current liabilities figures may also need to be adjusted as it looks like actual balances have far exceeded annual budgeted figures unless other sources of funds will have to be explored to discharge the current liabilities and comply with Section 65(2) of MFMA.

Table C6 Mid-Year Assessment - Financial Position

Description	2010/11	Budget Year 2011/12		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands				
ASSETS				
Current assets				
Cash	4 458	1 355	33 979	1 355
Call investment deposits	3 075	853	2 624	853
Consumer debtors	6 519	18 125	(3 668)	18 125
Other debtors	10 580	5 581	6 356	5 581
Inventory	2 502	4 430	3 177	4 430
Total current assets	27 134	30 344	42 468	30 344
Non current assets				
Property, plant and equipment	82 679	102 011	97 592	102 011
Agricultural	-	-	-	-
Biological assets	0	0	0	0
Intangible assets	104	104	104	104
Total non current assets	82 782	102 115	97 696	102 115
TOTAL ASSETS	109 916	132 459	140 164	132 459
LIABILITIES				
Current liabilities				
Bank overdraft	-	-	-	-
Borrowing	1 183	1 783	1 183	1 783
Consumer deposits	3 105	5 107	3 125	5 107
Trade and other payables	64 554	43 211	42 946	43 211
Provisions	21 279	1 017	21 279	1 017
Total current liabilities	90 122	51 118	68 533	51 118
Non current liabilities				
Borrowing	8 124	13 124	7 167	13 124
Provisions	-	700	-	700
Total non current liabilities	8 124	13 824	7 167	13 824
TOTAL LIABILITIES	98 246	64 942	75 701	64 942
NET ASSETS	11 670	67 517	64 463	67 517
COMMUNITY WEALTH/EQUITY				
Accumulated Surplus/(Deficit)	11 670	67 517	64 463	67 517
Reserves	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	11 670	67 517	64 463	67 517

Cash flows

Table C7 below shows the statement of cash flows for the municipality at the end of the half.

Table C7 Mid-Year Assessment - Cash Flow -

Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Ratepayers and other	108 789	93 603	85 273	73 024	12 249	17%	170 547
Government - operating	51 172	56 640	42 485	49 236	(6 751)	-14%	56 640
Government - capital	31 409	36 886	13 380	31 302	(17 922)	-57%	36 886
Interest	270	804	15	460	(445)	-97%	29
Payments							
Suppliers and employees	(140 661)	(130 835)	(88 935)	(102 750)	(13 815)	13%	(177 870)
Finance charges	(2 025)	(960)	(171)	(663)	(492)	74%	(342)
NET CASH FROM/(USED) OPERATING ACTIVITIES	48 953	56 138	52 047	50 609	1 438	3%	85 890
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Decrease (increase) in non-current investments	-	200	-	-	-		-
Payments							
Capital assets	(36 002)	(54 023)	(14 914)	(35 707)	(20 793)	58%	(54 023)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(36 002)	(53 823)	(14 914)	(35 707)	(20 793)	58%	(54 023)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Increase (decrease) in consumer deposits	61	25	20	13	7	57%	41
Payments							
Repayment of borrowing	(1 877)	(1 002)	(957)	(701)	256	-37%	(1 002)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 816)	(977)	(936)	(688)	248	-36%	(961)
NET INCREASE/ (DECREASE) IN CASH HELD	11 136	1 338	36 197	14 214			30 906
Cash/cash equivalents at beginning:	(10 729)	870	407	870			407
Cash/cash equivalents at month/year end:	407	2 208	36 603	15 084			31 312

The balance for cash and cash equivalents has increased dramatically from an overdraft of R4m to a balance of R66million. Net cash inflows from operating activities fell short of target by 28% while more cash than targeted was spent on investing activities with a variance of 82%. Cash outflows on financing activities have been surpassed by 31% during the first half to 31 December 2010. Details of the reasons for the variances are detailed in Table SC1 on page 19 of this report.

Other financial tables, graphs and charts

Table SC1 Material variance explanations – Mid-Year Assessment 2011

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
A variance is considered to be material if it is outside the range of +/- 10%			
Revenue By Source			
Property rates	-42%	Rezoning of properties still incorrectly classified has not been performed yet as planned.	Waiting for the new valuation roll to be implemented in the new financial year New valuer to be appointed soon.
Penalties	-100%	There is still no mechanism in place to account for the penalties that should be charged for various services as should be charged by the municipality such as reconnection fees. This has been the case since appointment of service provider for debt collection that involves the disconnections etc. This is despite the fact that the penalty income is budgeted for.	Still waiting for promulgation of by-laws
Service revenue			
Water	-3%	Insignificant	Nil
Sanitation	18%	More households that had not been billed for sanitation have been included to be billed.	Adjust budgeted revenue accordingly.
Refuse	-25%	The major 2 week strike in August 2011 contributed to loss of revenue as there was no refuse collection. Most of the refuse was collected by private companies.	Adjust budgeted refuse revenue accordingly
Rental revenue	-24%	The majority of our parking space is not been billed despite being utilised on a daily basis. It appears that the prior years' arrangements are preventing the municipality from collecting rent from tenants for the parking space in question.	Div. Manager(Income) to investigate the legal status of the arrangements and consider if budgeted revenue should be adjusted for the MTREF.
Interest on investments	-97%	The surplus funds as reflected on the balance sheet were not invested to earn the targeted interest revenue.	Adhere to municipal Investment Policy to invest all surplus funds of the municipality. Consider adjusting the budget in light of the trend as most of our surplus funds come this time of the financial year. Most of the surplus funds is already used up and there is no tangible hope of accumulating more extra cash.

Table SC1 Material variance explanations – Mid-Year Assessment 2011 continued.....

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
A variance is considered to be material if it is outside the range of +/- 10%			
Revenue By Source			
Fines income	21%	This income is recognised as it arises and it is rare to be in line with forecasts.	Nil as the variance is immaterial
Agency services	306%	This income is recognised as it arises and it is rare to be in line with forecasts.	Nil as the variance is immaterial
Expenditure By Type			
Remuneration of Councillors	28%	Councillors remuneration includes travelling allowance This component is variable and depends on the amount of claims by councillors	Nil as this component will normalise because we will not pay them more than budgeted
Depreciation and impairment	0%	Insignificant	Nil
Contracted services	25%	The budget for contracted services was understated as it did not cater for departments other than budget and treasury	Adjust the annual budget and reclassify other departmental contracted services.
Capital Expenditure			
Standard classification			
Governance and administration	-8%	Cash flow constraints have reduced the rate at which activity takes place. This includes the continuation to the Civic Centre project of a PPP partner has not been found yet.	Implement the budgeted projects immediately
Trading Services	-92%	Lack of funds. Most tranches of grants including equitable share subsidy is disbursed during this month yet most service providers ask for money in advance. Most projects are still at tender stage as other stakeholders needed to be consulted on the major projects.	Speed up the consultation processes and hence the appointment of service providers for budgeted projects.

Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
A variance is considered to be material if it is outside the range of +/- 10%			
By Municipal Vote			
Corporate Services	-24%	Mostly the vehicles that are budgeted to be purchased have not been purchased because of delayed financial arrangements with the financiers. One car for the Mayor was purchased	Record all asset purchases in the correct accounts. Otherwise speed up the financing arrangements with banks
Technical Services	-70%	Lack of cash. Most tranches of grants including equitable share subsidy is disbursed during this month yet most service providers ask for money in advance.	Speed up the consultation processes and hence the appointment of service providers for budgeted projects.
Financial Position			
Current assets			
Cash balances		Cash balance is unusually high because reconciliations are not performed on a timely basis. The bank balance was however only R1.7m.	Comply MFMA guidelines and perform all reconciliations including bank recon on time to enable credible reporting.
Call investments		There has not been any movements in investment balances.	Follow the municipal Investment Policy to invest all surplus funds.
Consumer debtors	-156%	Net debtors has gone down to zero because of the combined write off and impairment provision raised at 30 June 2011 during the audit.	Still engaging the government department to settle their accounts.
Non-Current Assets			
Long term investments	no change	Cash flow constraints have forced the municipality to keep only call investments	No action until cashflow position improves with large sums of excess cash realising
Investment property	none	Municipal property (land and buildings) rented out has not yet been separated from rest of other assets.	Speed up the process of GRAP conversion to comply with recommended reporting framework (GRAP)
Current liabilities			
Trade and other payables	-33%	Immaterial	N/A
Provisions	0%	No change	N/A
Cash Flow			
Receipts			
Ratepayers	17%	Due to the nature of the system, it not easy to allocate receipts from consumers between service and interest. The process of splitting these is still to be performed.	Reconfigure the accounting system and integrate all applications to enable the separation of receipts from consumers by revenue source.
Interest from debtors	-100%	Due to the nature of the system, it not easy to allocate receipts from consumers between service and interest. The process of splitting these is still to be performed.	see above
Payments			
Suppliers and employees	3%	More payments were made out to suppliers to settle the large creditor balance accumulated at year end and comply with Section 65(2)(e)MFMA Also the rate of operational spending was a higher than targets as indicated above.	Council should encourage on better cash management, possibly prioritising spending.
No non current investments		Cash flow constraints in prior period have forced the municipality to keep only call investments.	Nil
Repayment of borrowing	-37%	This generally depends on the prevailing interest rates as the instalment contains an interest component that varies with market conditions.	Nil

Supporting Table SC2 Mid-Year Assessment - performance indicators

Description of financial indicator	Basis of calculation	2010/11	Budget Year 2011/12		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
Percentage					
<u>Borrowing Management</u>					
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets	7.4%	9.9%	6.0%	11.3%
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	7.9%	2.0%	0.7%	4.6%
Borrowed funding of capital expenditure	Borrowings/Capital expenditure ex cl. transfers and grants	0.0%	6.8%	0.0%	5.5%
<u>Safety of Capital</u>					
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	632.9%	86.1%	79.6%	86.1%
Gearing	Long Term Borrowing/ Funds & Reserves	69.6%	19.4%	11.1%	19.4%
<u>Liquidity</u>					
Current Ratio 1	Current assets/current liabilities	30.1%	59.4%	62.0%	59.4%
Liquidity Ratio	Monetary Assets/Current Liabilities	8.4%	4.3%	53.4%	4.3%
<u>Revenue Management</u>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	98.3%	65.8%	148.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.6%	11.9%	2.7%	13.8%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>					
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	86.0%	100.0%	44.7%	72.2%
<u>Funding of Provisions</u>					
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions				
<u>Other Indicators</u>					
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	8.3%	13.6%	0.0%	8.3%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	11.0%	11.0%	0.0%	11.0%
Employee costs	Employee costs/Total Revenue - capital revenue	37.6%	34.1%	31.5%	36.5%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	3.1%	3.5%	3.5%
Interest & Depreciation	I&D/Total Revenue - capital revenue	9.2%	1.8%	0.5%	4.2%
<u>IDP regulation financial viability indicators</u>					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	118.7%	51.1%	61.7%	50.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	81.9%	54.6%	109.5%	100.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	392.7%	70.0%	289.0%	70.0%

Explanations of significant statistics

Borrowing management

Borrowing levels remain low, even lower than prior audited year, although expected to rise if the plans to acquire vehicles on vehicle finance proceed.

Safety of capital

Municipal reserves remain greater than the liabilities as indicated by the low gearing level of only 11%. However the high level of unpaid creditors remains a threat to the overall debt to equity ratio.

Liquidity

The statistics indicate that the current assets are slightly sufficient to cover current liabilities. This small ratio is basically because of the huge impairment that was charged against the receivables balance. This is so despite the creditors balance remaining so high. This indicates a very unhealthy situation that may need political intervention to convince communities in paying for services rendered by the municipality.

Revenue management

The municipality is not doing very well in this particular because of two main issues namely;

- The accounting system in use does not allow filtering and categorizing receipts per revenue source. This implies reported figures on this financial indicator maybe very misleading.
- The debtors' collection itself is generally low with debtors dating back from a decade ago. An impairment provision has been raised that has resulted in the small 2.7% ratio of outstanding debtors to revenue reported above.

Creditors' management

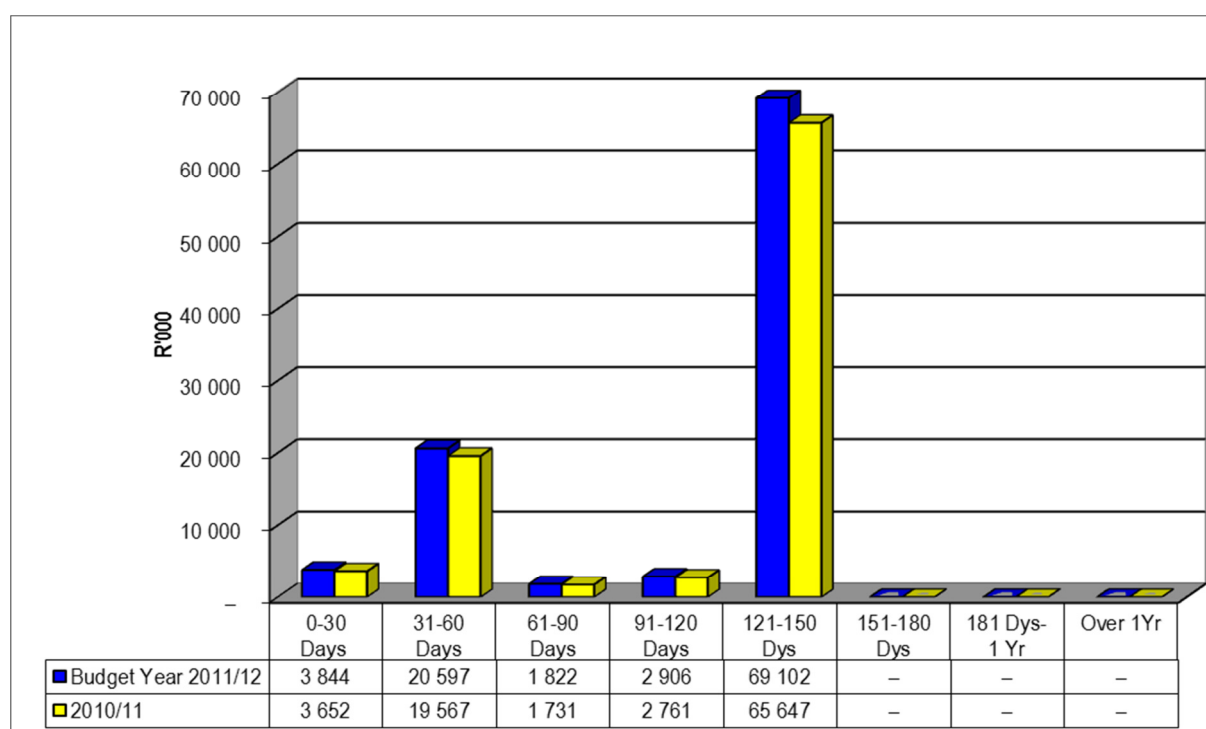
The municipality has been contravening section 65(e)(2) of the MFMA for a while now and if political intervention referred to above does not rain, it will take long before we start complying the Act in that regard. This explains the poor creditors' system efficiency ratio reported in the table above of 45%.

Water and electricity losses

No figures have been reported in this category as it is currently impossible to record losses. There are no meters that record units of either utility purchased and distributions. This process could, however, be performed manually but efforts have never been directed as such despite the importance of such statistics to the municipality.

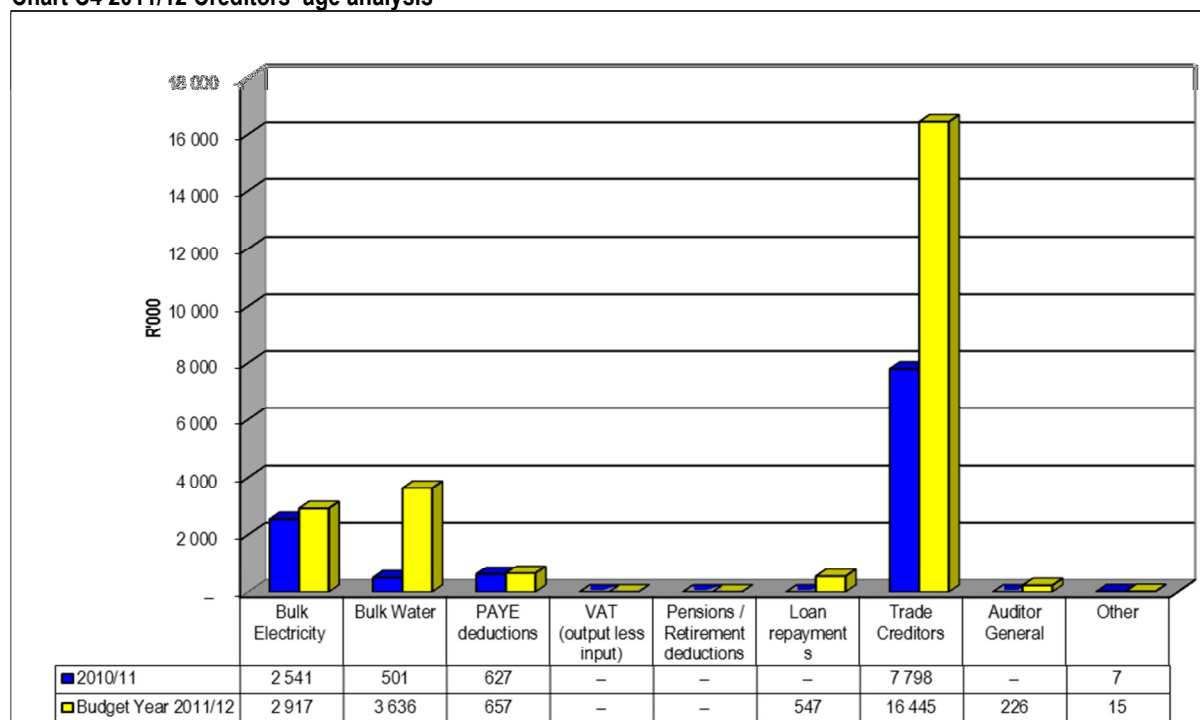
Supporting Table SC3 Mid-Year Assessment - aged debtors

Description	NT Code	Budget Year 2011/12										Bad Debts	>90 days
		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			
R thousands													
Debtors Age Analysis By Revenue Source													
Rates	1200	371	290	243	237	12 336	-	-	-	13 478	12 967	12 573	
Electricity	1300	580	388	102	74	1 362	-	-	-	2 505	4 553	1 435	
Water	1400	1 698	18 753	608	1 810	13 771	-	-	-	36 640	18 269	15 581	
Sewerage / Sanitation	1500	482	334	291	273	5 920	-	-	-	7 299	6 590	6 193	
Refuse Removal	1600	350	241	215	204	4 500	-	-	-	5 511	5 052	4 704	
Housing (Rental Revenue)	1700	11	9	10	7	2 207	-	-	-	2 244	-	2 214	
Other	1900	353	581	353	300	29 007	-	-	-	30 595	31 939	29 308	
Total By Revenue Source	2000	3 844	20 597	1 822	2 906	69 102	-	-	-	98 271	79 371	72 008	
2010/11 - totals only		3 652	19 567	1 731	2 761	65 647	-	-	-	93 357	18 900	68 408	
Debtors Age Analysis By Customer Category													
Government	2200	-	-	-	-	-	-	-	-	-	-	-	
Other	2500	3 844	20 597	1 822	2 906	69 102	-	-	-	98 271	-	-	
Total By Customer Category	2600	3 844	20 597	1 822	2 906	69 102	-	-	-	98 271	-	-	

Debtors' age analysis

Supporting Table SC4 Mid-Year Assessment - aged creditors

Description	NT Code	Budget Year 2011/12									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	2 917	—	—	—	—	—	—	—	2 917	2 541
Bulk Water	0200	—	—	3 636	—	—	—	—	—	3 636	501
PAYE deductions	0300	657	—	—	—	—	—	—	—	657	627
Loan repayments	0600	547	—	—	—	—	—	—	—	547	—
Trade Creditors	0700	5 962	606	345	1 791	567	259	1 531	5 384	16 445	7 798
Auditor General	0800	—	226	—	—	—	—	—	—	226	—
Other	0900	15	—	—	—	—	—	—	—	15	7
Total By Customer Type	2600	10 098	832	3 981	1 791	567	259	1 531	5 384	24 443	11 474

Chart C4 2011/12 Creditors' age analysis



Supporting Table SC5 Mid-Year Assessment - investment portfolio

Investments by maturity	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning	Change in market value	Market value at end of the
Name of institution & investment ID	Yrs/Months							
R thousands								
Municipality								
Sanlam 870/870/0880	1 month	Money market		—	0.0%	2 000	—	2 000
Sanlam 870/870/0881	1 month	Money market		—	0.0%	316	—	316
Sanlam 870/870/0882	1 month	Money market		—	0.0%	37	—	37
Absa 870/870/0883	1 month	Money market		—	0.0%	142	—	142
Sanlam 870/870/0884	1 month	Fund share		—	0.0%	—	—	—
Old-Mutual 870/870/0885	1 month	Money market		—	0.0%	358	(229)	129
TOTAL INVESTMENTS AND INTEREST				—		2 853	(229)	2 624

Supporting Table SC5 Mid-Year Assessment - Loans portfolio

Loan Bond	Muni Loan Ref No/ Bond Code	Start Date	Planned End Date	Purpose	Institution	Type of Interest	Timing of Interest Payment	Interest Paid this Qrt	Balance at Begin of Qrt	Debt Repaid or Redeemed this Qrt	Additional Principal Accrued this Qrt	Balance at End of Qrt
L	10719/101	1998/10/01	2018/09/30	Provision of Infrastructure	DBSA	Variable	Semi-annually	280 566	4 304 605	177 567	-	4 127 038
L	10916/303	1998/04/01	2018/03/21	Provision of Infrastructure	DBSA	Variable	Semi-annually	13 900	184 826	7 888	-	176 938
L	13523/101	1998/04/01	2018/03/31	Other	DBSA	Variable	Semi-annually	9 524	274 500	15 250	-	259 250
L	10916/203	1998/04/01	2018/03/31	Other	DBSA	Variable	Semi-annually	14 610	194 270	8 292	-	185 978
L	12945/101	1995/07/01	2015/06/30	Other	DBSA	Variable	Semi-annually	546	885 501		-	885 501
L	10916/103	1998/04/01	2018/03/31	Combination	DBSA	Variable	Semi-annually	31 615	420 385	17 942	-	402 443
L	12386/101	1993/01/01	2012/12/31	Other	DBSA	Variable	Semi-annually	539	392 432	-	-	392 432
L	12391/5&6&7	1993/01/01	2012/12/31	Other	DBSA	Variable	Semi-annually	87	63 541	-	-	63 541
L	101958/1	2006/07/01	2016/06/30	Provision of Infrastructure	DBSA	Variable	Semi-annually	266	1 731 733	-		1 731 733
TOTAL								351 653	8 451 793	226 939	-	8 224 854

Supporting Table SC6 Mid-Year Assessment - transfers and grant receipts

Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
RECEIPTS:							
Operating Transfers and Grants							
National Government:	50 546	55 385	41 811	41 811	-		55 385
Equitable share	48 296	53 095	39 521	39 521	-	0.0%	53 095
Finance Management grant	1 500	1 500	1 500	1 500			1 500
Municipal Systems Improvement	750	790	790	790			790
Provincial Government:	152	241	116	100	16	15.5%	241
LG SETA	152	241	116	100	16	15.5%	241
District Municipality:	474	1 014	291	423	(132)	-31.1%	1 014
Fire subsidy	474	1 014	291	423	(132)	-31.1%	1 014
Other grant providers:	-	-	-	-	-		-
Total Operating Transfers and Grants	51 172	56 640	42 218	42 334	(116)	-0.3%	56 640
Capital Transfers and Grants							
National Government:	28 892	34 750	12 579	14 479	(1 900)	-13.1%	34 750
Municipal Infrastructure Grant (MIG)	28 892	34 750	12 579	14 479	(1 900)	-13.1%	34 750
Provincial Government:	-	-	-	-	-		-
District Municipality:	-	-	-	-	-		-
Other grant providers:	5 000	1 600	1 600	667	933	140.0%	1 600
Department of Mines and Energy	5 000	1 600	1 600	667	933	140.0%	1 600
Total Capital Transfers and Grants	33 892	36 350	14 179	15 146	(967)	-6.4%	36 350
TOTAL RECEIPTS OF TRANSFERS & GRANTS	85 064	92 990	56 397	57 480	(1 083)	-1.9%	92 990

Supporting Table SC7 Mid-Year Assessment - transfers and grant expenditure

Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
EXPENDITURE							
Operating expenditure of Transfers and Grants							
National Government:	50 546	55 385	39 664	27 693	11 972	43.2%	55 385
Equitable share	48 296	53 095	39 521	26 548	12 974	48.9%	53 095
Finance Management grant	1 500	790	95	395	(300)	-75.9%	790
Municipal Systems Improvement	750	1 500	48	750	(702)	-93.6%	1 500
Provincial Government:	164	241	116	121	(5)	-3.7%	241
LG SETA	164	241	116	121	(5)	-3.7%	241
District Municipality:	953	1 014	291	507	(216)	-42.6%	1 014
Fire subsidy	953	1 014	291	507	(216)	-42.6%	1 014
Other grant providers:	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:	51 663	56 640	40 071	28 320	11 751	41.5%	56 640
Capital expenditure of Transfers and Grants							
National Government:	26 408	34 750	6 368	17 375	(11 007)	-63.3%	34 750
Municipal Infrastructure Grant (MIG)	26 408	34 750	6 368	17 375	(11 007)	-63.3%	34 750
Provincial Government:	-	-	-	-	-		-
District Municipality:	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	26 408	34 750	6 368	17 375	(11 007)	-63.3%	34 750
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	78 071	91 390	46 439	45 695	744	1.6%	91 390

Supporting Table SC8 Mid-Year Assessment - councillor and staff benefits

Summary of Employee and Councillor remuneration	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands						%	
Councillors (Political Office Bearers plus Other)							
Salary	6 045	3 218	2 425	1 609	816	51%	4 849
Cell phone and other allowances	29	1 582	650	791			1 301
Sub Total - Councillors	6 074	4 800	3 075	2 400	675	28%	6 150
% increase		-21.0%					1.3%
Senior Managers of the Municipality							
Salary	5 686	3 284	2 446	1 642	804	49%	4 891
Other benefits or allowances	1 180	2 065	240	1 033	(793)	-77%	479
Sub Total - Senior Managers of Municipality	6 865	5 349	2 685	2 675	11	0%	5 371
% increase		-22.1%					-21.8%
Other Municipal Staff							
Basic Salaries and Wages	35 698	40 343	19 917	20 172	(254)	-1%	39 835
Pension Contributions	7 938	8 713	3 531	4 357	(825)	-19%	7 062
Medical Aid Contributions	2 071	1 974	1 047	987	60	6%	2 093
Motor vehicle and cell phone	2 821	4 379	1 773	2 190	(416)	-19%	3 546
Housing allowance	84	47	41	24	18	75%	82
Overtime	3 495	1 422	1 755	711	1 044	147%	3 510
Other benefits or allowances	1 889	5 879	746	2 940	(2 194)	-75%	1 492
Sub Total - Other Municipal Staff	53 995	62 757	28 810	31 379	(2 568)	-8%	57 620
% increase		16.2%					6.7%
Total Municipality	66 934	72 906	34 570	36 453	(1 883)	-5%	69 141
		8.9%					3.3%
TOTAL SALARY, ALLOWANCES & BENEFITS	66 934	72 906	34 570	36 453	(1 883)	-5%	69 141
% increase		8.9%					3.3%
TOTAL MANAGERS AND STAFF	60 860	68 106	31 495	34 053			62 991

Supporting Table SC12 Mid-Year Assessment - capital expenditure trend

Month	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands						%	
Monthly expenditure performance trend							
July	811	5 063	187	5 063	4 876	96.3%	0%
August	180	5 007	1 994	10 070	8 076	80.2%	3%
September	4 143	6 373	3 391	16 443	13 052	79.4%	6%
October	2 639	8 073	3 506	24 516	21 010	85.7%	6%
November	5 701	6 120	8 486	30 636	22 150	72.3%	15%
December	5 226	8 520	14 914	39 156	24 242	61.9%	26%
January	379	4 545		43 701	-		
February	2 650	2 675		46 376	-		
March	5 894	3 345		49 721	-		
April	121	3 470		53 191	-		
May	-	1 332		54 523	-		
June	9 579	3 450		57 973	-		
Total Capital expenditure	37 323	57 973					

Supporting Table SC13a Mid-Year Assessment - capital expenditure by asset class

Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure	34 764	44 500	8 418	26 507	18 089	68.2%	56 249
Infrastructure - Road transport	28 028	–	5 874	–	(5 874)	0.0%	11 749
Roads, Pavements & Bridges	28 028	–	5 874	–	(5 874)	0.0%	11 749
Infrastructure - Electricity	6 225	4 800	2 544	3 600	1 057	29.3%	4 800
Street Lighting	6 225	4 800	2 544	3 600	1 057	29.3%	4 800
Infrastructure - Water	510	2 350	–	3 529	3 529	100.0%	2 350
Water purification	510	2 350	–	3 529	3 529	100.0%	2 350
Infrastructure - Sanitation	–	37 350	–	19 378	19 378	100.0%	37 350
Sewerage purification	–	37 350	–	19 378	19 378	100.0%	37 350
Infrastructure - Other	–	–	–	–	–	–	–
Community	–	4 500	2 155	2 125	(30)	-1.4%	4 500
Cemeteries	–	4 500	2 155	2 125	(30)	-1.4%	4 500
Heritage assets	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–
Other assets	1 238	8 973	4 341	9 325	4 984	53.4%	10 666
General vehicles	193	3 950	768	1 720	952	55.3%	3 950
Plant & equipment	131	2 416	868	909	40	4.5%	2 416
Computers - hardware/equipment	614	1 375	2 701	956	(1 745)	-182.5%	3 068
Furniture and other office equipment	299	232	3	4 760	4 757	99.9%	232
Civic Land and Buildings	–	1 000	–	980	980	100.0%	1 000
Agricultural assets	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	36 002	57 973	14 914	37 956	23 042	60.7%	71 415

Supporting Table SC13c Mid-Year Assessment - expenditure on repairs and maintenance by asset class

Description	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Repairs and maintenance expenditure by Asset Class/Sub-class							
Infrastructure	11 336	14 794	3 390	7 397	4 007	54.2%	6 781
Infrastructure - Road transport	3 363	7 608	345	3 804	3 459	90.9%	690
Storm water	3 363	7 608	345	3 804	3 459	90.9%	690
Infrastructure - Electricity	1 651	1 323	335	662	326	49.3%	670
Street Lighting	1 651	1 323	335	662	326	49.3%	670
Infrastructure - Water	3 651	3 828	1 503	1 914	411	21.5%	3 006
Reticulation	3 651	3 828	1 503	1 914	411	21.5%	3 006
Infrastructure - Sanitation	2 671	2 035	1 207	1 018	(190)	-18.6%	2 414
Sewerage purification	2 671	2 035	1 207	1 018	(190)	-18.6%	2 414
Infrastructure - Other	–	–	–	–	–	–	–
Community	1 821	–	141	–	(141)	0.0%	282
Sportsfields & stadia	1 821	–	141	–	(141)	0.0%	282
Heritage assets	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–
Other assets	126	1 174	5	587	582	99.2%	10
Plant & equipment	117	755	5	378	373	98.7%	10
Computers - hardware/equipment	8	301	–	151	151	100.0%	–
Furniture and other office equipment	–	118	–	59	59	100.0%	–
Agricultural assets	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	13 283	15 968	3 536	7 984	4 448	55.7%	7 072

Quality certificate

I, TSR. Nkumise, the municipal manager of Thabazimbi Local Municipality, hereby certify that the Mid-Year Budget and Performance Assessment for the period ended 31 December 2011 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Theetse. Roger Nkumise

Municipal manager of Thabazimbi Local Municipality (NP361)

Signature.....

Date.....

Performance against indicators and targets set

The Thabazimbi Local Municipality's service standards, which are set in consultation with managers of various departments, can be measured against the following actual results:

Measurable Objectives	Programme	Outputs performance measures/ service delivery indicator	Actual Performance against target	
			Target	Actual
MUNICIPAL MANAGER'S OFFICE				
Local Economic Development	Local Economic Development	Number strategic economic partnerships established (DBSA, CSIR, DEDET, TUKS, WDM, ARC) y.t.d.	2	2
Good Governance and Public Participation	Administration and Governance support	Average percentage of management decisions implemented (Number of management decisions implemented / Number of management decisions taken as Percentage)	100%	100%
Good Governance and Public Participation	Administration and Governance support	Percentage council resolutions implemented within timeframes	100%	100%
Good Governance and Public Participation	Auditing	Unqualified AG report	100%	100%
Good Governance and Public Participation	Auditing	Percentage issues raised in last AG report addressed	20%	20%
Municipal Financial Viability	Financial Management and Reporting	Percentage personnel costs (r-value salaries budget including benefits / R-value total operating budget	40%	40%
Municipal Financial	Financial Management and	Average percentage variance between capital	10%	N/A

Viability	Reporting	budget projections and actual expenditure (year to date)		
Municipal Financial Viability	Financial Management and Reporting	Average percentage variance between operational budget projections and actual expenditure (year to date)	10%	32%
Municipal Financial Viability	Financial Reporting	Number of MFMA S46 annual reports submitted to Council	Not applicable this quarter	Not applicable this quarter
Municipal Transformation and Organisational Development	Human Resource Management	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	16 (16 out of 17 positions on first 3 levels are from employment equity target group, i.e. black people, women and disabled	16 (16 out of 17 positions on first 3 levels are from employment equity target group, i.e. black people, women and disabled
Municipal Transformation and Organisational Development	Human Resource Management	Percentage of critical budgeted vacancies filled with suitable qualified candidates	100%	100%
Municipal Transformation and	Skills Development and Training	Percentage municipality's (operational) budget	Not applicable this quarter	Not applicable this quarter

Organisational Development		actually spent on implementing the workplace skills plan		
Service Delivery and Infrastructure	Indigent	Percentage of registered indigents provided with free basic services	100%	100%
Spatial Rationale	Integrated Development Planning	IDP Budget and PMS process plan adopted by Council by end August	Not applicable this quarter	Not applicable this quarter
Spatial Rationale	Integrated Development Planning	Final IDP document adopted by end May	Not applicable this quarter	Not applicable this quarter
Spatial Rationale	Integrated Development Planning	Draft IDP document tabled to Council by 31 March	Not applicable this quarter	Not applicable this quarter
Spatial Rationale	Integrated Development Planning	Number required sector plans updated in IDP	Not applicable this quarter	Not applicable this quarter
Spatial Rationale	Organisational Performance Management	Number of quarterly performance reports submitted on time y.t.d	2	2
BUDGET AND TREASURY				
Good Governance and Public Participation	Administration and Governance support	Percentage management decisions related to department implemented within timeframes (Number decisions implemented / Number management	100%	100%

		decisions taken as Percentage)		
Good Governance and Public Participation	Administration and Governance support	Percentage council resolutions related to department implemented within timeframes	100%	100%
Good Governance and Public Participation	Administration and Governance support	Percentage council resolutions related to department implemented within timeframes	100%	100%
Good Governance and Public Participation	Auditing	Percentage issues related to department raised in last AG report addressed	20%	0%
Good Governance and Public Participation	Auditing	Percentage of risks related to department identified during risk base audit plan addressed year to date	50%	50%
Municipal Financial Viability	Asset Management	Percentage Financial reporting on asset register management within time frame	100%	100%
Municipal Financial Viability	Asset Management	Percentage Allocation of premiums to votes by 30 Sept every year	Not applicable this quarter	Not applicable this quarter
Municipal Financial Viability	Asset Management	Percentage of claims received submitted to insurance broker within 7 days from receipt of all	100%	100%

		relevant documents		
Municipal Financial Viability	Asset Management	Number of monthly meetings held with insurance broker y.t.d.	6	6
Municipal Financial Viability	Asset Management	Number claims submitted to broker / total Number claims received as Percentage	100%	100%
Municipal Financial Viability	Financial Management and Reporting	Percentage Statutory payments made within prescribed timeframes	100%	75%
Municipal Financial Viability	Financial Management and Reporting	Percentage of Creditors paid within 30 days	100%	45%
Municipal Financial Viability	Financial Management and Reporting	Percentage of salary transfers within determined time frames	100%	100%
Municipal Financial Viability	Financial Management and Reporting	Percentage variance between operational budget projections and actual revenue related to department (year to date)	10%	24%
Municipal Financial Viability	Financial Management and Reporting	Percentage variance between operational budget projections and actual expenditure related to department (year to	10%	17%

		date)		
Municipal Financial Viability	Financial Management and Reporting	Financial statements for FY submitted to the Auditor- General by 31 August (as per MFMA)	Not applicable this quarter	Not applicable this quarter
Municipal Financial Viability	Financial Management and Reporting	Auditor-General audited financial statements for previous FY	100%	100%
Municipal Financial Viability	Financial Management and Reporting	Number of monthly financial statements (S71) submitted y.t.d.	6	6
Municipal Financial Viability	Financial Management and Reporting	Number S71 reports submitted by 10th of each month y.t.d.	6	6
Municipal Financial Viability	Financial Management and Reporting	Number S52d Quarterly Budget Monitoring reports submitted on time y.t.d.	2	2
Municipal Financial Viability	Financial Management and Reporting	Number of MFMA S66(salaries) reports submitted y.t.d.	2	2
Municipal Financial Viability	Financial Management and Reporting	Number of Monthly Finance Management Grant reports submitted by 10th each month y.t.d.	6	6
Municipal Financial	Financial Management and	Number of quarterly SCM reports submitted to	2	2

Viability	Reporting	council and national treasury on time y.t.d.		
Municipal Financial Viability	Financial Management and Reporting	Number of monthly SCM reports submitted to council and national treasury on time	6	6
Municipal Financial Viability	Financial Management and Reporting	Total Number of monthly cash reconciliation reports done y.t.d.	6	6
Municipal Financial Viability	Financial Management and Reporting	Number of SCM reports submitted to council and national treasury y.t.d.	2	2
Municipal Financial Viability	Revenue Management	Percentage revenue generated through services (R-value revenue from services / R-value total revenue)	13%	14%
Municipal Financial Viability	Revenue Management	R-value bill revenue / Rvalue bill revenue actually received as Percentage	65%	100%
Municipal Financial Viability	Revenue Management	Percentage MIG funding received and spent	100%	100%
Municipal Financial Viability	Revenue Management	Percentage of daily cash banking (R-value cash banked daily / R-value cash received daily as	100%	100%

		Percentage)		
Municipal Financial Viability	Revenue Management	Percentage deposits allocated to correct account	100%	75%
Municipal Financial Viability	Revenue Management	Average Percentage payment rate for municipal area	65%	100%
Municipal Financial Viability	Financial Management and Reporting	Number of SCM reports submitted to council and national treasury y.t.d.	2	2
Service Delivery and Infrastructure	Project Management	Percentage projects completed on time per department	100%	80%
Spatial Rationale	Organisational Performance Management	Number of Quarterly departmental performance reports completed within 10 working days of end of previous quarter y.t.d.	2	2
Spatial Rationale	Organisational Performance Management	Total Number monthly departmental reports submitted y.t.d	6	6
GOOD GOVERNANCE AND FINANCIAL				
Financial Viability	Enhance financial viability	Expenditure variance as % of YTD Budget	10% expenditure variance	50%
Good Governance	To comply with risk management regulations	% of risks identified during risk base audit plan addressed	Address 20% of identified risks	70% of the risks are being addressed on an ongoing basis.

Good Governance	To implement Departmental resolutions timeously and effectively	% departmental meeting resolutions implemented	100% departmental resolutions implemented	100% departmental resolutions were implemented.
Good Governance	To implement management decisions timeously and effectively	% management decisions related to PED department implemented	100% management decisions related to PED department implemented	100% management decisions related to PED department were implemented
Good Governance	To implement council resolutions timeously and effectively	% council resolutions related to PED department implemented	100% Council resolutions related to PED department implemented	100% Council resolutions related to PED department were implemented
SPATIAL PLANNING				
Transformation and organisationa development	To evaluate performance of the Department	# of quarterly departmental performance reports completed within one week of end of quarter	NEW	2 report submitted
Transformation and organisationa development	To evaluate performance of the Department	# of monthly departmental reports submitted	NEW	6 dept reports submitted
Basic Services	To ensure timeous commencement of projects	% projects started on time	NEW	100% of the projects started on time. They are 7 in total. These are 5 for spatial planning : Northam Development Plan, Thabazimbi ext 58, Apiesdoring, Regorogile ext

				6&7 and Regorogile erf 490. The 2 LED projects are Thabazimbi Market Stalls and Municipal Brand Image.
Basic Services	To ensure timeous completion of projects	% projects completed on time	NEW	Not applicable this quarter
Basic Services	To ensure that projects are completed within budget	% projects completed within budget	NEW	Not applicable this quarter
Basic Services	To ensure that projects are completed within the set specifications	% projects completed that achieved specifications of the project	NEW	Not applicable this quarter
Spatial Development	To comply on the provision of information to the relevant sectors.	Monthly submission of building statistics reports to STATSSA.	NEW	6 reports were submitted to STATSSA
Spatial Development	To ensure that the building developments comply with the National Building Regulation	% building plans processed/ building plans received	NEW	67 building plans were received, and all (100%) were processed.
Spatial Development	To ensure that the building developments comply with the National Building Regulation	% building inspections conducted.	NEW	38 building inspections were requested, and they were all (100%) conducted.
Spatial Development	To ensure that the land/site developments are in line with the SDF and land use	% site applications processed/ applications received	NEW	5 site applications were received, and 2 (40%) were

	legislation			processed.
Spatial Development	To ensure that proper building procedures are adhered to.	% illegal Structures attended to / illegal structures identified	NEW	16 illegal structures were identified, and all (100%) were attended to.
Spatial Development	To comply with the development & land use legislation	Township Establishment : Apiesdoring (Provincial Hospital Site)	NEW	The process for appointing Land Surveyor is not yet completed.
Spatial Development	To comply with the development & land use legislation	Township Establishment : Rosseauspoort (Regorogile Ext 10)	NEW	The draft layout plan is in place and will be submitted to Council for approval.
Spatial Development	To comply with the development & land use legislation	Township Establishment : Portion 144 Doornhoek 318 KQ Thabazimbi Ext 58 (Civic Centre site)	NEW	The Land Surveyor has been appointed.
Spatial Development	To comply with the development & land use legislation	Subdivision & Rezoning : Erf 490 Regorogile (Regorogile Taxi Rank site)	NEW	The Land Surveyor has been appointed.
Spatial Development	To comply with the development & land use legislation	Rezoning - Business to Residential Erven : Regorogile (Behind Council Building)	NEW	Conditions of Establishment are in place.
Spatial Development	To obtain development guidelines for neighbourhoods and properties within the Northam urban edge.	Development Plan for Northam Area	NEW	The service provider has been appointed
Spatial Development	To comply with the development & land use	Amendment to the general plan : Regorogile	NEW	The Land Surveyor has been

	legislation	Ext 6 & 7		appointed.
LOCAL ECONOMIC DEVELOPMENT				
Local Economic Development	To establish strategic partnerships	# of strategic partnerships established. The partnerships are geared towards achieving the LED targets set within the municipal SDBIP.	1 partnership	The partnerships were established during the previous quarter.
Local Economic Development	To ensure investment development within the municipal area	# of investment initiatives/applications approved by Council. The initiative should be capable of creating bulk job opportunities.	1 investment initiative/application approved by Council	3 investment applications have been approved by Council. They are Beneficiation Plant for Chrome which has a potential of employing more than 250 employees of different skills and levels, Kwa Motswere eco estate with an allocation of 300 sites for rural residential, and Farm De Put with 25 industrial 3 stands.
Local Economic Development	To reduce the unemployment rate by 20%	# of job opportunities created through municipal initiatives. The job opportunities should be sustainable.	10 Jobs created by Municipal initiatives	24 permanent jobs have been created, and 155 temporary jobs created.

					The total jobs created is 179.
Local Economic Development	To reduce the unemployment rate by 20%	# of sustainable jobs opportunities created by different sectors throughout the municipal area.	250 Jobs created by sectors (public & private)		327 Jobs have been created by sectors (public & private)
Local Economic Development	Ensure that the LED Clusters are functional	# of meetings held with 4 LED Clusters (mining, agric, tourism & SMMEs)	1 meeting for each of the 4 clusters.		1 meeting was held for each of the 4 clusters.
Local Economic Development	Ensure capacity building for SMMEs	# of accredited SMMEs trainings per annum.	Facilitate one training session.		2 trainings from TLM, 2 from LIBSA, and 1 from Dept. of Health & Social Dev. Of these trainings, 3 of them are accredited.
Local Economic Development	To market the tourism attraction areas found in Thabazimbi Municipality	# of tourism exhibitions held per annum	One tourism exhibition held.		Achieved during first quarter.
Local Economic Development	To create a central point for tourism information and its marketing	Development of the Tourism Information Centre	Approval of access road by SANRAL		The road is not yet approved.
Local Economic Development	To develop the Municipality's Brand Image	Development of the Municipal Brand Image	Appoint service provider		The process for appointing the service provider is not yet completed.
Local Economic Development	To ensure that the community is aware of the tourism potential and benefits existing within the	# of tourism awareness campaigns held per annum	Source for funding		No funding accessed yet.

	municipal area			
Local Economic Development	To maintain the Municipal Game Farm	Well maintained Farm	Annual game selling	Annual game selling has not been finalised.
Local Economic Development	To determine the number of animals within the municipal game farm	# of animals available within the municipal game farm	Completed	Completed
Local Economic Development	To support farming for animal feed production	# of emerging farmers engaging in animal feed production	Audit of farmers engaged in animal feed production	The audit is completed, and 2 emerging farmers are able to engage in animal feed production.
Local Economic Development	To support farming for red meat / cattle production	# of emerging farmers engaged in red meat/cattle production to benefit from Nguni programme	Identify emerging cattle farmers and those with unused land	2 cattle farmers with unused land have been identified for Nguni programme.
Local Economic Development	To assist emerging farmers having game farms, to manage such farms.	# of emerging farmers engaged in game farming, to be capacitated and mentored for managing their farms.	Engage the farmers for the possibility of running the game farms on their own.	2 farms, for Baphalane-ba-Ramokoka and Dilokwaneng communities have been engaged and further discussions are in progress.
Local Economic Development	To develop the goat farming within the municipal area	# of emerging farmers with land for farming, to be assisted with funding applications for goat production farming	Identify emerging farmers with land for goat farming	2 farmers have been engaged and identified for goat production.

Local Economic Development	To secure funding for the SMMEs	# of SMMEs accessed funding	Identify the SMMEs and facilitate development of their business plans.	3 SMMEs have been identified and development of their business plans is in progress.
Local Economic Development	To provide suitable trading facilities for the hawkers	Provision of market stalls in Northam	Construction	Construction has been completed. The occupation readiness of the stalls is at 98%.
Local Economic Development	To provide suitable trading facilities for the hawkers	Provision of market stalls in Thabazimbi	Appoint service provider	The service provider is not yet appointed.
TECHNICAL SERVICES				
Good Governance and Public Participation	Administration and Governance support	Percentage departmental meeting resolutions implemented within timeframes	100%	100%
Good Governance and Public Participation	Administration and Governance support	Percentage management decisions related to department implemented within timeframes (Number decisions implemented / Number management decisions taken as Percentage	100%	100%
Good Governance and Public	Administration and Governance	Percentage council resolutions related to	100%	100%

Participation	support	department implemented within timeframes		
Good Governance and Public Participation	Auditing	Percentage issues related to department raised in last AG report addressed	Not applicable this quarter	20%
Good Governance and Public Participation	Auditing	Percentage of risks related to department identified during risk base audit plan addressed year to date	50%	50%
Municipal Financial Viability	Financial Management and Reporting	Percentage variance between operational budget projections and actual expenditure related to department (year to date)	10%	12%
Municipal Financial Viability	Financial Management and Reporting	Percentage variance between capital budget projections and actual expenditure related to department (year to date)	10%	70%
Municipal Transformation and Organisational Development	Human Resource Management	Percentage of OHS committee recommendations implemented within set timeframes	90%	0%
Service Delivery and Infrastructure	Environmental Management	Percentage water samples from water treatment works complying to SANS	100%	100%

			standards		
Service and Infrastructure	Delivery	Environmental Management	Percentage referred water - borne cases investigated by EHP's within 2 days	100%	100%
Service and Infrastructure	Delivery	Water Services	Percentage water pipe leaks /pipe breaks fixed within 48 hours of reporting	100%	100%
Service and Infrastructure	Delivery	Water Services	Percentage of hydrants serviced per annum y.t.d.	50%	50%
Service and Infrastructure	Delivery	Water Services	Percentage water related enquiries attended to within 24-hours	100%	100%
Service and Infrastructure	Delivery	Water Services	Percentage pump stations serviced per month	100%	70%
Service and Infrastructure	Delivery	Roads and Storm water	Percentage of potholes reported by the community fixed within 2-days	100%	
Service and Infrastructure	Delivery	Roads and Storm water	Km of road provided with new storm water measures y.t.d	1	1
Service and Infrastructure	Delivery	Roads and Storm water	Km of gravel roads paved y.t.d.	7	7
Service and Infrastructure	Delivery	Sanitation Services	Percentage of new sewer	100%	100%

Infrastructure			connections provided within 7 working days from application		
Service and Infrastructure	Delivery	Sanitation Services	Percentage sewer disposal works monitored for compliance monthly	100%	100%
Service and Infrastructure	Delivery	Sanitation Services	Percentage reported Sewer blockages attended to within 48 hours	100%	100%
Service and Infrastructure	Delivery	Sanitation Services	Percentage of affluent generated, purified	100%	100%
Service and Infrastructure	Delivery	Sanitation Services	Percentage of new water connections provided within 7 days of application	100%	100%
Service and Infrastructure	Delivery	Project Management	Percentage projects competed on time per department	90%	70%
Service and Infrastructure	Delivery	Project Management	Percentage projects competed within budget per department	90%	70%
Service and Infrastructure	Delivery	Electricity	Number of new high mast lights installed y.t.d.	7	0
Service and Infrastructure	Delivery	Electricity	Number of prepaid system conversions from Cash power System to	906	453

		Smart Metering y.t.d		
Service Delivery and Infrastructure	Electricity	Number of new households electrified y.t.d	758	100
Local Economic Development	Local Economic Development	Percentage infrastructure projects that are EPWP	100%	100%
Spatial Rationale	Organisational Performance Management	Number of Quarterly departmental performance reports completed within 10 working days of end of previous quarter y.t.d	2	2
Spatial Rationale	Organisational Performance Management	Total Number monthly departmental reports submitted	6	6
CORPORATE SERVICES				
Good Governance and Public Participation	Information and Communication Technology	Percentage MFMA required website update submitted to SITA on quarterly basis	100%	100%
Good Governance and Public Participation	Public Participation and Ward Committees	Percentage functional ward committees	100%	90%
Good Governance and Public Participation	Administration and Governance support	Percentage departmental meeting resolutions implemented within timeframes	100%	100%
Good Governance and Public	Administration and Governance	Percentage management decisions related to	100%	85%

Participation	support	department implemented within timeframes (Number decisions implemented / Number management decisions taken as Percentage		
Good Governance and Public Participation	Administration and Governance support	Percentage council resolutions related to department implemented within timeframes	100%	85%
Good Governance and Public Participation	Administration and Governance support	Percentage of Council Agenda packets available 48 hours before Council meetings within 7 days	100%	100%
Good Governance and Public Participation	Administration and Governance support	Percentage Council Minutes completed within 5 working days after meetings	85%	100%
Good Governance and Public Participation	Auditing	Percentage issues related to department raised in last AG report addressed	20%	10%
Good Governance and Public Participation	Auditing	Percentage of risks related to department identified during risk base audit plan addressed year to date	50%	50%
Good Governance and Public	Fleet Management	Percentage compliance to service intervals of fleet vehicles	100%	100%

Participation				
Good Governance and Public Participation	Legal Services	Percentage briefs on new legislation and regulations compiled within 2 weeks of publication of new legislation and regulations (Number briefs on new legislation and regulations compiled within 2 weeks of publication of new legislation and regulations / Number publication of new legislation and regulations received	100%	100%
Good Governance and Public Participation	Legal Services	Number of disciplinary cases resolved within 3 months / total Number of disciplinary cases as Percentage	100%	100%
Good Governance and Public Participation	Legal Services	Percentage of employee grievances finalised within 1 month of grievance lodged	100%	100%
Good Governance and Public Participation	Legal Services	Number of cases addressed / number of people who violated code of conduct	100%	100%

		as Percentage		
Good Governance and Public Participation	Policies and By- laws	Number by laws submitted to province for promulgation y.t.d.	4	4
Good Governance and Public Participation	Policies and By- laws	Number policies reviewed y.t.d.	10	10
Municipal Financial Viability	Financial Management and Reporting	Percentage variance between capital budget projections and actual expenditure related to department (year to date	10%	24%
Municipal Financial Viability	Financial Management and Reporting	Percentage variance between operational budget projections and actual expenditure related to department (year to date	10%	54%
Municipal Transformation and Organisational Development	Human Resource Management	Percentage job descriptions for new posts	20	20
Municipal Transformation and Organisational Development	Human Resource Management	Percentage job Descriptions signed for all staff	100%	80%

Municipal Transformation and Organisational Development	Human Resource Management	Percentage of EAP cases successfully attended to	100%	100%
Municipal Transformation and Organisational Development	Human Resource Management	Number of EAP awareness campaigns conducted	6	6
Municipal Transformation and Organisational Development	Skills Development and Training	Percentage employees trained per annum y.t.d.	10%	24%
Municipal Transformation and Organisational Development	Skills Development and Training	Percentage training budget spent	50%	40%
Service Delivery and Infrastructure	Project Management	Percentage projects completed on time per department	100%	100%
Service Delivery and Infrastructure	Project Management	Percentage projects completed on time per department	100%	100%
Spatial Rationale	Organisational Performance Management	Number of Quarterly departmental performance reports completed within	2	2

		10 working days of end of previous quarter y.t.d.		
Spatial Rationale	Organisational Performance Management	Total Number monthly departmental reports submitted	6	6
COMMUNITY AND SOCIAL SERVICES				
Good Governance and Public Participation	Administration and Governance support	Percentage departmental meeting resolutions implemented within timeframes	100%	100%
Good Governance and Public Participation	Administration and Governance support	Percentage management decisions related to department implemented within timeframes (Number decisions implemented / Number management decisions taken as Percentage	100%	100%
Good Governance and Public Participation	Administration and Governance support	Percentage council resolutions related to department implemented within timeframes	100%	100%
Good Governance and Public Participation	Auditing	Percentage issues related to department raised in last AG report addressed	20%	20%
Good Governance and Public	Auditing	Percentage of risks related to department identified	50%	30%

Participation		during risk base audit plan addressed year to date		
Municipal Financial Viability	Financial Management and Reporting	Percentage variance between operational budget projections and actual expenditure related to department (year to date)	10%	5%
Municipal Financial Viability	Financial Management and Reporting	Percentage variance between capital budget projections and actual expenditure related to department (year to date)	10%	59%
Service Delivery and Infrastructure	Fire Services	Number Fire Prevention Inspections conducted p.a. (y.t.d)	10	10
Service Delivery and Infrastructure	Fire Services	Number Fire Protection Association meetings held p.a. (y.t.d)	6	6
Service Delivery and Infrastructure	Fire Services	Percentage emergency incidents arrived at within 60 minutes from dispatch	50%	50%
Service Delivery and Infrastructure	Libraries	Percentage issues raised by library users addressed	100	100
Service Delivery and Infrastructure	Sports and recreation	Number of sports, arts and culture events arranged y.t.d.	1	0
Service Delivery	Traffic	Percentage emergency	50	50

and Infrastructure	Management	incidents reached within 1 Hour of reporting		
Service Delivery and Infrastructure	Traffic Management	Rand value received for fines issued / R value of fines issued (Percentage)	25	25
Service Delivery and Infrastructure	Waste Management	Percentage of by law infringements cases related to solid waste removal attended to within 2 weeks of discovery	100%	50%
Service Delivery and Infrastructure	Cemeteries	Number cemeteries with amenities / total Number cemeteries as Percentage	Not applicable this quarter	Not applicable this quarter
Service Delivery and Infrastructure	Cemeteries	Percentage cemeteries maintained monthly	100%	100%
Service Delivery and Infrastructure	Housing	Number of housing meeting attended with developers	6	2
Service Delivery and Infrastructure	Housing	Percentage of the housing demand database updated on quarterly basis	100%	100%
Service Delivery and Infrastructure	Project Management	Percentage projects completed on time per department	100%	80%
Service Delivery and Infrastructure	Project Management	Number of inspections of SAC facilities held y.t.d.	48	0

Spatial Rationale	Organisational Performance Management	Number of Quarterly departmental performance reports completed within 10 working days of end of previous quarter y.t.d.	2	2
Spatial Rationale	Organisational Performance Management	Total Number monthly departmental reports submitted y.t.d.	6	6

PROGRESS ON 2010/11 ANNUAL REPORT

Objective	Indicator	Target 2010/11	Challenges	Status to date
SPATIAL PLANNING AND ECONOMIC DEVELOPMENT				
Management of illegal structures	Number of illegal structures identified and attended to	Address 60% of identified illegal structures	Human resources constraints	New positions were budgeted for in 2011/12 budget year; however cash flow constraints may still hamper the appointments resulting in further delays to next budget year.
SDF implementation	All land-use developments to be in line with the SDF	All land-use developments to be in line with the SDF	Possibility of losing some potential investors that do not comply with development direction.	The SDF is properly explained to investors and this eliminates unnecessary challenges.
Northam Ex 7 Township proclamation	Proclaimed Township	Project completed	The challenge is the title deed that has to be transferred to the municipality by the Broad Bush company	The Title Deed has now been transferred to the municipality
Appiesdoring and Rosseaport Township establishment	Proclaimed township	Develop Map 3s	RAL and SANRAL comments took longer than expected	A new layout has been developed
Formalisation of Jabulani informal settlement	Proclaimed township	Sourced funds for township proclamation	Unavailability of land and lack of funds to procure the required land	Still sourcing funds
Integrated human settlement	Municipal land available for IHS in Northam and Thabazimbi	Project completed	Unavailability of the land required	Potential land has been identified

Development of open space framework	Report on open space framework	Propose new zoning for the vacant land and identify amendment processes.	Unavailability of the land required	Potential land has been identified
Land audit for residential development	Report on vacant land within the residential settlements in Regorogile, Northam and Thabazimbi	Draft report on land audit	Financial constraints and lack of land	Potential land has been identified
Develop tourism information centre	A tourism information centre in place	Construction work commenced	The DMR takes long to approve the earmarked land	Follow-ups are being made regularly

BASIC SERVICE DELIVERY

Objective	Indicator	Target	Challenges	Status to date
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Vote: Technical Services				
Construct Raphuti sewer and water reticulation	To supply 100 households with water reticulation	50 households connected to the sewer and water reticulation system	None payment of service providers	The municipality is cash strapped and payments are still slow hence slowing down the progress rate
Regorogile and Appiesdoring electrification of informal settlements	Electrified informal households	423 households electrified	202 more informal house emerged	Additional budget being sought to accommodate the additional number of informal households
Maintenance of electrical infrastructure	Functional infrastructure	100% functional electrical infrastructure	Cash flow constraints	Still a challenge as cash is still elusive in the municipality

INSTITUTIONAL DEVELOPMENT

Vote: Office of the Municipal Manager				
Internal audit				
KPA & Projects	Indicator	Annual Target 2009/10	Remedial Action/Comment	Status to date

FINANCIAL VIABILITY

Objective	Indicator	Target	Challenge	Status to date
Revenue management	Annual revenue actually received for services	R65m	Under-billing	Still a challenge as we still need to update the valuation roll and implement a new financial system
Revenue management	% rates and services billed	60%	Accuracy of the figure	We are busy changing over from the old financial system to the new modern Munsoft
Debt management	R-value total debts written off annually	n/a	Still awaiting the recalculation of the figure during the annual audit	AG has given guidance on the formulas and we have started applying the formula in determining the periodic provisions
Financial management and reporting	% creditors paid within 30 days	100%	Cash flow constraints	Still a challenge as we still collect less than billing
Financial management and reporting	% capital budget spent	10%	Cash flow constraints	Still a challenge as we still collect less than billing
Financial management and reporting	Average number of days for control accounts reconciliations after month-end	7 days	Capacity constraints is the main reason for delays in reconciliations	Still a challenge though 5 interns have been appointed. They still need to be trained.
Internal audit	% departmental meeting resolutions implemented	100%	No departmental meetings were held during the year	Still a challenge

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Vote: Corporate Services

Objective	Indicator	Target	Challenges	Status to date
Review and update organizational structure	Alignment of organizational Structure to IDP	Updating of movements of employees. Review of Organizational Structure for budgeting purposes.	Scarce skills and retention	Attempts are still made to recruit more capable staff in light of political challenges
Recruitment and selection of personnel	All critical and budgeted posts to be filled	Filling of 15 vacant and critical posts	Cash constraints and attracting competent skills	Still a challenge because of low revenue collection rates
To have proper Job descriptions to enable all employees to execute their duties properly and efficiently	Complete job descriptions inclusive of vacant and new positions.	66 job descriptions to be developed	Development of job descriptions and signatures of individual employees	Still a challenge because no feedback has been received from departmental managers
To train community members through Rural Development and Land Reform	Train 23 community members	Induction and deployment to sector departments	Only 15 candidates left in the programme, accepted other job opportunities	1 guy withdrew from the program and could not be replaced
Administer by law and ensure proper governance in the Municipality	To ensure that all drafted By-Laws are promulgated	To ensure that DLGH complete 5 x By-Laws promulgation. To ensure that DLGH peruse another 8 By-Laws for promulgation.	Public participation attendance register of 2006/07	By-Laws will be communicated to the people in the next IDP public participation contrary to previous years

Vote: Social & Community Services

Objective	Indicator	Target	Challenges	Status to date
Development of a housing strategy and implementation for Thabazimbi Local municipality	Collection of relevant information and comments from all stakeholders	Consolidation of comments in the draft	Co-operation from the province was poor and also the council sitting for the approval of the final document was delayed.	The Province has finally accepted and approved the housing strategy.
Maintaining parks, cemeteries and sports field	Clean 4 parks, 3 cemeteries and 3 sports field together with all open spaces.	80% maintenance	Of the 3 cemeteries one is full to its capacity and there is a problem of land availability for the development of new.	Resolved by extending the cemetery into the nearby land which apparently belong to the municipality and EIA had been performed
Keep Thabazimbi local clean	Rendering refuse removal	50%	Breakdowns	A tractor has already been procured by Kumba Iron Ore Mine for donation to the municipality. A request has also been lodged with Anglo-Plat Mine to donate two trucks and 1 tractor to help with refuse removal
Traffic Safety promotion	Traffic Safety promotion	1000 to be issued	Three traffic officers on training of the Examiners until end of June 2011.	The traffic officers are back n need to be replaced. Still a challenge
Management of key financial area	% expenditure on Capital project	95%	Cash flow constraints	Still a challenge