

*Building trust relationships  
within the municipal  
environment-the road to  
sustainable service delivery  
provision*

**MID-YEAR BUDGET AND PERFORMANCE  
ASSESSMENT REPORT**

2020/2021



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## 1. To Our Stakeholders

The mid-year budget and performance assessment report is used as a management tool to assess the municipality's performance and financial position against the approved budget by analysing trends and patterns for the first six months of the 2020/2021 financial year, with the view of giving effect to the Executive Mayor and Council's oversight role and to recommend the need for adjustments budget and service delivery and budget implementation plan as envisaged in sections 28 and 54 of the Municipal Finance Management Act, 56 of 2003.

The municipality has undertaken a journey to ***building trust relationships within the municipal environment- the road to sustainable service delivery provision***, and the strategic highlights of the period under review was achieving an unqualified report with findings from the Auditor General of South Africa as well as the testing of the cascading of the performance management systems to lower-level employees. With the system we are confident that as a municipality we will be able to generate reliable, accurate and useful performance information, moving forward, and to provide quality, sustainable service delivery to our communities.

The journey for the past six months has been difficult as we grappled with Covid-19 Pandemic that has disrupted our normal way of doing things. We have to quickly adapt in order to navigate our way within stringent health measures put in place for us to reduce the rate of infections and deaths. The municipality as an institution has to play a pivotal role in ensuring that the protocols put in place are adhered to and communities are made aware continuously as these measures are being adjusted from time to time.

As a result of these measures, the municipality approved a budget in June 2020 consisting of revenue of R 550 529 million, then in September 2020, approved and adjustments budget of R 547 871 million, and on the 31<sup>st</sup> of December 2020, approved another adjustments budget of R 581 574 million. The year-to-date revenue for the period is R 315 089 million, and it translate into a 54% performance against the approved budget, the variance against the year-to-date budget of R 273 936 million is 15% more than the year-to-date budget, as the actual revenue for the year-to-date is R 315 089 million.

The revenue streams performance is 4% more than the norm of 50% for the period under review. The positive performance is ascribed to the following:

- Equitable Share allocation that has been subsequently increased with R 34 100 million-post declaration of the disaster due to the Covid-19 Pandemic, this amount was included in the budget through the approval of the adjustment budget;

Mentioned should be made that the municipality was to receive additional R 62 million for the equitable share allocation, only R 25 million of this amount was transferred and the balance was used to offset the roll-over balances on the conditional grants that were not cash-backed as of 30 June 2020, and of which the application for roll-over was not approved.

The expenditure budget approved by council in June 2020 was R 680 964 million, this was adjusted in September 2020 to R 654 419 million, and then in December 2020 to R 657 939 million, included in this amount is the non-cash items consisting of the following:

- Debt impairment of R 72 million; and
- Depreciation and asset impairment of R 126 100 million.

The year-to-date expenditure is R 194 213 million which translate to a 30% performance against the approved adjustments budget. Variance of -41% is noted against the year-to-date of R 327 209 million. The 30% performance level is below the norm of 50% performance for the period under review. This shortcoming is brought by, amongst others:

- Municipality not collecting its revenue adequately; and
- Non-transacting of depreciation during the first half of the financial year, although it is a non-cash expenditure item.

The closing balances of call investments accounts amount to R 34 42.20, the money market is R 724 886.22, the Municipal Infrastructure Grant investment account is R 12 780 059.00, all Standard Bank Account combined amounts are R 30 006 712.33 as at the 31 December 2020. Interest accumulated on investments is R 938 621.30. The cash and cash equivalents are a positive balance of R 51 006 315.51, included in this balance is the primary bank account with the balance of R 7 130 206.76 and the interest on this is primary bank account is R 106 173.43.

Institutionally the municipality is not operating as planned, the only challenge is with regard to achieving all targets that it has set itself to achieve for the financial year. Council, Senior Management and Middle Management need to continuously monitor the planning, implementation and review of all municipal plans and policies to ensure that targets are met.

Due to financial constraints the municipality is not able to do maintenance and repairs on the existing infrastructure, embark on new projects through internally generated capital funding, as there is not enough funds to embark on such new projects. Projects that are being implemented are those approved by the National Treasury through various conditional grants, which might not be completed as the roll-over application from the previous financial year has not been approved.

We need to address all the challenges identified by the Auditor General in the Audit Report 2019/2020, consider the Audit And Performance Audit Committee, Municipal Public Accounts Committee, Risk Management Committee, IDP/PMS Division and the Internal Audit Unit recommendations and the municipality will indeed transition to ***building trust relationships within the municipal environment-the road to sustainable service delivery provision.***

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**COUNCILLOR KOALANE K E  
EXECUTIVE MAYOR**

## **2. Purpose**

To report to Council on the Mid-Year Budget and Performance Results as at the end of the second quarter of the 2020/2021 financial year as required by Section 52(d) and Section 72 of the Municipal Finance Management Act, 56 of 2003 and more detailed in the Budget and Reporting Regulations.

## **3. Strategic Objective**

To promote good governance, transparency, and accountability; and report on the financial management and accounting of the municipality.

## **4. Background**

Sections 52(d) and 72 of the Municipal Finance Management Act, 56 of 2003, and in terms of section 28 of the Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act, 32 of 2003, Municipal Budget and Reporting Regulations" necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

"The mayor of a municipality-

52(d) must, within 30 days of the end of each quarter, submit a report to Council on the implementation of the budget and financial state of the municipality;"

In compliance with section 52(d) relating to the quarterly reporting period ended 31 December 2019, the 30 days limit expires on 30 January 2018.

Section 72 of the Municipal Finance Management Act, 56 of 2003 stated that-

"The accounting officer of a municipality must by 25 January of each year-

- (a) Assess the performance of the municipality during the first half of the financial year, taking into account ..."

This report is compiled to include the Mid-Year Performance Assessment of the Setsoto Local Municipality.

Furthermore, Section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:

"31. (1) the mayor's quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be-

- (a) in the format specified in Schedule C and include all required tables, charts, and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and
- (b) consistent with the monthly budget statement for September, December, March and June as applicable; and submitted to the National Treasury and relevant Provincial Treasury within five days of tabling of the report in council."

A report on such assessment must be submitted to the executive mayor, provincial treasury, and national treasury in terms of section 72(1)(b) of the Act, 56 of 2003. Once the executive mayor has considered the report in terms of section 54(1)(f) of the Act, 56 of 2003, he must table the report with recommendation to council by 31 January of each year. The following annexures are provided:

Annexure A: Budget and Financial Reporting Performance Report 2020/2021

Annexure B: Service Delivery and Budget Implementation Plan Performance Assessment Report 2020/2021

Annexure C: C Schedule



## 5. Part 1-Financial Performance Assessment

### 5.1 Operating Revenue

The Net Operating Income for the second quarter ended 31 December 2019 of R 304 929 million is slightly lower than the year-to-date actual of R 315 089 million. The contributors to the performance for the second quarter of the 2020/2021 financial year that ended on 31 December 2020 are as follows:

Description	Original Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance	Year-to-Date Variance Percentage
Property Rates	69 710	34 855	33 553	(1 302)	-4%
Electricity Revenue	78 791	39 395	40 217	822	2%
Water Revenue	61 574	30 787	29 394	(1 393)	-5%
Sanitation Revenue	35 122	17 561	17 531	(30)	0%
Refuse Revenue	44 709	22 354	22 400	45	0
Interest earned-outstanding debtors	37 450	18 725	13 459	(5 266)	-28%
Dividends	88	44	47	3	7%
Transfers and subsidies	243 949	105 123	155 063	49 940	48%
Rental of facilities and equipment revenue	498	249	28	(221)	-89%
Interest earned-external investment	4 825	2 412	932	(1 480)	-61%
Fines, penalties, and forfeits	846	423	84	(339)	-80%
Licenses and permits	46	23	38	15	67%
Other own revenue	3 967	1 983	2 078	94	5%
Gains on disposal of plant, properties, and equipment	0	0	266	266	
<b>Total</b>	<b>581 574</b>	<b>273 936</b>	<b>315 089</b>	<b>41 154</b>	<b>15%</b>

Below follows is a synopsis of significant revenue variances:

#### 5.1.1 Revenue

It should be noted that property rates and services charges included above are based on the accrual accounting principle and refers to billed/levied income and not actual receipts.

#### 5.1.2 Property Rates and Service Charges

mSCOA requires that monthly billing be done for all service charges and property rates. Consumers who want to be billed annually will have to apply and the cash flow and billing projections will be amended, if necessary, during the Mid-year Adjustment Budget.

##### 5.1.2.1 Property Rates

Indicate a variance of -4% against the year-to-date budget.

##### 5.1.2.2 Service Charges-Electricity

Has a variance of 2% against the year-to-date budget. It should be noted that electricity revenue is consumption dependent and that consumption is expected to increase in the last quarter of the financial year and the revenue charges will probably increase to be approximate to the budget.

##### 5.1.2.3 Service Charges-Water

Variance is -5% against the year-to-date target which is slightly material; it should be noted that water in towns is consumption dependent and that in township there is a flat rate charged.

##### 5.1.2.4 Service Charges-Refuse Removal

Yielded a variance of 0% which implies that this service charges have performed in accordance to budget.

### 5.1.2.5 Service Charges-Sanitation

Yield a variance of 0% which implies that this service charges have performed in accordance to budget.

### 5.1.2.6 Rental of Facilities and Equipment

Have a variance of -89% lower than the year-to date budget and this will need to be adjusted downwards, it should be noted that properties are rented as and when required and their rentals are paid once-off and that is where most income is earned unlike those that have a long-term lease contract. Lessee who has a long-term lease contract have a tendency of not paying their rent until such time when their contract expires and this results on deficit on the budget.

### 5.1.2.7 Interest Earned-External Investments

Has a unfavourable variance of -61-% against the budget year to date and its budget will also need to be adjusted downwards. It should be noted that returns on investment depend on the amount invested as well as the period invested.

### 5.1.2.8 interest earned-Outstanding Debtors

Have a variance of -28% for the period, the decrease is as a result of the write offs of services due to prescription act.

### 5.1.2.9 Transfers and Subsidies

Yielded no variance that means that grants and subsidies were received as budgeted.

### 5.1.2.10 Other Own Revenue

Has a variance of -25% against the year-to-date budget and should be adjusted downwards.

## 5.2. Operating Expenditure

The actual expenditure year-to-date of R 194 213 million reflects an under spending of R 132 996 million when comparing the financial performance of the first six months to the pro-rata year-to-date budget of R 327 209 million. Below are the items that contributed to expenditure:

Description	Original Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance	Year-to-Date Variance Percentage
Employee Costs	211 287	105 643	103 982	(1 661)	-2%
Councillors Remuneration	14 154	7 077	6 506	(572)	-8%
Debt Impairment	72 253	35 627	3 408	(32 219)	-90%
Depreciation and Assets Impairment	126 156	63 078	0	(63 078)	-100%
Finance Charges	7 663	3 831	1 963	(1 869)	-49
Bulk Purchases	84 544	42 272	37 051	(5 221)	-12
Other Material	61 968	30 750	4 719	(26 031)	-85%
Contracted Services	27 556	13 748	6 005	(7 744)	-56%
Transfers and Subsidies	22 050	11 025	20 479	9 454	86%
Other Expenditure	31 307	14 157	10 101	(4 056)	-29%
Loss on disposal of property, plant and equipment	0	0	0	0	
Total	657 939	327 209	194 213	(132 996)	-41%

It should be noted that the following budget items reflected an underspending when compared to the year-to-date budget and is as follows:

### 5.2.1 Depreciation and Assets Impairment

Depreciation processed to date amounts to R 0 million-and reflects an under performance of -100% when compared to the year-to-date budget of R 63 078 million. The budget will be adjusted upwards during the Mid-year Adjustments Budget process.

## 5.2.2 Other Materials

An under performance of R 31 252 million is noted for other material.

## 5.2.2 Employee Related Costs

Indicate a variance of -2% for the period against the year-to-date budget, the variance might increase up to equal or exceed the budget when provisions are calculated during the financial year end. Actuarial valuations, provisions on leave, bonus and filling of vacant positions has not been considered.

## 5.2.3 Remuneration of Councillors

Has a variance of -8% than the year-to-date budget and the budget need to be amended accordingly and consider the implementation of upper limits.

## 5.2.4 Finance Charges

Variance is -49% and will need to be adjusted downwards if the trends persist and assurance is given that all creditors will be paid within 30 days, and payment on borrowings will be on due timeframe. Finance charges consists of expenditure for the interest paid on external borrowings and overdue accounts.

## 5.2.5 Contracted Services

Variance is at -56% lower than the year-to- date budget and its budget must be adjusted downwards to minimize the risk of unauthorized expenditure.

## 5.2.6 Other Expenditure

Has a favorable variance of -21% for the period due to strict control measures that were implemented to restrict spending on non-essential services.

## 5.2.7 Debt Impairment

Has a variance of -90% lower than the year-to-date budget and this will need to be adjusted upwards to avoid unauthorized expenditure.

## 5.3. Capital Expenditure

Expenditure on the capital budget for the six months ended 31 December 2020 is R 63 468 million representing a 34% capital spending performance measured against the total capital budget of R 182 370 million which is higher than the spending performance of 21% for the same period in December 2019.

Description	Original Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance	Year-to-Date Variance Percentage
Governance and Administration	275	0	52	52	
Community and Public Safety	3 317	1 282	02 373	1 091	85%
Economic and Environmental Services	9 124	15 731	2 888	(12 843)	-82%
Trading Services	169 655	73 944	58 155	(15 789)	-21%
Total	182 370	90 958	63 468	(27 490)	-30%

Period	2018/2019	2019/2020	2020/2021
Total Budget	136 495	171 182	182 370
Actual Spending	56 448	36 232	63 468
Spending Performance	41%	21%	34%

## **6. Financial Performance Analysis**

In order to perform a holistic financial analysis of the municipality, all financial aspects of the municipality should be considered. Ratios are divided into various categories to address the different financial aspects and operations of the municipality. These are categorized as follows:

- Financial Position;
- Financial Performance; and
- Budget Implementation

### **6.1 Assets Management**

### **6.2 Capital Expenditure to Total Expenditure**

This ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritization of expenditure towards current operations versus future capacity in terms of municipal services. For the period under review, the percentage capital expenditure ratio is 33%. The norm range between 10% and 20%, which means that the municipality is performing as required. This does mean that the municipality should invest more in capital infrastructure that is largely directed towards service delivery.

### **6.3 Impairment of Property, Plant and Equipment, Investment Property, and Intangible Assets (Carrying Value)**

Asset impairment refers to the loss in future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. For the period under review, the ratio is unknown as depreciation has not been calculated as yet. The norm is 0% as this ratio indicates the percentage of impairments compared to the carrying value of the assets, a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented.

The municipality should ensure that depreciation and asset impairment are calculated on a continuous basis not only at year end to curb the risk of only identifying the correct financial position of the municipality at year end and avoiding the risk of declaring unauthorised expenditure and having to close the books on a deficit and the municipality becoming a going concern.

### **6.4 Repairs and Maintenance as a Percentage of Property, Plant and Equipment, and Investment Property (Carrying Value)**

The ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure continued provision of services. For the period under review the municipality did not record any repairs and maintenance as a percentage of property, plants and equipment and investment property (carrying Value) the norm is 8% and not reporting on this ratio is dangerous as the ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets.

### **6.5 Debtor Management**

#### **6.5.1 Collection Rate**

The ratio is indicative of the collection rate; i.e., level of payments. It measures increase or decrease in debtors relative to the annual billed revenue. In addition, in order to determine the real collection rate, bad debts written-off is taken into consideration. Assessing the collection ratio provides an indication of the performance against a number of areas, for example:

- Quality of Credit Control-ensuring that what is billed is collected; and
- Quality of Revenue Management-the ability to set affordable tariffs and bill correctly.

For the period under review, the collection rate is 45% and the norm is 95%, this below the norm ratio is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. As the municipality is having outstanding debtors it should aim at achieving a collection rate of more than 100%. The result from this ratio should be viewed along with the results from the age analysis and net debtor's day's ratio.

### **6.5.2 Bad Debts Written-Off as Percentage of Bad Debts Provision**

The ratio compares the value of bad debts written-off on consumer debtor to bad debts provided for consumer debtors to ensure that the provision for bad debts is sufficient. For the period under review, the percentage for bad debts written-off is 10% and the norm is 100%. The municipality should only write-off bad debts already provided for. The ratio already is far less than the 100% and this is an indication that the municipality has not written off previously identified debtors as having the potential for defaults due to prescription, which could indicate weakness in calculation of the provision for bad debt, the methodology used and/or poor credit control processes.

### **6.5.3 Net Debtors Day**

This ratio reflects the collection period. Net debtor days refers to average number of days required for a municipality to receive payment from its consumers for bills/invoices issued for them for services. For the period under review the indication is that the municipality takes around 945 days to collect from consumers, whilst the norm is 30 day. This ratio also indicates that the municipality significant write-offs of irrecoverable debtor balance in the gross debtors' days analysis as it only assesses the performance of collectable debtors.

In addition, it provides as indication of the quality of credit control policy, the effectiveness of the implementation thereof and the quality of revenue management. This high ratio indicates that the municipality is exposed to significant cash flow risk and is experiencing challenges in the collection of outstanding amounts due to it. Therefore, a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

#### **6.5.3.1 Liquidity Management**

##### **6.5.3.1.1 Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)**

The ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during the month. The cost coverage ratio is calculated at between 1 and 3 months. The current ratio is below the one-month period indicating that the municipality will not be able to meet its monthly fixed operational costs.

##### **6.5.3.1.2 Current Ratio**

The ratio is used to assess the municipality's ability to pay back its short-term liabilities (Debt and Payable) with its short-term Assets (Cash, Inventory, Receivables). For the period under review, and given 6.3.1.1 above, the current ratio is below 1 and the norm range between 1.5 to 2:1 which indicate that the municipality will not be able to pay its current or short-term obligations and provide a risk cover to enable it to continue operations at the desired levels.

#### **6.5.4 Liability Management**

##### **6.5.4.1 Capital Cost (Interest Paid and Redemption) as a Percentage of Total Operating Expenditure**

This ratio indicates the cost required to service the borrowing. It assesses the borrowing or payment obligation expressed as a percentage of total operating expenditure. For the period under review the capital cost ratio is 10% and the norm is between 6% and 8%. This ratio indicate that the municipality has the capacity to take additional financing from borrowing to invest in infrastructure projects.

#### **6.5.4.2 Debt (Total Borrowing)/Total Operating Revenue**

The ratio indicates the extent of the total borrowings in relation to the total operating revenue. It indicates short- and long-term debt financing relative to operating revenue of the municipality. For the period under review the ratio is 6% and the norm is 45%. This ratio indicates that the municipality still has capacity to take increase funding from borrowings, however this should be considered within the cash flow requirements of the municipality.

#### **6.5.5 Sustainability**

##### **6.5.5.1 Level of Cash Backed Reserves (Net Assets-Accumulated Surplus)**

The ratio measures the extent to which the other reserves, which are required to be cash backed are actually cash backed. The estimated ration is -15% which is below the 100% norm which could negatively impact the municipality to comply with the conditions for creating the reserves and on its ability to fund current and future operations.

#### **6.5.6 Financial Performance -Efficiency**

##### **6.5.6.1 Net Operating Surplus Margin**

The ratio assesses the extent to which the municipality generates operating surpluses. For the period under review the net operating surplus margin is 38% and the norm is 0%. This ratio indicates that the municipality is able to generate a surplus which could assist to contribute towards its capital funding requirements. In doing so, the municipality must ascertain the extent to which the accounting policy, i.e., revaluation method has impacted on the calculations to avoid any distortions in interpretation of the outcome. Emphasis is made on Circular 58 section 4.3 regarding revaluation in terms of GRAP 17 and treatment of depreciation and GRAP 24.

##### **6.5.6.2 Net Surplus/Deficit Electricity**

The ratio measures the extent to which the municipality generates surplus or deficit in rendering electricity service. The purpose of the ratio is to determine the contribution made by the provision of electricity services, being one of the major functions of a municipality. the norm range between 0% and 15%. The current ratio is could not be ascertained as the electricity expenditure is not disclosed separately from the material and bulk purchases vote.

##### **6.5.6.3 Net Surplus/Deficit Water**

The ratio measures the extent to which the municipality generates surplus or deficit in rendering water service. The purpose of the ratio is to determine the contribution made by the provision of water services, being one of the major functions of a municipality. the norm is equal to 0% and will be superseded by sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation. The current ratio is could not be ascertained as the water expenditure is not disclosed separately from the material and bulk purchases vote.

##### **6.5.6.4 Net Surplus/Deficit Refuse**

The ratio measures the extent to which the municipality generates surplus or deficit in rendering refuse service. The purpose of the ratio is to determine the contribution made by the provision of refuse services, being one of the major functions of a municipality. the norm range is 0% and will be superseded by sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation. The current ratio is could not be ascertained as the refuse expenditure is not disclosed separately from the material and bulk purchases vote.

##### **6.5.6.5 Net Surplus/Deficit Sanitation Wastewater**

The ratio measures the extent to which the municipality generates surplus or deficit in rendering sanitation and wastewater service. The purpose of the ratio is to determine the contribution made by the provision of sanitation

and wastewater services, being one of the major functions of a municipality. the norm range is 0% and will be superseded by sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation. The current ratio is could not be ascertained as the waste expenditure is not disclosed separately from the material and bulk purchases vote.

## **6.5.7 Distribution Losses**

### **6.5.7.1 Electricity Distribution Losses as a Percentage**

The purpose is to measure the percentage loss of potential revenue from electricity services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that the implementation of free basic service policy is included in the calculation for the sale of electricity.

For the period under review the municipality reported electricity losses of 10%. This ratio depict that electricity losses are almost well managed as the norm is between 7% and 10%. Investigations need to be done in order to identify where the problem is as this could be attributed to the following:

- deteriorating electricity infrastructure;
- poor management of networks;
- theft;
- wastage; and
- inaccurate metering

### **6.5.7.2 Water Distribution Losses as a Percentage**

The purpose of this ration is to determine the percentage loss of potential revenue from water services through kiloliters of water purchased but not sold as a result of losses incurred through theft (illegal connections, non-or incorrect metering or wastage as a result of deteriorating infrastructure. It is expected that the implementation of the free basic service policy is included in the calculation for the sale of water.

For the period under review, the municipality recorded a water losses of 24%. this ratio depicts that water losses and water infrastructure is not almost well managed as the norm is between 15% and 30%. Attributing factors could be the following:

- ageing water infrastructure;
- poor management of water networks
- theft;
- wastage; and
- incorrect metering

## **6.5.8 Revenue Management**

### **6.5.8.1 Growth in Number of Active Consumer Accounts**

The ratio measures the actual growth in the revenue base of the municipality brought about by an increase in the consumer base rather than tariff increases.

### **6.5.8.2 Revenue Growth as a Percentage**

The ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in expenditure will be funded by increase in revenue base or by some other means. New development areas are noy yet proclaimed and will not influence revenue growth for the period under review.

### **6.5.8.3 Revenue Growth as a Percentage Excluding Capital Grants**

The ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in expenditure will be funded by increase in revenue base or by some other means. New development areas are not yet proclaimed and will not influence revenue growth for the period under review.

### **6.5.9 Expenditure Management**

#### **6.5.9.1 Creditors Payment Period**

The ratio indicates the average number of days taken for trade creditors to be paid. The norm is 30 days. The current ratio for the period under review is 23 days.

#### **6.5.9.2 Irregular, Fruitless and Wasteful and Unauthorised Expenditure/Total Expenditure**

The ratio measures the extent to which the municipality has incurred Irregular, Fruitless, Wasteful, and Unauthorised Expenditure. The net amount after condonement should be used in the calculation. This ratio could not be calculated as it is not disclosed for the period under review.

#### **6.5.9.3 Remuneration (Employee Related Costs and Councillor Remuneration) as a Percentage of Total Expenditure**

The ratio measures the extent of remuneration to the total operating expenditure. The norm range is between 25% and 40% and the ratio for the period under review is 59% and this indicates inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure.

#### **6.5.9.4 Contracted Services as a Percentage of Total Operating Expenditure**

The ratio measures the extent to which the municipality's resources are committed towards contracted services to perform municipal related functions. The norm range is between 2% and 5% and for the period under review the ratio was 3% and this could indicate that many functions are being outsourced to consultants or contracted services are not effectively utilised. Going forward, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in the ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on contractors.

### **6.5.10 Grant Dependency**

#### **6.5.10.1 Own Funded Capital Expenditure (Internally Generated Funds Plus Borrowings) to Total Capital Expenditure**

The ratio measures the extent to which the municipality's total capital expenditure is funded through internally generated funds and borrowings.

#### **6.5.10.2 Own Source Revenue to Total Operating Revenue (Excluding Agency Revenue)**

The ratio assesses the extent of own source revenue to total operating revenue including agency revenue, hence self-sufficiency. Currently there is no norm and the ratio for the period under review is 5% and the municipal specific circumstances, including the powers and functions assigned to it, must be considered when assessing the level of own source revenue or its self-sufficiency.

### **6.6 Budget Implications**

#### **6.6.1 Capital Expenditure Budget Indicator**

This ratio measures the extent to which budgeted capital expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor



the risks associated with non-implementation. The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with the approved budget.

### 6.6.2 Operating Expenditure Budget Implementation Indicator

The ratio measures the extent to which budgeted operating expenditure has been spent during the financial year, under review. The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with the approved budget. The norm range between 95% and 100% and the ratio for the period under review is -41% which is an indication that the municipality experiences possible cash flow difficulties or capacity challenges to undertake budgeted/planned service delivery, and/or does not prepare accurate and credible budgets.

### 6.6.3 Operating Revenue Budget Implementation Indicator

This ratio measures the extent of actual operating revenue (excluding capital grant revenue) received in relation to budgeted operating revenue during the financial year. The norm range is between 95% and 100% and for the period under review is 115%.

### 6.6.4 Service Charges and Property Rates Revenue Budget Implementation Indicator

The ratio measures the extent of actual service charges and property rates revenue received in relation to the budgeted service charges and property rates revenue during the financial year, under review. The norm range between 95% and 100% and the ratio for the period under review is 98%

#### 6.6.4.1 Outstanding Debtors

Below data set indicates that consumer debt increased by R 69 522 million from June 2020 to December 2020. The increase is mainly due non-payment of municipal services. Council approved debt write offs of R 72 million on 30 June 2019.

Description	2020/2021									
	0-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	181—One Year	Over One Year	Total	Total Over 90 Days
R Thousands										
<b>Debtor Age Analysis by Income Source</b>										
Trade and other receivables form exchange transactions-water	4 636	4 222	4 383	3 821	4 022	4 561	18 551	94 157	137 845	124 603
Trade and other receivables form exchange transactions-Electricity	3 903	1 776	2 228	1 071	1 753	1 245	2 477	14 874	29 326	21 419
Receivables from non-exchange transactions-Property Rates	3 858	3 671	3 146	2 673	2 610	2 566	9 802	45 730	74 057	63 381
Receivables from non-exchange transactions-Waste Water Management	2 475	2 280	2 224	2 174	2 146	2 127	9 681	50 565	73 672	66 693
Receivables from non-exchange transactions-Waste Management	3 142	2 895	2 809	2 771	2 760	2 741	12 737	68 891	98 746	89 900
Receivables from non-exchange transactions-Property Rental Debtors	0	0	0	0	0	0	0	0	0	0
Interest on Arrear Debtor Accounts	2 426	2 349	2 281	2 212	2 149	2 078	12 659	60 103	86 257	79 201
Recoverable unauthorised, irregular, fruitless,	0	0	0	0	0	0	0	0	0	0

and wasteful expenditure										
Other	24	31	22	17	14	8	76	3 268	3 460	3 384
<b>Total by Income Source</b>	<b>20 464</b>	<b>17 224</b>	<b>17 094</b>	<b>14 740</b>	<b>15 455</b>	<b>14 817</b>	<b>65 983</b>	<b>337 588</b>	<b>503 364</b>	<b>448 582</b>
2019/2020-totals only							<b>65 983</b>	<b>337 588</b>	<b>403 571</b>	
Debtors Age Analysis by Customer Group										
Organs of State	2 690	2 081	2 788	2 059	2 752	2 272	5 164	15 211	35 017	27 459
Commercial	3 978	2 742	2 335	1 406	1 395	1 365	6 217	42 500	61 938	52 884
Households	13 796	12 401	11 971	11 275	11 308	11 179	54 602	279 876	406 409	368 240
Other	0	0	0	0	0	0	0	0	0	0
<b>Total by Customer Group</b>	<b>20 464</b>	<b>17 224</b>	<b>17 094</b>	<b>14 740</b>	<b>15 455</b>	<b>14 817</b>	<b>65 983</b>	<b>337 588</b>	<b>503 364</b>	<b>448 582</b>

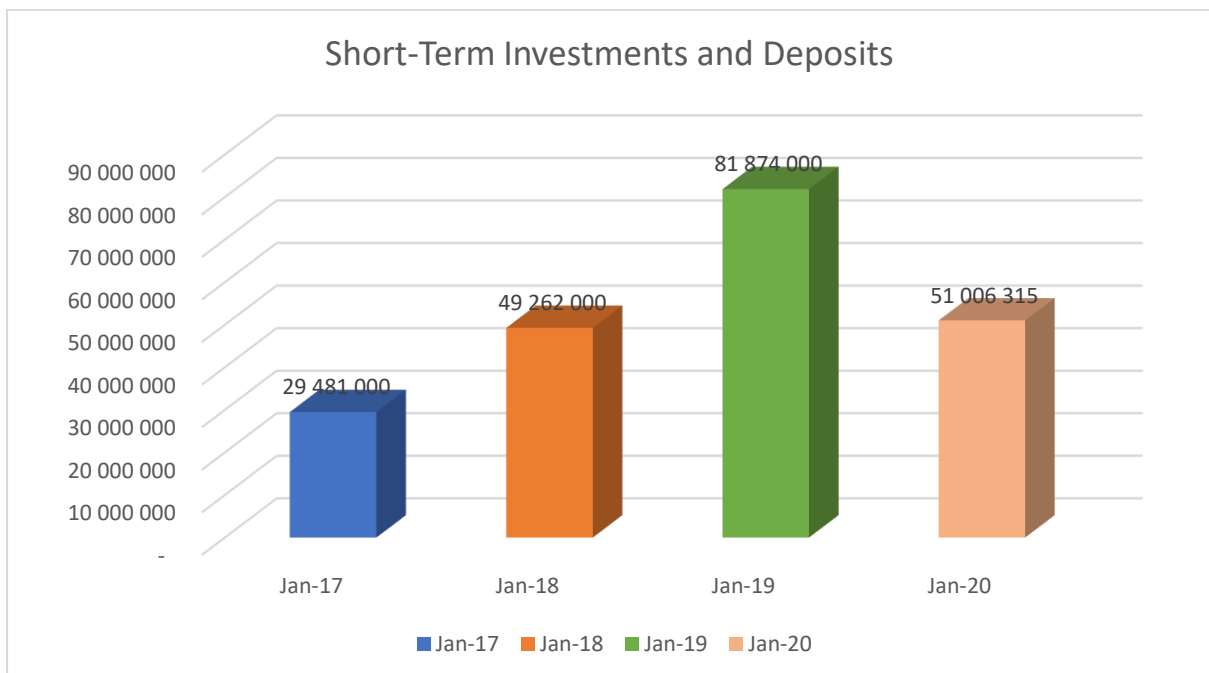
### 6.6.4.2 Subsidies and Rebates

Number of registered indigent families as of 31 December 2019 was 4 717 and number of registered indigent families as of 31 December 2020 is 7 081. The formal indigent households have increased by 248 households due to an increase in re-applications received, from 6 833 as at the end of June 2019. The municipality has embarked on an indigent drive through its revenue enhancement strategy to increase the number of household to register as indigents. This will increase as community awareness grows.

### 7. Investments

The investment portfolio decreased from R 81 874 million as at 31 December 2019 to R51 006 million at 31 December 2020. The municipality's worsened position resulted from no efficient cash flow management practices being put in place through stringent cost containment measures and other cost savings strategies amongst other factors, but not limited to the latter as the slow capital spending performance added to the positive situation.

Description	2017/2018	2018/2019	2019/2020	2020/2021
Short-Term Investment and Deposit	29 481	49 262	81 874	51 006 315



### 8. Past Year's Annual Report Progress on Resolving Problems Identified in the Annual Report 2019/2020

Areas of improvement as identified during the previous year's audit were encapsulated in the Audit Finding Action Plan which addresses areas of concern. This plan and the implementation thereof will be monitored by senior management as well as the Audit and Performance Audit Committee. The GRAP disclosure checklist in addition to the findings raised in the previous audit will be used to mitigate the risks of recurring audit findings. Of more concern is the fact that material AG findings were raised during the 2019/2020 regulatory audit.

## **9 Part 1-Non-Financial Performance Assessment**

### **9.1 Institutional Performance Report**

The institutional performance assessment is done by evaluating the departmental reports as submitted by the divisional managers to the respective directors. These divisional reports are then consolidated into single department reports that are then submitted to the Office of the Municipal Manager to be reviewed and quality assure.

The quality assurance report is submitted to Audit and Performance Audit Committee for deliberations and recommendation to council. The audited report is then tabled to council for discussion and resolution. Below are the departmental reports including section 54 and 57 scorecards.

## 9.2. Municipal Manager's Scorecard

National Development Chapter		3. Infrastructure is poorly located, inadequate and under-maintained										
National Outcome		3. All people in South Africa										
Back to Basic Principle		2. Supporting the delivery of municipal services to the high standards										
Free State Growth and Development Strategies 6 Pillars		3. Improved Quality of Life										
Predetermined Objective		Supporting the delivery of municipal services to the right quality and standard										
Key Performance Area		Service Delivery and Local Economic Development										
Planning Statement	Outcome	Outcome Indicator	Output Indicator	Key Performance Indicator	Baseline Indicator	Annual Target	Quarterly Performance				Reason for Variance	Measures Taken to Address Underperformance
							Quarter 1		Quarter 2			
							Target	Actual	Target	Actual		
Putting People First	Improved Municipal responsiveness	Percentage of ward committees that are functional (meet four times a year, quorate, and have an action plan)	Percentage of ward committees with six or more ward committee members (excluding the ward councillors)	Number of ward committees that are established and functional	17	17	17		17		Indicator Not Reported On	Ensure that all planned targets are reported on and monitored
Putting People First	Improve municipal responsiveness	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	Number of councillors convened community meetings per ward	Number of councillors who have held ward community meetings as per the ward operational plan	17	17	17		17		Indicator Not Reported On	Ensure that all planned targets are reported on and monitored
Good Governance	More effective municipal administration	Audit opinion	Number of repeat findings	Percentage of repeat audit findings responded to and addressed by the 30 June 2021	100%	100%	100%	96	100%	96	Target Almost Met As a result of not all targets being met within Departments Corporate Services and Treasury Services	Ensure that all queries are responded to and addressed timeously
Good Governance	More effective municipal administration	Audit opinion	Number of councillors who have declared their financial interests	Percentage of councillors who have declared their financial interest	100%	100%	100%	100%	100%	100%	Target Met	Continue Monitoring
Good Governance	More effective municipal administration	Audit opinion	Number of administrative staff who have declared their financial interest	Percentage of administrative staff who have declared their financial interest	100%	100%	100%	100%	100%	100%	Target Met	Continue Monitoring
Good Governance	Improved council functionality	Average percentage of councillors attending council meetings	Number of council items deferred to the next council meetings	Percentage of council items dealt with and resolved in a council meeting	100%	100%	100%	100%	100%	100%	Target Met	Continue Monitoring
Good Governance	Zero tolerance of fraud and corruption	Number of alleged fraud and corruption cases reported per 100 000 population	Number of active suspensions longer than three months	Percentage of active suspension on allegation of fraud and corruption longer than three months with charges being initiated	0%	0%	0%		0%		Indicator Not Reported On	Ensure that all planned targets are reported on and monitored
Good Governance	Zero tolerance of fraud and corruption	Number of dismissals for fraud and corruption per 100 000 population	Quarterly salary bill of suspended officials	Percentage salary bill of suspended official against the total municipal salary bill	0%	0%	0%		0%		Indicator Not Reported On	Ensure that all planned targets are reported on and monitored
Good Governance	Zero tolerance of fraud and corruption	Number of convictions for bribery and/or corruption by municipal officials per 100 000 population	Quarterly salary bill of suspended officials	Percentage of convictions for bribery and/or corruption by municipal officials on finalised matters	100%	100%	100%		100%		Indicator Not Reported On	Ensure that all planned targets are reported on and monitored
Supporting the delivery of municipal services to the right quality and standard	To mitigate risk to the minimum	Functional risk Management Committee	To control enterprise risk	Percentage implementation on risk management plan in place and approved	0	100%	100%	100%	100%		Target Met	Continue Monitoring
<b>Total</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>								

## 9.2.1 Office the Speaker

Division		Office of the Speaker																		Reasons for the Variance	Measures to improve performance		
Key Performance Area		Public Participation																					
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance										
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4				
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual			
Putting people first	Number of visits of farms by the Speaker.	2	4		1		1						718 176		718 176							Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number functional ward committees which quorate.	17	17		17		17						718 176		718 176							Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of ward committee community meeting led by a ward councillor	17	17		17		17						718 176		718 176							Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of ward committee trainings	2	2		1		1						718 176		718 176							Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of stakeholder's forum meetings held	0	0		1								718 176									Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary

Division		Office of the Speaker													Reasons for the Variance	Measures to improve performance									
Key Performance Area		Public Participation																							
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance												
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4						
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual					
Putting people first	Number of reports of the Speaker to Council meetings.	4	4		1		1							718 176										Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of ward committee's reports to Council meetings.	4	4		1		1							718 176										Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
<b>Total</b>		<b>7</b>	<b>7</b>		<b>8</b>									<b>5 745 408</b>											

## 9.2.2 Office of the Executive Mayor

Division		Office of the Executive Mayor																		Reasons for the Variance	Measures to improve performance		
Key Performance Area		Good Governance Transparency and Accountability																					
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance										
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4				
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual			
Putting people first	Number of HIV/AIDS programmes implemented	4	4		0	0							718 176	0								Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of programmes for people living with disabilities implemented	4	1		0	0							718 176	0								Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of gender programmes implemented	4	4		0	0							718 176	0								Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of programmes for orphanage and vulnerable children implemented	8	8		0	0							718 176	0								Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of programmes for senior citizens implemented	8	8		0	0							718 176	0								Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary

Division		Office of the Executive Mayor																Reasons for the Variance	Measures to improve performance					
Key Performance Area		Good Governance Transparency and Accountability																						
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance											
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4					
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual				
Putting people first	Number of youth programmes implemented	20	20		0	0							718 176	0									Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of Motlapula games held	1	1		0	0							718 176	0									Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of Mayoral Cups held	1	1		1	0							718 176	0									Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
Putting people first	Number of Mayoral Imbizos held	8	8		0	0							718 176	0									Target Not Reported on	Ensure that targets are reported within the required time.  Implement consequence management where necessary
<b>Total</b>																								



### 9.2.3 Risk Management Section

Division		Risk Management																		Reasons for the Variance	Measures to improve performance			
Key Performance Area		Good Governance Transparency and Accountability																						
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance											
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4					
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual				
Promoting good governance, transparency, and accountability	Number of Risk Management Committee meetings held	4	4		1	1	1	1					63 125	0									Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Risk Management Committee Reports submitted	4	4		1	1	1	1					63 125	0									Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of awareness campaigns on fraud prevention	1	1		0	0	0	1					63 125	0									Target Extremely Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of updates on the risk management activities	4	4		1	1	1	1					63 125	0									Target Met	Continue Monitoring
<b>Total</b>		<b>4</b>	<b>4</b>		<b>3</b>	<b>3</b>							<b>252 500</b>	<b>0</b>										

### 9.2.4 Information Communication Technologies, Communications and Customer Care Relations Division

Division		Information Communication Technologies, Communication and Customer Care Relations																Reasons for the Variance	Measures to improve performance			
Key Performance Area		Good Governance, Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Promoting good governance, transparency, and accountability	Number of Information Communication Technology Steering Committee meeting held	4	4		1	1	1	1					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of security reports produced	4	4		1	1	1	1					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of email internet maintenance reports produced	4	4		1	1	1	1					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Information Communication Technology Policy reviewed	1	1		0	0	0	0					35 166.06	57 996.14	35 166.06	38 083.84					Fourth Quarter Target	Ensure that targets are met within the required timeframe
Promoting good governance, transparency, and accountability	Number of CIBECS licenses renewed	200	200		0	0	0	0					35 166.06	57 996.14	35 166.06	38 083.84					Fourth Quarter Target	Ensure that targets are met within the required timeframe
Promoting good governance, transparency, and accountability	Number of ePMS licenses renewed	1	1		1	1	0	0					250 000.00	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of MICROSOFT volume licenses renewed	1	1		0	0	0	0					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Anti-malware and Anti-spyware licenses renewed	280	320		0	0	0	0					35 166.06	57 996.14	35 166.06	38 083.84					Fourth Quarter Target	Ensure that targets are met within the required timeframe
Promoting good governance, transparency, and accountability	Number of Servers Upgraded	0	1		1	0	0	1					500 000.00	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring

Division		Information Communication Technologies, Communication and Customer Care Relations																Reasons for the Variance	Measures to improve performance			
Key Performance Area		Good Governance, Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Promoting good governance, transparency, and accountability	Number of IMPERO licenses renewed	200	350		0	0	0	0					35 166.06	57 996.14	35 166.06	38 083.84					Fourth Quarter Target	Ensure that targets are met within the required timeframe
Promoting good governance, transparency, and accountability	Number of Disaster Recovery test conducted on HRS-Server	4	4		1	1	1	1					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Disaster Recovery test conducted on BARN-Server	4	4		1	1	1	1					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Disaster Recovery test conducted on DCO1-Server	4	4		1	1	1	1					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of risk registers updated	4	4		1	1	1	1					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of external and internal audit queries responded to and addressed within required timeframe	100%	100%		100%	100%	100%	100%					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of monthly updates of progress on Audit Action Plan	2	2		1	1	0	0					35 166.06	57 996.14	35 166.06	38 083.84					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Communication Strategy developed and adopted	1	1		0	0	1	0					0	0	0	0					Target Not Met	The strategy has been developed to be sent to Council for adoption
Promoting good governance, transparency, and accountability	Number of Communication Policy developed and adopted	1	1		0	0	1	0					0	0	0	0					Target Not Met	The policy has been developed to be sent to Council for adoption

Division		Information Communication Technologies, Communication and Customer Care Relations																	Reasons for the Variance	Measures to improve performance		
Key Performance Area		Good Governance, Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Promoting good governance, transparency, and accountability	Number of Scheduled Interviews	12	12		3	11	3	7					0	0	0	0					Target Extremely Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Issued Media Statements	12	12		3	3	3	3					0	0	0	0					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of issued announcements /notices	100%	100%		100%	100%	100%	100%					0	0	0	0					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of received media enquiries	100%	100%		100%	100%	100%	100%					0	0	0	0					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of Website Uploads	100%	100%		100%	100%	100%	100%					0	0	0	0					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of Facebook Uploads	100%	100%		100%	100%	100%	100%					0	0	0	0					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of themed awareness campaigns	4	4		1	1	1	1					0	0	0	0					Target Met	Continue Monitoring
<b>Total</b>		<b>25</b>	<b>25</b>		<b>17</b>	<b>19</b>	<b>18</b>	<b>16</b>					<b>1 242 325.00</b>	<b>927 938.17</b>	<b>562 656.06</b>	<b>609 341.42</b>						

## 9.2.5 Internal Audit Unit

Division		Internal Audit Unit																Reasons for the Variance	Measures to improve performance					
Key Performance Area		Good Governance Transparency and Accountability																						
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance											
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3			Quarter 4				
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual				
Promoting good governance, transparency, and accountability	Number of the reviewed and approved Internal Audit Unit Charter	1	1		1	1	0	0					47 892,00	41 001	0	0							Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of the reviewed and approved Audit and Performance Audit Committee Charter	1	1		1	1	0	0					47 892,00	41 001	0	0							Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of approved Internal Audit Strategic Plan	1	1		1	1	0	0					51 185,71	41 001	0	0							Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of approved Coverage Plan	1	1		1	1	0	0					47 892,00	41 001	0	0							Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of covering letters on quarterly plans drafted	49	35		11	11	10	13					83 897,00	79 453	83 897,00	81 569							Target Well Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of progress report in implementation of Coverage Plan	4	4		1	1	1	1					72 354,00	71 534	72 354,00	71 879							Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Internal Audit Procedural Manual reviewed and approved	1	1		1	1	0	0					47 892,00	41 001	0	0							Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of Attendance Registers; Leave and Overtime processed	100%	100%		100%	100%	100%	100%					51 441,48	41 001	51 441,48	59 571							Target Met	Continue Monitoring

Division		Internal Audit Unit																Reasons for the Variance	Measures to improve performance			
Key Performance Area		Good Governance Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3			Quarter 4		
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Promoting good governance, transparency, and accountability	Number of reviewed Quality Assurance and Improvement Programme	1	1		1	1	0	0					56 000,00	41 001	0	0					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of quarterly audit reports compiled and submitted	43	37		3	6	11	11					141 372,81	115 514	188 497,08	119 141					Target Well Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of follow-up audit reports	4	4		1	1	1	1					51 448,41	41 001	51 448,41	59 571					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of internal assessment reports	4	4		1	1	1	1					52 567,00	41 001	52 567,00	59 571					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Quality Assurance Reports compiled and submitted to Audit and Performance Audit Committee.	4	4		1	1	1	1					78 540,47	79 112	78 540,47	81 675					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of quality assurance reports submitted on action plan.	3	3		1	1	0	0					52 567,00	41 001	0,00	0,00					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of resolution registers compiled and submitted to Audit and Performance Audit Committee.	4	4		1	1	1	1					52 567,00	41 001	52 567,00	41 668					Target Met	Continue Monitoring

Division		Internal Audit Unit																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Good Governance Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Promoting good governance, transparency, and accountability	Number of Audit and Performance Audit Committee reports submitted to council	5	6		1	2	1	1					125 001,00	82 003	125 001,00	83 337					Target Well Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of audit steering meetings coordinated	4	4		2	1	4	3					52 567,00	57 757	52 567,00	59 571					Target Not Met Due to the regulation that was issued to address COVID 19 it has an impact on the regulatory audit - AGSA	Secure dates of the meetings.
Promoting good governance, transparency, and accountability	Number of operational risk registers updated	4	4		1	1	1	1					52 567,00	57 757	52 567,00	59 571					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Internal Audit Findings Control Registers compiled	4	4		1	1	1	1					52 567,00	57 757	52 567,00	59 571					Target Met	Continue Monitoring
<b>Total</b>		<b>19</b>	<b>19</b>		<b>19</b>	<b>19</b>	<b>12</b>	<b>12</b>					<b>1 173 204,00</b>	<b>972 445</b>	<b>881 790,56</b>	<b>836 695</b>						

## 9.2.6 Integrated Development Planning and Performance Management Systems Division

Division		Integrated Development Planning and Performance Management Systems																Reasons for the Variance	Measures to improve performance			
Key Performance Area		Good Governance Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Putting people first	Number of Integrated Development Planning Process Plan developed and adopted	1	1		1	1	0	0					75 503	9 947	75 503	9 947					Target Met	Continue Monitoring
Putting people first	Number annual reports developed, submitted to AGSA, and tabled to council for approval	1	1		0	0	0	0					75 503	0	75 503	0					Third Quarter Target	Ensure that targets are achieved within required period
Putting people first	Number of quarterly performance reports (Section 52(d)) developed and submitted to council	4	4		1	1	1	1					75 503	9 947	75 503	9 947					Target Met	Continue Monitoring
Putting people first	Number of Performance Management Systems Handbook reviewed and approved	1	1		0	0	0	0					75 503	0	75 503	0					Fourth Quarter Target	Ensure that targets are achieved within required period
Putting people first	Number of draft Integrated Development Plan document developed, reviewed, and approved	1	1		0	0	0	0					75 503	0	75 503	0					Third Quarter Target	Ensure that targets are achieved within required period
Putting people first	Number of Integrated Development Plan document developed, reviewed, and approved	1	1		0	0	0	0					75 503	0	75 503	0					Fourth Quarter Target	Ensure that targets are achieved within required period
Putting people first	Number of employee appraisals conducted	4	4		1	0							75 503	9 947	75 503	9 947					Target Not Met To COVID-19 Regulations committee could not be constituted	Put in place alternative mechanism to ensure compliance is adhered to within the COVID-19 protocols



Division		Integrated Development Planning and Performance Management Systems																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Good Governance Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Sound Financial Management	Number of Mid-year Budget and Performance Assessment Reports (Section 72 Reports) developed and tabled to council	1	1		0	0	0	0					75 503	0	75 503	0					Third Quarter Target	Ensure that targets are achieved within required period
Putting people first	Number of Service Delivery and Budget Implementation Plan developed and approved by the Executive Mayor	1	1		1	1	0	0					75 503	9 947	75 503	9 947					Target Met	Continue Monitoring
Putting people first	Number of Adjusted Service Delivery and Budget Implementation Plan developed and approved by council	1	1		0	0	0	0					75 503	0	75 503	0					Third Quarter Target	Ensure that targets are achieved within required period
Putting people first	Number of Risk Registers developed and submitted	1	14		1	1	1	0					75 503	9 947	75 503	9 947					Target Met	Continue Monitoring
Putting people first	Number of progress report on the implementation of Audit Action Plan	4	4		1	1	0	0					75 503	9 947	75 503	9 947					Target Met	Continue Monitoring
Putting people first	Percentage internal and external audit queries responded to and addressed	100%	100%		100%	100%	100%	100%					75 503	9 947	75 503	9 947					Target Met	Continue Monitoring
<b>Total</b>		<b>13</b>	<b>13</b>		<b>8</b>								<b>981 539</b>	<b>69 630</b>	<b>981 539</b>	<b>69 630</b>						

Overall Performance-Key Performance Area: Public Participation		Overall Performance-Key Performance Area: Good Governance, Transparency and Accountability		Total	
Not Yet Measured	22	Not Yet Measured	4		26
Not Met	1	Not Met	3		4
Almost Met	0	Almost Met	0		0
Met	6	Met	36		42
Well Met	0	Well Met	3		3
Extremely Met	0	Extremely Met	2		2
<b>Total</b>	<b>29</b>	<b>Total</b>	<b>48</b>		<b>77</b>

### 9.3 Director Corporate Services' Scorecard

National Development Chapter		9. South Africa remains a divided society												Reasons for the Variance	Measures to Improve Performance	
National Outcome		9. A responsive, accountable, effective, and efficient local government system														
Back to Basic Principle		5. Building institutional resilience and administrative capability														
Free State Growth and Development Strategies 6 Pillars		6. Good Governance														
Predetermined Objective		Building institutional resilience and administrative capability														
Key Performance Area		Institutional Capacity														
Planning Statement	Outcome	Outcome Indicator	Output Indicator	Key Performance Indicator	Baseline Indicator	Annual Target	Quarterly Targets Performance									
							Quarter 1		Quarter 2		Quarter 3		Quarter 4			
							Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Building institutional resilience and administrative capability	Improved municipal capability	Percentage of municipal skills development levy recovered	Percentage of municipal budget allocated to skills development	Percentage actual spending of the municipal budget on skills development	1%	1%	1%	0.11%	1%	0.05%					Target Not Met Cost Containment and Financial Constraints	Revenue Enhancement Strategies should be implemented to ensure sufficient funds are available to implement trainings accordingly.
Building institutional resilience and administrative capability	Improved municipal capability	Top Management Stability (% of days in a year that all s56 positions are filled by full-time, appointed staff not in an acting capacity)	Staff vacancy rate	Percentage of fulltime appointed s56 Managers	100%	100%	100%	100%	100%	100%					Target Met All sec 56 positions are filled	Continue monitoring
Building institutional resilience and administrative capability	Improved municipal capability	Top Management Stability (% of days in a year that all s56 positions are filled by full-time, appointed staff not in an acting capacity)	Average time taken by the municipality to make an appointment	Number of days taken by the municipality to make an appointment	499	60	60	0	60	0					Target Met All vacancies filled.	Ensure that vacancies are filled within the period of 60 days of being vacant
Building institutional resilience and administrative capability	Improved municipal capability	Percentage effectiveness on the implementation of the Health and Safety Programmes in the workplace	Percentage towards awareness made on Health and safety programmes at the workplace	Percentage towards awareness made on Health and safety programmes at the workplace	100%	100%	100%	100%	100%	100%					Target Met	Continue monitoring
Building institutional resilience and administrative capability	Improved municipal capability	Human Resources Management	Percentage of the effectiveness on the Human Resources Administration	Percentage of the effectiveness on the Human Resources Administration	100%	100%	100%	80%	100%	80%					Target almost met. The review of one policy was done during this quarter and is to be submitted to council for approval.	Will be dealt with in second quarter

<b>National Development Chapter</b>			<b>9. South Africa remains a divided society</b>											<b>Reasons for the Variance</b>	<b>Measures to Improve Performance</b>	
<b>National Outcome</b>			<b>9. A responsive, accountable, effective, and efficient local government system</b>													
<b>Back to Basic Principle</b>			<b>5. Building institutional resilience and administrative capability</b>													
<b>Free State Growth and Development Strategies 6 Pillars</b>			<b>6. Good Governance</b>													
<b>Predetermined Objective</b>			<b>Building institutional resilience and administrative capability</b>													
<b>Key Performance Area</b>			<b>Institutional Capacity</b>													
Planning Statement	Outcome	Outcome Indicator	Output Indicator	Key Performance Indicator	Baseline Indicator	Annual Target	Quarterly Targets Performance									
							Quarter 1		Quarter 2		Quarter 3		Quarter 4			
							Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Building institutional resilience and administrative capability	Improved municipal capability	Legal Services and Contract Management	Percentage of the effectiveness on the Legal Services and Contract Management	Percentage of the effectiveness on the Legal Services and Contract Management	100%	100%	100%	100%	100%	100%					Target Met	Continue monitoring
Building institutional resilience and administrative capability	Improved municipal capability	Effectiveness of Human Resources Development	Percentage of the effectiveness on the Human Resources Development	Percentage of the effectiveness on the Human Resources Development	100%	100%	100%	50%	100%	50%					Target Not Met	Attention to achievement of targets and plans to be focused
Building institutional resilience and administrative capability	Improved municipal capability	Effectiveness of Payroll Administration	Percentage of the effectiveness on the Payroll Administration	Percentage of the effectiveness on the Payroll Administration	100%	100%	100%	80%	100%	100%					Target Met	Continue monitoring
Building institutional resilience and administrative capability	Improved municipal capability	Effectiveness of Administration and Support Services	Percentage of the effectiveness on the Administration and Support Services	Percentage of the effectiveness on the Administration and Support Services	100%	100%	100%	100%	100%	100%					Target Met	Continue monitoring
Supporting the delivery of municipal services to the right quality and standard	To mitigate risk to the minimum	Risk evaluated quarterly	To control risk	Number of risk registers developed, updated, and reported on	4	4	1	1	1	1					Target Met	Continue monitoring
Supporting the delivery of municipal services to the right quality and standard	Improved communication regarding audit process	To ensure that audit findings are kept to the minimum	Attending to any audit findings within prescribe time frame	Percentage external and internal audit queries responded to and addressed within timeframe	100%	100%	100%	50%	100%	100%					Target Met	Continue monitoring
<b>Total</b>					<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>						

### 9.3.1 Human Resources Development Division

Division		Human Resource Development																		Reasons for the Variance	Measures to improve performance								
Key Performance Area		Institutional Capacity																											
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance																
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4										
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual									
Building institutional resilience and administrative capability	Percentage to which planned WSP Programmes are implemented and achieved	60%	100%		100%	0%	100%	5%					435612.30	257813,68	435612.30	326753.38												Target Not Met  The outbreak of COVID -19 had impact on the implementation of training interventions as there no training programmes were implemented during this quarter.  Cost- Containment measures prevented the implementation of training interventions which are not funded internally	The Municipality to submit the applications for Discretionary Grants application to LGSETA once the Lock Down Regulations has been eased/ uplifted in to implement training interventions in the current Workplace Skills Plan (WSP).  External partners like SALGA, Office of the Premier, COGTA and other SETAs to be approached to get funds to implement planned training interventions.
Building institutional resilience and administrative capability	Number of approved Workplace Skills Plans	1	1		0	0	0	0					435612.30	257813,68	435612.30	326753.38											4 <sup>th</sup> Quarter Target	Ensure that targets are achieved within the required period	
Building institutional resilience and administrative capability	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's Employment Equity Plan	20%	100%		5%	5%	5%	5%					435612.30	257813,68	435612.30	326753.38											Target Met	Continue Monitoring	

Division		Human Resource Development																		Reasons for the Variance	Measures to improve performance							
Key Performance Area		Institutional Capacity																										
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance															
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4									
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual								
Building institutional resilience and administrative capability	Percentage reduction in Disciplinary Hearings	49%	100%		50%	38%	50%	30%					435612.30	257813.68	435612.30	326753.38											Target Not Met  The outbreak of the COVID -19 had negative impact as those who serves as members of the DC tested positive while others were on isolation following contact with those affected.  Non-availability of the Parties due to other work-related matters, health conditions and annual leaves of the Parties Representatives.	Parties have been engaged to ensure that they agree on the set down dates for the Disciplinary Hearings.  upon the decision the Notice of the Disciplinary Hearings should be issued, and disciplinary process should be finalized.  internal personnel to be trained on the handling of the internal disciplinary matters to reduce reliance on the
<b>Total</b>		<b>4</b>	<b>4</b>		<b>4</b>	<b>2</b>	<b>4</b>	<b>2</b>					<b>1742449.20</b>	<b>1031254.70</b>	<b>1742449.20</b>	<b>1307013.51</b>												

### 9.3.2 Human Resources Management Division

Division		Hum Human Resources Management														Reasons for the Variance	Measures to improve performance					
Key Performance Area		Institutional Capacity																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Building institutional resilience and administrative capability	Percentage of coordinated positions filled	100%	100%		100%	100%	100%	100%					265 588,44	315841,74	265588,44	363844.83					Target Met	Continue Monitoring
Building institutional resilience and administrative capability	Percentage of the effectiveness of the Administrative Review of Human Resources Management Policies	100%	100%		100%	0%	100%	0%					265 588,44	315841,74	265588,44	363844.83					Target not met	One policy was revied during this quarter, and submitted to the Section 80 Committee, the policy is still to be submitted to Council for approval
Building institutional resilience and administrative capability	Percentage of employee benefits administered	100%	100%		100%	100%	100%	100%					265 588,44	315841,74	265588,44	363844.83					Target Met	Continue Monitoring
Building institutional resilience and administrative capability	Percentage towards awareness made on Health and Safety at the workplace	100%	100%		100%	100%	100%	100%					265 588,44	315841,74	265588,44	363844.83					Target Met	Continue Monitoring
Building institutional resilience and administrative capability	Percentage towards the effectiveness of impact on wellness programmes conducted	100%	100%		100%	100%	100%	100%					265 588,44	315841,74	265588,44	363844.83					Target Met	Continue Monitoring
<b>Total</b>		5	5		5	4	5	5					<b>1327942.90</b>	<b>1579208,70</b>	1327942.90	18192244.15						

### 9.3.3 Legal Services and Contract Management Division

Division		Legal Services and Contract Management																Reasons for the Variance	Measures to improve performance			
Key Performance Area		Good Governance, Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Promoting good governance, transparency, and accountability	Number of updates on litigations and private claims register	4	4		1	1	1	1					234389.64	228 404.54	234 389.64	82521.41					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of new and existing contracts entered in the contracts register	100%	100%		100%	100%	100%	100%					234389.64	228 404.54	234 389.64	82521.41					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of applications for renewal of expired contracts processed.	75%	100%		100%	100%	100%	100%					234389.64	228 404.54	234 389.64	82521.41					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of settlements reached on private claims and/or letters of demand	3	4		1	1	1	1					234389.64	228 404.54	234 389.64	82521.41					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of Section 80 Committee Reports compiled and submitted	9	12		3	3	3	3					234389.64	228 404.54	234 389.64	82521.41					Target Met	Continue Monitoring
<b>Total</b>		<b>5</b>	<b>5</b>		<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>					<b>1171948.20</b>	<b>1142022.70</b>	<b>1171948.20</b>	<b>412607.04</b>						

### 9.3.4 Administration and Support Services Division

Division		Administration and Support Services																Reasons for the Variance	Measures to improve performance			
Key Performance Area		Good Governance, Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Promoting good governance, transparency, and accountability	Percentage of planned Records Management Activities implemented	88%	100%		100%	100%	100%	100%					530 753	364420,85	530 753	412199					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of planned Committee Services Activities implemented	100%	100%		100%	100%	100%	100%					530 753	364420,85	530 753	412199					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of planned telecommunication and Reprographic related activities implemented.	100%	100%		100%	75%	100%	100%					530 753	364420,85	530 753	412199					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of planned activities in respect of cleaning services implemented	100%	100%		100%	100%	100%	100%					530 753	364420,85	530 753	412199					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of Planned Activities implemented towards the development and/or review of Bylaws / Administration Policies	100%	100%		100%	100%	100%	100%					0	0	0	0					Target Met	Continue Monitoring
<b>Total</b>		<b>5</b>	<b>5</b>		<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>					<b>2 123 012</b>	<b>1 457 683.40</b>	<b>2 123 012</b>	<b>1648796</b>						



### 9.3.5 Payroll Administration Division

Division		Administration and Support Services												Reasons for the Variance	Measures to improve performance							
Key Performance Area		Good Governance, Transparency and Accountability																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual				
Promoting good governance, transparency, and accountability	Number of payrolls processed on or before 25 <sup>th</sup> of every month	12	12		3	3	3	3					311 414	231138,97	311 414	302764.47					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Number of months that Third parties are processed on or before the 3 <sup>rd</sup> of every month	12	12		3	3	3	3					311 414	231138,97	311 414	302764.47					Target Met	Continue Monitoring
Promoting good governance, transparency, and accountability	Percentage of leave processed	100%	100%		100%	100%	100%	100%					311 414	231138,97	311 414	302764.47					Target Met	Continue Monitoring
<b>Total</b>		<b>3</b>	<b>3</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>					<b>933 242</b>	<b>693 416.90</b>	<b>933242</b>	<b>908293.40</b>						

Overall Performance-Key Performance Area: Institutional Capacity		Overall Performance-Key Performance Area: Good Governance, Transparency and Accountability		Total
Not Yet Measured	1	Not Yet Measured	0	1
Not Met	3	Not Met	0	3
Almost Met	0	Almost Met	0	0
Met	5	Met	13	18
Well Met	0	Well Met	0	0
Extremely Met	0	Extremely Met	0	0
<b>Total</b>	<b>9</b>	<b>Total</b>	<b>13</b>	<b>22</b>

## 9.4 Director Development Planning and Social Security's Scorecard

National Development Chapter		3. Infrastructure is poorly located, inadequate and under-maintained											Reasons for the Variance	Measures to Improve Performance		
National Outcome		3. All people in South Africa														
Back to Basic Principle		2. Supporting the delivery of municipal services to the high standards														
Free State Growth and Development Strategies 6 Pillars		3. Improved Quality of Life														
Predetermined Objective		Supporting the delivery of municipal services to the right quality and standard														
Key Performance Area			Service Delivery and Local Economic Development													
Planning Statement	Outcome	Outcome Indicator	Output Indicator	Key Performance Indicator	Baseline Indicator	Annual Target	Quarterly Targets Performance									
							Quarter 1		Quarter 2		Quarter 3		Quarter 4			
							Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Increased access to refuse removal	Percentage of households with basic refuse removal services or better	Percentage of known informal settlements receiving integrated waste handling services	Percentage of households receiving basic refuse removal services	90%	90%	90%	84%	90%	86%	90%		90%		Target Almost Met  Operational challenges due to lack of resources	Review the Revenue Enhancement Strategy to ensure that the municipality is having adequate funding to meet all its obligations
Supporting the delivery of municipal services to the right quality and standard	Compliance with national legislation	Integrated Waste Management Plans developed and approved	Number of plans developed and approved	Number of Integrated Waste Management Plans developed, reviewed, and approved	1	1	0	0	0	0	0		1		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Supporting the delivery of municipal services to the right quality and standard	Mitigated effects of emergencies and disasters	Number of fire related deaths per 1 000 population	Percentage compliance with the required attendance time for structural and veld firefighting incidents	Percentage firefighting, disaster and emergencies incidents attended to within the required timeframe	100%	100%	100%	100%	100%	100%	100%		100%		Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Growing local economies	Gross Value added by the municipality per capita	Average time take to process business license applications and permits	Percentage business license applications and permits processes and approved within the required timeframe	100%	100%	100%	100%	100%	173%	100%		100%		Target Extremely Met  Law enforcement division assisted with operations that led to responses by businesses in applying for business licenses and hawker permits	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Improved personnel, community, and municipal property safety	Disaster Management Plans developed and approved	Number of plans developed and approved	Number of Disaster Management Plans developed, reviewed, and approved	1	1	0	0	0	0	0		1		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Supporting the delivery of municipal services to the right quality and standard	Ensuring that the municipal environment is conducive for the development of local economy	Number of employment opportunities created through the municipality's approved LED Strategy	Number of job opportunities created through LED initiatives including implementation of capital project	Number of Agricultural Farmer support programmes implemented	0	2	0	0	1	1	0		1		Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	To mitigate risk to the minimum	Risk evaluated quarterly	To control risk	Number of risk registers developed, updated, and reported on	4	4	1	1	1	1	1		1		Target Met	Continue Monitoring

National Development Chapter			3. Infrastructure is poorly located, inadequate and under-maintained										Reasons for the Variance	Measures to Improve Performance		
National Outcome			3. All people in South Africa													
Back to Basic Principle			2. Supporting the delivery of municipal services to the high standards													
Free State Growth and Development Strategies 6 Pillars			3. Improved Quality of Life													
Predetermined Objective			Supporting the delivery of municipal services to the right quality and standard													
Key Performance Area			Service Delivery and Local Economic Development													
Planning Statement	Outcome	Outcome Indicator	Output Indicator	Key Performance Indicator	Baseline Indicator	Annual Target	Quarterly Targets Performance									
							Quarter 1		Quarter 2		Quarter 3		Quarter 4			
							Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Improved communication regarding audit process	To ensure that audit findings are kept to the minimum	Attending to any audit findings within prescribe time frame	Percentage external and internal audit queries responded to and addressed within timeframe	100%	100%	100%	100%	100%	100%			100%		Target Met	Continue Monitoring

### 9.4.1 Waste Management Division

Division		Waste Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Services																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Supporting the delivery of municipal services to the right quality and standard	Percentage of household with access to basic service level of refuse removal	91%	90%		90%	84%	90%	86%	90%		90%		1 046 332		1 046 332	1 386 747	1 046 332		1 046 332		Target Almost Met Operational challenges due to resources	Review the Revenue Enhancement Strategy to ensure that the municipality is having adequate funding to meet all its obligations
Supporting the delivery of municipal services to the right quality and standard	Number of businesses with access to basic service level of refuse removal	674	674		674	674	674	674	674		674		1 046 332		1 046 332	1 386 747	1 046 332		1 046 332		Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of Public Awareness campaigns conducted with the Friday Mayoral Cleaning Campaign.	28	24		6	5	6	4	6		6		1 046 332		1 046 332	1 386 747	1 046 332		1 046 332		Target Not Met Operational challenges due to resources	Review the Revenue Enhancement Strategy to ensure that the municipality is having adequate funding to meet all its obligations
Supporting the delivery of municipal services to the right quality and standard	Percentage compliance of the four (4) landfill sites as per quarterly evaluation	51%	50%		50%	50%	50%	48%	50%		50%		1 046 332		1 046 332	1 386 747	1 046 332		1 046 332		Target Almost Met Operational challenges due to resources	Review the Revenue Enhancement Strategy to ensure that the municipality is having adequate funding to meet all its obligations
Supporting the delivery of municipal services to the right quality and standard	Number of reports of data collected at Ficksburg landfill site submitted to the S A Waste Information Centre	12	12		3	3	3	3	3		3		1 046 332		1 046 332	1 386 747	1 046 332		1 046 332		Target Met	Continue Monitoring

Division		Waste Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Services																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Supporting the delivery of municipal services to the right quality and standard	Number of reports of data collected at Senekal landfill site submitted to the S A Waste Information Centre	12	12		3	3	3	3	3		3		1 046 332		1 046 332	1 386 747	1 046 332		1 046 332		Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of partnerships forged with local recyclers.	4	4		1	1	1	1	1		1		1 046 332		1 046 332	1 386 747	1 046 332		1 046 332		Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of reports submitted as designated Waste Management Officer	4	1		0	1	0	1	0		1		1 046 332		1 046 332	1 386 747	1 046 332		1 046 332		Target Not Met	
Supporting the delivery of municipal services to the right quality and standard	Number of Integrated Waste Management Plan reviewed	1	1		0	0	0	0	0		1		1 046 332		1 046 332	0	1 046 332		1 046 332		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
		9	9		7		7	8	7		9		9 416 985		9 416 985	11 093 972			9 416 985			

### 9.4.2 Parks and Cemeteries Division

Division		Parks and Cemeteries																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Services																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Number of parks managed	7	7		7	3	7	6	7		7		573 380		573 380	1 437 779	573 380		573 380		Target Almost Met This due to the effect of limited resources	Review the Revenue Enhancement Strategy to ensure that the municipality is having adequate funding to meet all its obligations
Supporting the delivery of municipal services to the right quality and standard	Number of recreational facilities managed	6	6		6	3	6	6	6		6		573 380		573 380	1 437 779	573 380		573 380		Target Almost Met This due to the effect of limited resources	Review the Revenue Enhancement Strategy to ensure that the municipality is having adequate funding to meet all its obligations
Supporting the delivery of municipal services to the right quality and standard	Number of trees planted in public places	152	150		160	0	0	0	0		0		573 380		573 380	0	573 380		573 380		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Supporting the delivery of municipal services to the right quality and standard	Number of halls cleaned and prepared	12	8		8	8	8	8	8		8		33 282		33 282	1 437 779	33 282		33 282		Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of approved reviewed Integrated Environmental Management Plan	1	1		0	0	0	0	0		1		573 380		573 380	0	573 380		573 380		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Supporting the delivery of municipal services to the right quality and standard	Number of cemeteries managed	21	8		8	8	8	8	8		8		750 329		750 329	1 437 779	750 329		750 329		Target Met	Continue Monitoring

Division		Parks and Cemeteries																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Services																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Number of Burial Registers updated,	8	8		8	8	8	8	8		8		750 329		750 329	1 437 779	750 329		750 329		Target Met	Continue Monitoring
<b>Total</b>		7	7	0	5	5	5	5	5		7		3 827 460		3 827 460	7 188 895	3 827 460		3 827 460			

### 9.4.3 Local Economic Development ,Tourism Development, Sport, Arts and Culture Division

Division		Local Economic Development, Tourism and Sport, Arts and Culture Development																		Reasons for the Variance	Measures to improve performance			
Key Performance Area		Local Economic Development																						
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals										Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4					
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual				
Creating a conducive environment for economic development [1]	Number of job opportunities created through LED initiatives excluding EPWP	78	50		0	0	0	0	20		30		43 159.91		43 159.91	0	43 159.91		43 159.91		Third and Fourth Quarter Targets	Ensure that targets are achieved within the required timeframe		
Creating a conducive environment for economic development [2]	Number of office Walk-Ins by SMME's, Street Traders, Cooperatives and NPO/NGO for assistance, advice, referrals for financing, skills development, and registrations.	200	70		15	143	15	74	20		20		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Extremely Met  Government opened COVID-19 Relief programmes hence the high number of visits to the office were made	Continue Monitoring		
Creating a conducive environment for economic development [3]	Number of Entrepreneurs capacitated through trainings; workshops; awareness campaigns; roadshows, information sharing sessions and seminars conducted	0	80		0	245	20	120	20		40		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Extremely Met  Seda presented three workshops during the current quarter	Continue Monitoring		
Creating a conducive environment for economic development [4]	Number of Incubation/innovation Hubs established	1	2		0	0	0	0	0		1		43 159.91		43 159.91	0	43 159.91		43 159.91		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe		
Creating a conducive environment for economic development [5]	Number of Enterprises recruited for Incubation Programme and/or assisted [e.g. with start-up process; skills development and funding proposal	0	20		0	112	0	0	0		20		43 159.91		43 159.91	0	43 159.91		43 159.91		Target Extremely Met	Continue Monitoring		



Division		Local Economic Development, Tourism and Sport, Arts and Culture Development																	Reasons for the Variance	Measures to improve performance		
Key Performance Area		Local Economic Development																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Creating a conducive environment for economic development [6]	Number of Informal Trade Plan (ITP) and Management Policy Developed	0	1		0	0	0	0	0		1		43 159.91		43 159.91	0	43 159.91		43 159.91		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Creating a conducive environment for economic development [7]	Number of approved Sector Plans [LED Strategy review]	0	1		0	0	0	0	0		1		43 159.91		43 159.91	0	43 159.91		43 159.91		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Creating a conducive environment for economic development [8]	Number of updated, Vendor database	1	1		0	0	0	0	1		0		43 159.91		43 159.91	0	43 159.91		43 159.91		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Creating a conducive environment for economic development [9]	Number of projects monitored and evaluated	32	12		0	0	4	5	4		4		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Well Met	Continue Monitoring  Three of the visited projects in Senekal are closer to one another
Creating a conducive environment for economic development [10]	Number of people assisted through Agricultural Development initiatives undertaken specifically targeting Youth and Women	60	60		10	0	20	48	20		10		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Well Met	Continue Monitoring  Dept. of Agriculture sponsored the establishment of Ficksburg Landcare Project
Creating a conducive environment for economic development [11]	Number of Agricultural Farmer support programmes implemented	0	2		0	0	1	1	0		1		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Met	Continue Monitoring
Creating a conducive environment for economic development [12]	Number of Agricultural projects supported with infrastructure	0	4		0	0	1	0	2		1		43 159.91		43 159.91	0	43 159.91		43 159.91		Target Not Met	Review the Revenue Enhancement Strategy to ensure that the municipality is having adequate funding to meet all its obligations

Division		Local Economic Development, Tourism and Sport, Arts and Culture Development																	Reasons for the Variance	Measures to improve performance		
Key Performance Area		Local Economic Development																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Creating a conducive environment for economic development [13]	Number of databases for Arts & Crafters updated,	1	1		0	0	1	1	0		0		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Met	Continue Monitoring
Creating a conducive environment for economic development [14]	Number of updated, tourism Establishment database	1	1		0	0	0	0	1		0		43 159.91		43 159.91	0	43 159.91		43 159.91		Third Quarter Target	Ensure that targets are achieved within the required timeframe
Creating a conducive environment for economic development [15]	Number of Crafters & Tourism SMME's assisted in development programmes [e.g. crafters market; exhibitions; tour guide Programme]	68	20	07337636 86	0	0	10	0	10		0		43 159.91		43 159.91	0	43 159.91		43 159.91		Target Extremely Met	Continue Monitoring
Creating a conducive environment for economic development [16]	Percentage of Business Licenses issued	100%	100%		100%	100%	100%	160%	100%		100%		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Met	Continue Monitoring
Creating a conducive environment for economic development [17]	Percentage of Hawker permits issued	100%	100%		100%	100%	100%	180%	100%		100%		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Met	Continue Monitoring
Creating a conducive environment for economic development [18]	Number of activities on sports, arts and culture programmes implemented	4	2		0	0	0	0	1		1		43 159.91		43 159.91	0	43 159.91		43 159.91		Third and Fourth Quarter Targets	Ensure that targets are achieved within the required timeframe
Creating a conducive environment for economic development [19]	Number of sports council meeting facilitated	0	2		0	0	0	0	1		1		43 159.91		43 159.91	0	43 159.91		43 159.91		Third and Fourth Quarter Targets	Ensure that targets are achieved within the required timeframe
Creating a conducive environment for economic development [20]	Number of updates conducted on risk register	4	4		1	1	1	1	1		1		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Met	Continue Monitoring

Division		Local Economic Development, Tourism and Sport, Arts and Culture Development																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Local Economic Development																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Creating a conducive environment for economic development [21]	Percentage external and internal Audit queries responded to and addressed within specified timeframe	100%	100%		100%	100%	100%	100%	100%		100%		43 159.91		43 159.91	80 404	43 159.91		43 159.91		Target Met	Continue Monitoring
<b>21</b>		<b>21</b>		6	7	11	10	15		17		949 386		949 386	723 640	949 386		949 386				

## 9.4.4 Public Safety Division

### 9.4.4.1 Security Services and Property Maintenance Section

Division		Security Services and Property Maintenance																	Reasons for the Variance	Measures to improve performance		
Key Performance Area		Basic Services																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3				Quarter 4	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Number of employees submitted for vetting (Security Clearance)	29	8	0	0	0	0	0	8	0	0	0	802 458	802 458	0	802 458	802 458	802 458	802 458	Third Quarter Target	Ensure that targets are achieved within the required timeframe	
Supporting the delivery of municipal services to the right quality and standard	Number of Security Managers Forum meetings attended	4	2	0	0	0	0	1	1	1	1	802 458	802 458	0	802 458	802 458	802 458	802 458	Third and Fourth Quarter Targets	Ensure that targets are achieved within the required timeframe		
Supporting the delivery of municipal services to the right quality and standard	Number of properties provided with security	23	23	0	23	29	23	29	23	23	23	802 458	802 458	1 624 944	802 458	802 458	802 458	802 458	Target Well Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Percentage of Section 4 meetings held	100%	100%	0	100%	100%	100%	100%	100%	100%	100%	802 458	802 458	1 624 944	802 458	802 458	802 458	802 458	Target Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Number of maintenance plan developed	1	1	0	0	0	1	1	0	0	0	802 458	802 458	1 624 944	802 458	802 458	802 458	802 458	Target Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Percentage of properties repaired	100%	100%	0	100%	100%	100%	100%	100%	100%	100%	802 458	802 458	1 624 944	802 458	802 458	802 458	802 458	Target Met	Continue Monitoring		
<b>Total</b>		<b>6</b>	<b>6</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>			<b>4 814 748</b>	<b>4 814 748</b>	<b>6 499 775</b>	<b>4 814 748</b>	<b>4 814 748</b>	<b>4 814 748</b>					

### 9.4.4.2 Traffic, Disaster Management and Fire Services Section

Division		Traffic, Disaster Management and Fire Services Section																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Services																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Number of traffic operational plan compiled and approved	1	1	0	1	1	0	0	0	0	0	366 558		366 558	0	366 558		366 558		Target Met	Continue Monitoring	
Supporting the delivery of municipal services to the right quality and standard	Number of roadblocks conducted	30	7	0	1	3	3	7	3	0	366 558		366 558	903 796	366 558		366 558		Target Extremely Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Percentage of Traffic fines issued	100%	100%	0	100%	100%	100%	100%	100%	100%	366 558		366 558	903 796	366 558		366 558		Target Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Percentage on point duty and escorts performed	100%	100%	0	100%	100%	100%	100%	100%	100%	366 558		366 558	903 796	366 558		366 558		Target Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Percentage of Rand received from escorts performed	100%	100%	0	100%	100%	100%	100%	100%	100%	366 558		366 558	903 796	366 558		366 558		Target Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Percentage of emergencies incidents reported and attended to	100%	100%	0	100%	100%	100%	100%	100%	100%	366 558		366 558	161 887	366 558		366 558		Target Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Number of Public Awareness campaigns conducted [Fire; Climate change; Disaster management]	12	8	0	2	6	2	2	2	2	216 533		216 533	161 887	216 533		216 533		Target Well Met	Continue Monitoring		
Supporting the delivery of municipal services to the right quality and standard	Number of Disaster Management Plans reviewed	1	1	0	0	0	0	0	0	1	216 533		216 533	0	216 533		216 533		Fourth Quarter Target	Ensure that targets are achieved within the required timeframe		

Division		Public Safety																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Services																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Number of Disaster Management Fora meetings attended	1	2	0	0	0	1	1	0		1		216 533		216 533	161 887	216 533		216 533		Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of Fire Clearance Certificates issued	12	16	0	4	0	4	15	4		4		190 623		190 623	161 887	190 623		190 623		Target Extremely Met	Continue Monitoring
<b>Total</b>		<b>10</b>	<b>10</b>	<b>0</b>	<b>8</b>	<b>7</b>	<b>8</b>		<b>7</b>		<b>8</b>		<b>2 823 037</b>		<b>2 823 037</b>	<b>4 262 728</b>	<b>2 823 037</b>		<b>2 823 037</b>			

Overall Performance-Key Performance Area: Basic Services		Overall Performance-Key Performance Area: Local Economic Development		Total
Not Yet Measured	6	Not Yet Measured	8	14
Not Met	2	Not Met	0	3
Almost Met	4	Almost Met	1	4
Met	16	Met	5	21
Well Met	2	Well Met	2	4
Extremely Met	2	Extremely Met	4	6
<b>Total</b>	<b>32</b>	<b>Total</b>	<b>20</b>	<b>52</b>

## 9.5 Chief Financial Officer's Scorecard

National Development Chapter							5. The economy is unstable (resource intensive)								Reasons for the Variance	Measures to Improve Performance		
National Outcome							9. A responsive, accountable, effective, and efficient local government system											
Back to Basic Principle							4. ensuring sound financial management and accounting											
Free State Growth and Development Strategies 6 Pillars							6. Good Governance											
Predetermined Objective							Ensuring sound financial management and accounting											
Key Performance Area							Financial Management											
Planning Statement	Outcome	Outcome Indicator	Output Indicator	Key Performance Indicator	Baseline Indicator	Annual Target	Quarterly Targets											
							Quarter 1		Quarter 2		Quarter 3		Quarter 4					
							Target	Actual	Target	Target	Actual	Target	Actual	Target				
Ensuring sound financial management and accounting	Improved financial management	Percentage of the total municipal budget spending against the approved budget	Percentage deviation on the approved budget	Percentage spending on the approved budget	100%	80%	80%	20%	80%	41%							Target Not Met  The municipality cannot spend 80% in the first quarter [that means only 20% would be left for Quarter 2 till Quarter 3]. On an average the target should be at least 25% in the first quarter [when considering only cash items].	The target should be revised during mid-year [in line with 'reason for variance' indicated].
Ensuring sound financial management and accounting	Improved financial management	Percentage of the total revenue collected against the approved revenue budgeted for	Percentage revenue collection	Percentage payment rate	55%	75%	75%	43%	75%	45%							Target Not Met  The target set is not 'SMART' [unachievable unrealistic]. The payment rate for previous financial year was 43%. Thus, the target of 75% was set without considering the prevailing economic conditions because of Covid-19	<ol style="list-style-type: none"> <li>Review the target in line with the 'SMART principle'</li> <li>Finalise the revenue enhancement strategy</li> <li>Generate monthly cut-off;</li> <li>Appoint a panel of Litigators</li> <li>Appoint Meter Readers</li> <li>Finalise pending cases on Revenue Staff</li> </ol>
Supporting the delivery of municipal services to the right quality and standard	To mitigate risk to the minimum	Risk evaluated quarterly	To control risk	Number of risk registers developed, updated, and reported on	4	4	1	1	1	1							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Improved communication regarding audit process	To ensure that audit findings are kept to the minimum	Attending to any audit findings within prescribe time frame	Percentage external and internal audit queries responded to and addressed within timeframe	100%	100%	100%	96%	100%	100%							Target Almost Met  Inadequate communication of audit findings between the relevant officials	<ol style="list-style-type: none"> <li>Engage the CAE in terms of communications of audit findings</li> <li>Respond to audit findings within 5 working days from date of receipt [issue]</li> <li>Target needs to be separated [external and internal audit findings]</li> </ol>
<b>Total</b>					<b>7</b>	<b>7</b>	<b>7</b>											

### 9.5.1 Asset Management Division

Division		Asset Management																Reasons for the Variance	Measures to improve performance			
Key Performance Area		Financial Management																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Ensuring sound financial management and accounting	Percentage of Compliant Asset Registers as per GRAP and mSCOA requirement	100%	100%		100%	80%	100%	70%					102 466	78 590	102 466	85471					Target Not Met No depreciation run for 2 <sup>nd</sup> quarter	Development of procedures to ensure that depreciation is calculated on a regular basis
Ensuring sound financial management and accounting	Number of updates completed on the asset register	12	12		3	3	3	3					102 466	78 590	102 466	85471					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of verifications conducted on the asset register	1	4		1	1	1	1					102 466	78 590	102 466	85471					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of reconciliations completed between the fixed asset register and the general ledger	12	12		3	3	3	3					102 466	78 590	102 466	85471					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Percentage of audit external and internal audit queries responded to and addressed	90%	100%		100%	100%	100%	100%					102 466	78 590	102 466	85471					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of asset management policy reviewed and approved	1	1		0	0	0	1					102 466	78 590	102 466	85471					Target Extremely Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of section 71 Reports submitted to Finance Committee	12	12		3	3	3	3					102 466	78 590	102 466	85471					Target Met	Continue Monitoring
<b>Total</b>		<b>7</b>	<b>7</b>		<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>														



## 9.5.2 Expenditure Management Division

Division		Expenditure Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Financial Management																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Ensuring sound financial management and accounting	Number of reports on the actual amount of cash on hand in terms of cash flow forecast	12	12	12	3	3	3	3	3		3		209 489.40	574 028.0	209 489.40	324 820.45	209 489.40		209 489.40		Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Percentage of creditors paid within 30 days	65%	65%	65%	60%	81%	60%	79%	60%		60%		209 489.40	574 028.0	209 489.40	324 820.45	209 489.40		209 489.40		Target Well Met	Continue Monitoring
Ensuring sound financial management and accounting	Percentage of reconciled creditors	90%	90%	90%	85%	86%	85%	85%	85%		85%		209 489.40	574 028.0	209 489.40	324 820.45	209 489.40		209 489.40		Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of Insurance reports generated and report to council	12	12	12	3	3	3	3	3		3		209 489.40	574 028.0	209 489.40	324 820.45	209 489.40		209 489.40		Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of section 32 report submitted	12	12	12	3	3	3	3	3		3		209 489.40	574 028.0	209 489.40	324 820.45	209 489.40		209 489.40		Target Met	Continue Monitoring
<b>Total</b>		<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>		<b>5</b>		<b>1 047 447.00</b>	<b>2 870 140.0</b>	<b>1 047 447.00</b>	<b>1 624 102.25</b>	<b>1 047 447.00</b>		<b>1 047 447.00</b>			

9.5.3 Revenue Management Division

Division		Revenue Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Financial Management																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Ensuring sound financial management and accounting	Percentage payment rate on monthly billing	55%	70%		75%	43%	62%	46%					355 770.86	720649	885445	682,975					Target Not Met The target set is not 'SMART' [unachievable unrealistic]. The payment rate for previous financial year was 43%. Thus, the target of 75% was set without considering the prevailing economic conditions because of Covid-19	Review the target in line with the 'SMART principle' Finalise the revenue enhancement strategy Generate monthly cut-off; 10.Appoint a panel of Litigators 11.Appoint Meter Readers Finalise pending cases on Revenue Staff
Ensuring sound financial management and accounting	Number of monthly billing conducted	12	12		3	3	3	3					355 770.86	720649	885,445	682,975					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of Indigent registered households	6,833	7,000		2,000	6970	4500	7081					355 770.86	720649	885,445	682,975					Target Extremely Met The change in policy directive that validity period for registered household is two financial years (instead of one)	The set target reached. The target should be reviewed to at least 7500 for the period ending June 2021. Any higher might not be attainable with the current Covid 19 pandemic.
Ensuring sound financial management and accounting	Percentage queries resolved within 3 days	60%	75%		60%	67.5%	65%	67%					355 770.86	720649	885,445	682,975					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Percentage of daily cash banked	100%	100%		100%	100%	100%	100%					355 770.86	720649	885,445	682,975					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Percentage Implementation of valuation roll	100%	100%		100%	100%	100%	100%					355 770.86	720649	885,445	682,975					Target Met	Continue Monitoring

Division		Revenue Management																		Reasons for the Variance	Measures to improve performance		
Key Performance Area		Financial Management																					
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance										
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4				
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual			
Ensuring sound financial management and accounting	Number of Revenue Related policies reviewed	5	5		0	0	0	0								0						Fourth Quarter Target	Ensure that targets are achieved within required period
<b>Total</b>		<b>7</b>	<b>7</b>		<b>6</b>	<b>6</b>																	

### 9.5.4 Supply Chain Management Division

Division		Supply Chain Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Financial Management																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Ensuring sound financial management and accounting	Percentage of reviewed SCM policy submitted for approval	100%	100%		0	0	0	0													Fourth Quarter Target	Ensure that targets are achieved within required period
Ensuring sound financial management and accounting	Number of stock take conducted	4	4		1	1	1	1													Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Monthly update of progress on audit action plan	90%	100%		100%	100%	0	0													Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Percentage of queries cleared within time frames	100%	100%		10%	100%	95%	70%													Target Almost Met	Ensure that targets are achieved within required period
Ensuring sound financial management and accounting	Number of workshops with departments on SCM Challenges	5	5		2	0	2	0													Target Not Met	The issues are addressed with the workflow on matters. Regular feedback is obtained.
Ensuring sound financial management and accounting	Number of quarterly updates of supplier database	4	4		1	1	1	1													Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Percentage of BSC meetings held	90%	100%		100%	100%	100%	95%													Target Almost Met	Ensure that targets are achieved within required period
Ensuring sound financial management and accounting	Percentage of BEC meetings held	90%	100%		100%	100%	100%	80%													Target Almost Met	Ensure that targets are achieved within required period
Ensuring sound financial management and accounting	Percentage of BAC meetings held	90%	100%		100%	100%	100%	80%													Target Almost Met	Ensure that targets are achieved within required period
Ensuring sound financial management and accounting	Number of supply chain management deviation reports submitted	12	12		3	3	3	3													Target Met	Continue Monitoring

Division		Supply Chain Management																		Reasons for the Variance	Measures to improve performance		
Key Performance Area		Financial Management																					
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance										
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4				
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual			
Ensuring sound financial management and accounting	Number of quarterly SCM contracts registers updated	4	4		1	1	1	1													Target Met	Continue Monitoring	
	Develop procurement plan for approval and submission to Treasury	1	1		0	0	1	1														Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of reports on the preparation and monitoring of the procurement plan	4	4		1	1	4	1														Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of quarterly updates of risk registers against progress of risk actions	4	4		1	1	1	1														Target Met	Continue Monitoring
<b>Total</b>		<b>12</b>	<b>12</b>		<b>10</b>	<b>10</b>																	

### 9.5.5 Budget and Financial Reporting Division

Division		Budget and Reporting																Reasons for the Variance	Measures to improve performance			
Key Performance Area		Financial Management																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3			Quarter 4		
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Ensuring sound financial management and accounting	Percentage of legislative compliance	100%	100%		100%	100%	100%	100%					53667	57341	53667	55007					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of mSCOA compliant draft budget submitted	1	1		0	0	0	0					53667	57341	53667	55007					Third Quarter Target	Ensure that targets are met within required period
Ensuring sound financial management and accounting	Number of mSCOA compliant final budget submitted	1	1		0	0	0	0					53667	57341	53667	55007					Third Quarter Target	Ensure that targets are met within required period
Ensuring sound financial management and accounting	Number of mSCOA compliant adjustment budget submitted	1	1		0	1	0	0					53667	57341	53667	55007					Target Extremely Met	Continue Monitoring
Ensuring sound financial management and accounting	Percentage reporting in relation to spending within the approved budget	100%	100%		100%	100%	100%	100%					53667	57341	53667	55007					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of section 71 reports submitted	12	12		3	3	3	3					53667	57341	53667	55007					Target Met	Continue Monitoring
Ensuring sound financial management and accounting	Number of Mid-year Budget and Performance Assessment reports submitted	1	1		0	0	0	0					53667	57341	53667	55007					Third Quarter Target	Ensure that targets are met within required period
Ensuring sound financial management and accounting	Number of section 52 (d) submitted.	4	4		1	1	1	1					53667	57341	53667	55007					Target Met	Continue Monitoring

Division		Budget and Reporting																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Financial Management																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Original Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Performance								Budget Quarterly Performance									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Ensuring sound financial management and accounting	Number of GRAP compliant Annual Financial Statements compiled and submitted	1	1		1	0	0	1					53667	57341	53667	55007					Target Extremely Met  Minister of Finance issued extension for the deadline regarding the submission of AFS	Target to be revised to October 2020 [quarter two]
Ensuring sound financial management and accounting	Number of Budget related policies reviewed and approved	3	3		0	0	0	0					53667	57341	53667	55007					Fourth Quarter Target	Ensure that targets are met within required period
Ensuring sound financial management and accounting	Percentage debt coverage ratio	80%	80%		80%	386%	80%	102%					53667	57341	53667	55007					TargetNot Met	Review the Revenue Enhancement Strategy to ensure that municipality generate enough funds to meet all its obligations.

Overall Performance-Key Performance Area: Financial Management and Accounting	
Not Yet Measured	7
Not Met	5
Almost Met	4
Met	25
Well Met	2
Extremely Met	3
<b>Total</b>	<b>46</b>

## 9.6 Director Engineering Services' Scorecard

<b>National Development Chapter</b>		<b>7. Public services are uneven and often of poor quality (10)</b>										
<b>National Outcome</b>		<b>10. Environmental assets and natural resources that are well protected and continually enhanced</b>										
<b>Back to Basic Principle</b>		<b>2. supporting the delivery of municipal services to the high quality and standards</b>										
<b>Free State Growth and Development Strategies 6 Pillars</b>		<b>3. Improved Quality of Life</b>										
<b>Predetermined Objective</b>		<b>Supporting the delivery of municipal services to the right quality and standard</b>										
<b>Key Performance Area</b>		<b>Service Delivery and Infrastructure</b>										
Planning Statement	Outcome	Outcome Indicator	Output Indicator	Key Performance Indicator	Baseline Indicator	Annual Target	Quarterly Performance				Reason for Variance	Measures Taken to Address Underperformance
							Quarter 1		Quarter 2			
							Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Improved energy sustainability	Ensure Electricity losses remain within the Norm 7 -15%	Currency in rand and cents of the electricity losses against the total bulk purchases	Percentage electricity losses	15%	12%	12%	16%	12%	10%	Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Improved water sustainability	Ensure water losses remain within the Norm of 30%	Currency in rand and cents of the total water losses	Percentage of total water losses	30%	30%	30%	34%	30%	24%	Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Improved basic access to sanitation	Percentage of households with access to basic sanitation	Number of new sewer connections meeting the minimum standards	Percentage of households with access to basic sanitation	97%	97%	97%	81%	97%	81%	Target Almost Met Finalize the project of 1110 sites in Marquard	To be revised to 85%
Supporting the delivery of municipal services to the right quality and standard	Improved basic access to water	Percentage of households with access to basic water supply	Number of new water connections meeting minimum standards	Percentage of household with access to basic water supply	100%	100%	100%	100%	100%	100%	Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Improved basic access to Electricity	Percentage of households with access to basic Electricity supply	Number of new electricity connections meeting minimum standards	Percentage of household with access to basic electricity supply	94%	94%	94%	94%	94%	94%	Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Improved road safety and access to public transport	Manage and achieve 90% of KPI of the sub-directorate Roads and Stormwater	90% of the KPI of sub-directorate roads and stormwater must be met	Percentage of overall KPI met by Roads and Stormwater	90%	90%	90%	57%	90%	75%	Target Not Met Lack of material and shortage of staff	SCM to finalize appointment of material service providers and appointment of personnel
Supporting the delivery of municipal services to the right quality and standard	Improved basic access to Water and Sanitation	Manage and achieve 90% of KPI of the sub-directorate Water and Sewer O&M	90% of the KPI of sub-directorate Water and Sewer O&M must be met	Percentage of overall KPI met by Water and Sewer O&M	90%	90%	90%	72.7%	90%	72.7%	Target Not Met Lack of store material and non-functional of fleet equipment	SCM to make stores functional and reduce the turnaround time on fixing of fleet
Supporting the delivery of municipal services to the right quality and standard	Improved basic access to Water and Sanitation Bulk	Manage and achieve 90% of KPI of the sub-directorate Water and Sewer Bulk	90% of the KPI of sub-directorate Water and Sewer Bulk, must be met	Percentage of overall KPI met by Water and Sewer Bulk	90%	90%	90%	77.8%	90%	81.8%	Target Almost Met Lack of raw water for purification and 1 WWTW non-functional	Increase raw water off storage during rainy season
Supporting the delivery of municipal services to the right quality and standard	Improved basic access to Households living in adequate housing	Manage and achieve 90% of KPI of the sub-directorate Planning and Property Management	90% of the KPI of sub-directorate Planning and Property Management, must be met	Percentage of overall KPI met by Planning and Property Management	90%	90%	90%	69%	90%	77%	Target Not Met Delays in appointment of service providers	Monitor performance and ensure sitting of MPT to resolve on application
Supporting the delivery of municipal services to the right quality and standard	Improved basic access to Electricity	Manage and achieve 90% of KPI of the sub-directorate Electricity	90% of the KPI of sub-directorate Electricity, must be met	Percentage of overall KPI met by Electricity	90%	90%	90%	87.5%	90%	100%	Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Ensure proper implementation of municipal capital infrastructure projects	Manage and achieve 90% of KPI of the sub-directorate PMU	90% of the KPI of sub-directorate PMU, must be met	Percentage of overall KPI met by PMU	90%	90%	90%	68%	90%	59,3%	Target Not Met Delays in appointment of service providers	Fast track appointment of service providers



National Development Chapter		7. Public services are uneven and often of poor quality (10)										
National Outcome		10. Environmental assets and natural resources that are well protected and continually enhanced										
Back to Basic Principle		2. supporting the delivery of municipal services to the high quality and standards										
Free State Growth and Development Strategies 6 Pillars		3. Improved Quality of Life										
Predetermined Objective		Supporting the delivery of municipal services to the right quality and standard										
Key Performance Area		Service Delivery and Infrastructure										
Planning Statement	Outcome	Outcome Indicator	Output Indicator	Key Performance Indicator	Baseline Indicator	Annual Target	Quarterly Performance				Reason for Variance	Measures Taken to Address Underperformance
							Quarter 1		Quarter 2			
							Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Ensure compliance with MFMA	Coordinate information from engineering managers in order to accurately update the audit and management action plans	Update Audit Action plan and management action plan on monthly basis when required	Number of Audit action plan and management plan updates submitted	7	7	2	2	0	0	Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Ensure compliance with MFMA	Coordinate information from managers in order to update the engineering department risk register	Update the risk register and provide report of the updates effected	Number of progress report submitted on engineering Risk register	4	4	1	1	1	1	Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Improved energy sustainability	Develop public awareness posters and advertise them in order to educate public on energy savings and efficiency strategies	Conduct public awareness on energy savings and efficiency strategies	Number of public awareness on energy savings and efficiency conducted	1	1	0	0	0	0	Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Supporting the delivery of municipal services to the right quality and standard	Improve municipal transformation and institutional development	Coordinate monthly departmental meeting to deal with service delivery issues	Conduct monthly departmental meeting to deal with service delivery issues	Number of engineering departmental meetings conducted	6	10	3	3	3	3	Target Met	Continue Monitoring
<b>Total</b>					<b>15</b>	<b>15</b>	<b>15</b>					

### 9.6.1 Roads and Stormwater Division

Division		Roads and Storm Water																		Reasons for the Variance	Measures to improve performance					
Key Performance Area		Basic Service																								
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals													
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4							
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual						
Supporting the delivery of municipal services to the right quality and standard	m <sup>2</sup> of Potholes Repaired	2 000	8 000		2000	1547.02km	2000km	1691.66m <sup>2</sup>							2 000 000	0									Target Not Met Delays in finalization of appointment of service provider for supply of material	Finalization of appointment of material service provider in January 2021
Supporting the delivery of municipal services to the right quality and standard	Number of Speed Hump installed	0	4		0	0	0	0m <sup>2</sup>							60 000	0									Third and Fourth Quarter Target	Ensure that targets are achieved within the required timeframe
Supporting the delivery of municipal services to the right quality and standard	Km of roads graded	26.0km	40km		10km	9.287km	10km	12km							350 000	512 878									Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Km of channel cleaned/Repaired	10.0km	15km		3km	2.132km	3km	4.16km							25 000	12 420									Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	No of Kerb-Inlet/catch pit Cleaned/Repaired	125	100		25	30	25	28							250 000	0									Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Km of sidewalks maintained	4km	6km		1.5km	1.69km	1.5km	1.52km							500 000	0									Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of Standing Committee Reports generated	0	0		3	3	3	3							0	0									Target Met	Continue Monitoring

Division		Roads and Storm Water																		Reasons for the Variance	Measures to improve performance				
Key Performance Area		Basic Service																							
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals												
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4						
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual					
Supporting the delivery of municipal services to the right quality and standard	Number of RRAMS forum meeting on attended	0	0		1	0	1	0					0	0										Target Not Met The contract of service provide for RRAMS has expired and District will confirm new dates once service provider appointed.	Outside municipal control as invitations is coordinated by District, target to be revised
Supporting the delivery of municipal services to the right quality and standard	Number of Unit Meetings reports on roads services generated	0	0		3	3	4	4					0	0										Target Met	Continue Monitoring
<b>Total</b>		<b>9</b>	<b>9</b>		<b>8</b>	<b>7</b>							<b>3 185 000</b>												

## 9.6.2 Project Management Unit

Division		Project Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
To provide efficient competitive effective sustainable economic infrastructure network and service delivery	Percentage of progress made on the development of the water network on 1110 site with water Marquard/Moemaneng	99%	1%		1%	0	0%	0%							1 500 000	405 881					Target Not Met The delay was due to technical investigation to get the booster pump station for testing and commissioning	Expose the valve at WTW in Marquard to check if it fully opened for water to reach the booster pump station
To provide sustainable infrastructure network and service delivery	Percentage of progress made on the development of the sewer network on 1110 site with sewer Marquard/Moemaneng	99%	1%		1%	0	0%	0%							1 000 000	250 757,75					Target Not Met The delay was due to drilling of the hard rock manually as and 100m was still outstanding in December 2020.	Monitor progress to finalize the sewer connection to the pump station.
To provide sustainable infrastructure network and service delivery	Percentage of progress made on the Construction of the 500mm diameter pipeline from De Put to WTW in Senekal/Matwabeng	99.8%	0.2%		0.2%	0.2%	0%	0%							1 280 322.01	4 227 387,87					Target Met	100% Complete
To provide sustainable infrastructure network and service delivery	Percentage of progress made on the Construction of the 11Ml reservoir in Senekal/Matwabeng	58%	42%		15%	15%	15%	17.38%							5 741 995.47	8 720 221.50					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Percentage of progress made on Upgrading of Van Soelen in Megheleng/Ficksburg	71%	29%		10%	0%	10%	0%							1 800 000	0					Target Not Met Project under dispute mediator appointed in November 2020.	Finalize the dispute process for the project to resume construction
To provide sustainable infrastructure network and service delivery	Percentage of progress made on Conversion of 969 VIP into waterborne sanitation system	87%	13%		08%	4%	5%	3%							777 973.67	815 122,58					Target not Met	

Division		Project Management																	Reasons for the Variance	Measures to improve performance					
Key Performance Area		Basic Service																							
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals												
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4						
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual					
To provide sustainable infrastructure network and service delivery	Percentage of progress on the Upgrading of the Wastewater Treatment Works in Clocolan/Hlohl olwane.	100%	0%		0%	0%	0%	0%							1 701 062,42	0								Target Not Measured	Completed on the 1 <sup>st</sup> Quarter
To provide sustainable infrastructure network and service delivery	Percentage progress made on upgrading of the sport facility in Marquard/Moe maneng	80%	10%		5%	18%	5%	2%							1 000 000	2 061 549,57								Target Met	100% Completed
To provide sustainable infrastructure network and service delivery	Percentage progress made on the Development of the Cemeteries in Ficksburg/Meq heleng	97%	03%		3%	3%	0%	0%							745 822,43	322 000								Target Not Measured	100% Completed
To provide sustainable infrastructure network and service delivery	Percentage of replacement of an old 5km asbestos water rising main pipeline in Clocolan/Hlohl olwane completed	0%	40%		5%	0%	10%	2%							3 531 119,54	1 906 500,65								Target Not Met	Increase the production rate by the contractor to cover for lost performance
To provide sustainable infrastructure network and service delivery	Percentage of Marquard: Upgrading of sport and recreational facility	0%	50%		0%	0%	0%	0%							0	0								Target Not Measured	Project has been moved to 2021/2022 as current allocation exceed 4.5% for MIG
To provide sustainable infrastructure network and service delivery	Percentage Ficksburg/Meq heleng: Rehabilitation of 1,5km surfaced and storm water drainage	0%	100%		30%	46%	30%	38%							3 335 235,00	3 263 062,09								Target met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Percentage of Upgrading of the Water treatment Works in Clocolan/Hlohl olwane completed	0%	30%		5%	0%	5%	10%							3 652 235,23	2 255 064,67								Target met	Continue Monitoring

Division		Project Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
To provide sustainable infrastructure network and service delivery	Percentage of Resuscitation of the WWTW in Senekal/Matwabe ng	0%	30%		0%	0%	10%	0%							0	0					Target Not Met Delayed to 2021/2022 due to funding constrain	
To provide sustainable infrastructure network and service delivery	Percentage of construction of Cyferfontein raw water abstraction pump station: Earth works, casted concrete reinforcement walls and roof with mechanical concrete doors completed	0%	25%		0%	0%	10%	0%							0	1 022 586.90					Target Not Met Delayed to 2021/2022 due to funding constrain	
To provide sustainable infrastructure network and service delivery	Percentage of Installation of the 2 mechanical screw pumps, motors, electrical control panel, electrical transformer and cables in De Put completed	0.7%	29.3%		0%	9%	0%	30.41 %							0	7 368 025.03					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Percentage of construction of the De Put water abstraction pump station: earth works, casted concrete reinforced walls and roof with mechanical concrete doors completed	0.9%	29.1%		10%	10%	5%	24.3%							3 654 253	11 235 271.27					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Percentage of Installation of the 500mm Diameter OPVC pipe and Installation of scour valves, Air valves from Cyferfontein Dam to the new WTW.	0.9%	50%		15%	15%	15%	31.6%							3 258 250	15 809 412.89					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Percentage of the Clocolan/Hlohlolwane: Installation of 5 high mast lights (MIS:345766)	0%	100%		0%	0%	0%	0%							0	116 002.40					Target Not Met Delays in appointment of engineer	Advertise for contractor and monitor construction

Division		Project Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
To provide sustainable infrastructure network and service delivery	Percentage of the Ficksburg/Meq heleng: Installation of 10 high mast lights (MIS:345688)	0%	100%		20%	0%	40%	0%							630 000	182 584.35					Target Not Met	Advertise for contractor and monitor construction
To provide sustainable infrastructure network and service delivery	Percentage of the Marquard/Moe maneng: Installation of 8 high mast lights (MIS:345806)	0%	100%		20%	0%	45%	0%							598 623,25	214 635.00					Target Not Met	Advertise for contractor and monitor construction
To provide sustainable infrastructure network and service delivery	Percentage of the Senekal/Matwa beng: Installation of 7 high mast lights (MIS:345735)	0%	100%		5%	0%	25%	0%							465 248,25	185 544.76					Target Not Met	Advertise for contractor and monitor construction
To provide sustainable infrastructure network and service delivery	Number of PMU reports generated	12	12		3	3	3	3							0	0					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Number of MIG monthly reports	12	12		3	3	3	3							0	0					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Number of MIG quarterly reports	4	4		1	1	1	1							0	0					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Number of MIG Annual reports	1	1		0	1	0	0							0	0					Target Extremely Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Number of DWS monthly reports	12	12		3	3	3	3							0	0					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Number of DWS quarterly reports	8	8		2	2	2	2							0	0					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Number of site visits	18	63		16	20	15	16							0	0					Target Met	Continue Monitoring

Division		Project Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
To provide sustainable infrastructure network and service delivery	No of site meetings attended	21	60		15	15	15	23							0	0					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	Number of business plans submitted for funding	3	5		3	3	0	3							0	0					Target Met	Continue Monitoring
To provide sustainable infrastructure network and service delivery	No of EPWP beneficiaries	128	450		112	0	50	90							0	1 096 461.00					Target Met	Fast track appointment of contractors to increase EPWP participants on projects to achieve annual target
<b>Total</b>																						



### 9.6.3 Planning and Property Management Division

Division		Planning and Property Management																		Reasons for the Variance	Measures to improve performance			
Key Performance Area		Basic Service																						
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals											
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4					
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual				
Supporting the delivery of municipal services to the right quality and standard	Percentage of progress of Formalization of Masaleng informal settlements	40%	100%		10%	10%	40%	20%							200 000	0							Target Not Met	The project has started since the appointment of the service provider and it is expected to be finalized during this financial year still.
Supporting the delivery of municipal services to the right quality and standard	Percentage of progress of Formalization of Baiepehng informal settlements	40%	60%		10%	0%	40%	40%							0	R15 000.00							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of adopted SPLUMA compliant Spatial Development Framework	1	1		0	0	0	0							300 000	0							Fourth Quarter Target	Ensure that targets are achieved within required period
Supporting the delivery of municipal services to the right quality and standard	Number of Municipal Planning Tribunal seating held	4	4		1	1	1	1							50 000	0							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of illegal land use reports	8	8		4	5	4	4							0	0							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of zoning certificates issued	100%	100%		100%	100%	100%	100%							0	0							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of land development applications developed	100%	100%		100%	100%	100%	100%							0	0							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of liquor registrations applications processed	100%	100%		100%	100%	100%	100%							0	0							Target Met	Continue Monitoring

Division		Planning and Property Management																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Percentage of building plans processed	100%	100%		100%	100%	100%	100%							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of quality control and site inspection on formal structures conducted	200	400		50	65	50	78							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of inspections and building notices issued	50	100		25	35	25	24							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of reviewed and approved Housing Sector Plan	1	1		0	0	0	0							200 000	0					Fourth Quarter Target	Ensure that targets are achieved within required period
Supporting the delivery of municipal services to the right quality and standard	Number of Tittle Deeds issued	100	200		25	04	25	54							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of beneficiary's files opened	200	160		150	00	150	50							0	0					Target Not Met	Target moved to 3 <sup>rd</sup> Quarter
Supporting the delivery of municipal services to the right quality and standard	Number of Sites allocated	100	160		100	00	100	0							0	0					Target Not Met	Target moved to 4 <sup>th</sup> quarter in order to allow finalization of the township establishment
<b>Total</b>		<b>15</b>	<b>15</b>		<b>13</b>	<b>13</b>									<b>750.000</b>							

### 9.6.4 Water and Sewer Services-Operation and Maintenance Division

Division		Water and Sewer Services-Operations and Maintenance																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Percentage of water pipes repaired.	99.9%	100%		100%	100%	100%	100%					22 588.98	\$6 090.65							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of water meters repaired or replaced.	86.5%	100%		100%	89.05 %	100%	84.4%					22 588.98	\$6 090.65							Target Not Met	Request SCM to fast-track procurement of store material
Supporting the delivery of municipal services to the right quality and standard	Percentage of fire hydrants repaired.	100%	100%		100%	100%	100%	100%					22 588.98	\$6 090.65							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of water valves repaired.	91.7%	100%		100%	100%	100%	100%					22 588.98	\$6 090.65							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of sewer pipes repaired.	87.5%	100%		100%	100%	100%	100%					22 588.98	\$6 090.65							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of unblocked sewer spillages.	99.6%	100%		100%	100%	100%	100%					22 588.98	\$6 090.65							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of repaired/replaced sewer manholes.	100%	100%		100%	100%	100%	100%					22 588.98	\$6 090.65							Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of buckets removed	81.2%	100%		100%	53.6%	100%	77.9%					22 588.98	\$6 090.65							Target Not Met	Review budget to include purchase of new bucket trailer and tractors. Reduce turnaround time on fixing of tractors

Division		Water and Sewer Services-Operations and Maintenance																		Reasons for the Variance	Measures to improve performance				
Key Performance Area		Basic Service																							
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals												
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4						
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual					
Supporting the delivery of municipal services to the right quality and standard	Percentage of VIP and Sceptic tanks serviced.	42.8%	100%		100%	12.32 %	100%	96.3%					22 588.98	6 090.65										Target Not Met Delays in fixing of suction trucks due to shortage of material/parts. Finalization of the appointment of drivers for VIP trucks.	Finalize fixing of VIP trucks and appointment of dedicated drivers
Supporting the delivery of municipal services to the right quality and standard	Number of Section 80 Committee Reports generated.	12	12		3	3	3	3					0	0										Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of Unit Administration Reports generated	13	16		4	3	3	4					0	0										Target Met	Continue Monitoring
<b>Total</b>		<b>11</b>	<b>11</b>		<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>					<b>203 300</b>	<b>4 815.84</b>											

### 9.6.5 Water and Sewer Services-Bulk Provision Division

Division		Water and Sewer Services-Bulk Provision																	Reasons for the Variance	Measures to improve performance		
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Megaliter of water purified	8948.2	7000		1 750	1 641	1 750	1 597							202 884.83	252 407.92					Target Almost Met. Less water purified due to low levels of raw water from sources	Ensure pumping of water to off storage dams during rainy season
Supporting the delivery of municipal services to the right quality and standard	Liters of Flocculent to be used	357110	360000		90 000	60 471	90 000	104 176							202 884.83	119 491.92					Target Met	More Flocculent used due to quality of raw water as levels were low
Supporting the delivery of municipal services to the right quality and standard	Kilograms of Chlorine to be used/dosed	29150	30000		7500	5 923	7 500	8 705							202 884.83	119 491.92					Target Met	More chlorine used due to the quality of raw water
Supporting the delivery of municipal services to the right quality and standard	Number of Water quality compliant report	825	652		163	172	163	146							202 884.83	119 491.92					Target Almost Met Less samples submitted due to low levels of water received other plants were not functioning due to water shortage	Increase water sampling in rainy season
Supporting the delivery of municipal services to the right quality and standard	Number of full SANS 241 analysis report generated	2	1		0	0	0	0							202 884.83	0					Fourth Quarter Target	Ensure that targets are met within required timeframe
Supporting the delivery of municipal services to the right quality and standard	Number of water quality operations monitoring analysis	5934	5934		1484	1 768	1 484	1 612							202 884.83	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of reservoir inspections conducted	192	480		192	201	192	192							202 884.83	0					Target Met	Continue Monitoring

Division		Water and Sewer Services-Bulk Provision																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Megaliters of Wastewater treated	1711	400		100	115	100	154							202 884.83	252 407.92					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Kilogram of Chlorine to be used for disinfection	3275	2500		625	704	625	601							202 884.83	119 491.92					Target Met	Activities increase in quarter 1
Supporting the delivery of municipal services to the right quality and standard	Number of water service Development plan completed	1	1		0	0	0	0							0	0					Fourth Quarter Target	Ensure that targets are met within required timeframe
Supporting the delivery of municipal services to the right quality and standard	Number of unit reports generated	12	12		3	3	3	3							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of Section 80 reports generated	12	12		3	3	3	3							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of water forums attended	4	4		1	0	1	2							0	0					Target Met	Continue Monitoring
<b>Total</b>		<b>13</b>	<b>13</b>		<b>11</b>	<b>10</b>									<b>2 028 848</b>	<b>982 783.53</b>						

## 9.6.6 Electricity Services Division

Division		Electricity Services																		Reasons for the Variance	Measures to improve performance	
Key Performance Area		Basic Service																				
Planning Statement	Key Performance Indicator	Baseline Indicator	Annual Target	Revised Annual Target	Service Delivery and Budget Implementation Plan Quarterly Targets and Actuals								Budget Quarterly Targets and Actuals									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Supporting the delivery of municipal services to the right quality and standard	Number of streetlights & High mast lights Repaired/ Replaced	763	500		125	96	125	239							489 400	R45 000					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of substations maintained	1	2		0	1	0	0							0	0					Third and Fourth Quarter Target	Ensure that targets are achieved within required timeframes
Supporting the delivery of municipal services to the right quality and standard	Number of sub & mini substations cleaned	145	100		25	26	25	32							489 400	R50 000					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Kilometers of HV & LV network repaired/replaced	8.3	8		2	2.422	2	2.297							489 400	R52 000					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of Standing Committee Reports generated	12	12		3	3	3	3							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of Energy forum meeting on electricity services attended	4	4		1	1	1	1							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Number of Unit Meetings reports on electricity services generated	15	16		4	4	4	4							0	0					Target Met	Continue Monitoring
Supporting the delivery of municipal services to the right quality and standard	Percentage of unplanned outages that are restored to supply within industry standard timeframes (24hrs)	99.8%	98%		98%	99%	98%	100%							489 400	R52 000					Target Met	Continue Monitoring
<b>Total</b>		<b>8</b>	<b>8</b>		<b>7</b>	<b>8</b>									<b>1 957 600</b>							

**Overall Performance-Key Performance Area: Basic Services**

Not Yet Measured	9
Not Met	19
Almost Met	2
Met	59
Well Met	0
Extremely Met	1
<b>Total</b>	<b>90</b>

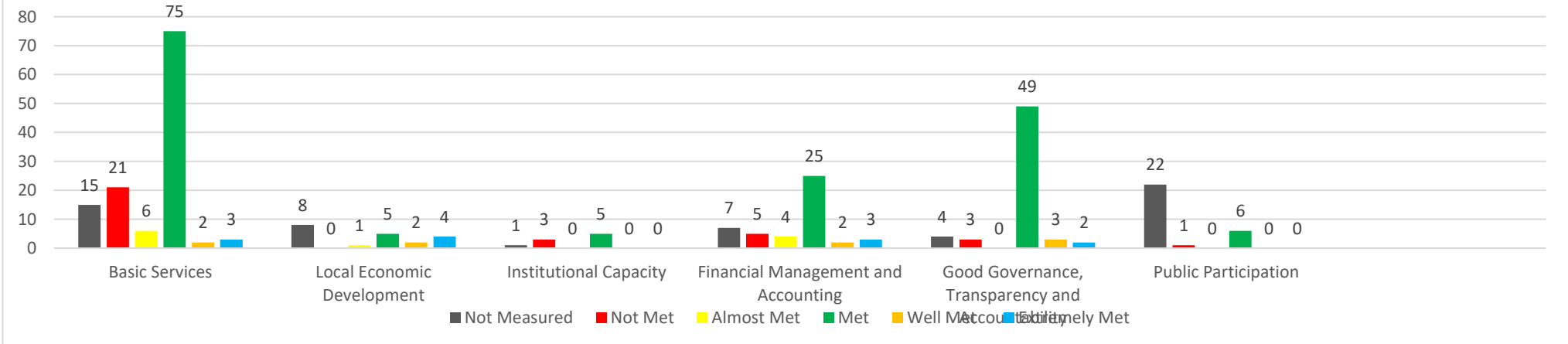
**10. Organisational Mid-Year Performance Assessment and Resources Implication**

**10.1 Financial Performance Assessment**

The issues identified during the review necessitate that and adjustments budget be compiled and be submitted to council for approval so that the municipality could meet all its obligations and provide sustainable services to the communities.

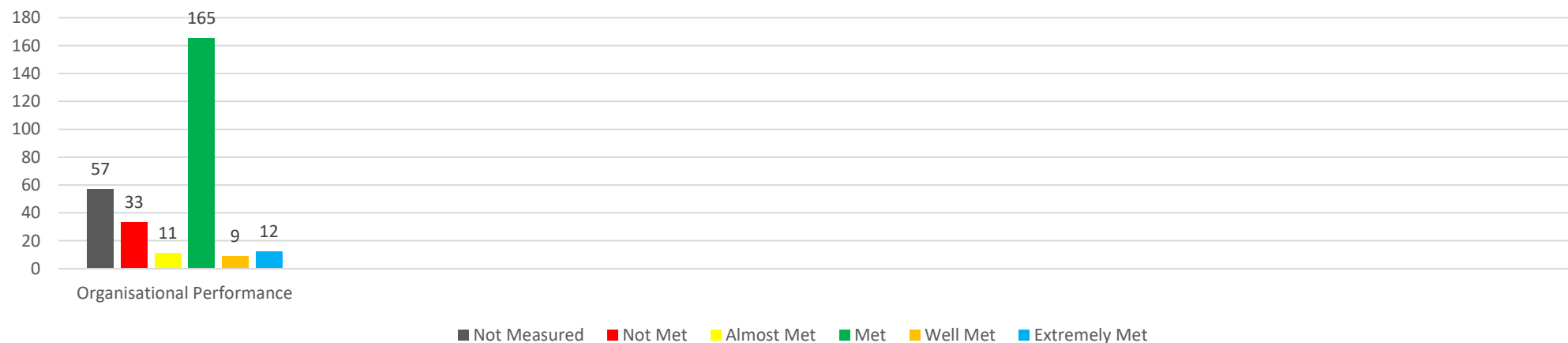
**10.2 Non-Financial Performance Assessment**

Key Performance Area Performance Assessment





## Organisational Performance Assessment



During the period under review, a total of 230 indicators were reported on, 33 (14%) indicators and targets were not achieved, 11 (5%) indicators and targets were almost achieved, 165 (72%) indicators and targets were achieved, 9 (4%) indicators and targets were well achieved, and 12 (5%) indicators and targets were achieved. Of the 37 indicators and targets not measured, 22 indicators and targets were not reported on, and these combined are from the Offices of the Speaker and the Executive Mayor, which has been a trend from the previous financial year. In terms of the evaluation criteria, the municipality is expected to achieve all its targets for the period under review, and the above performance is unsatisfactorily, as such measures needs to be put in place in order to correct the situation, and where necessary, consequence management be implemented.

### 11. Internal Audit Findings

Compliance with regards to MSA and regulation 10 of the MPPMR could not be confirmed as there are inconsistency identified in the report and supportive documents as reflected below:-

#### Statement of Financial Performance-Table C4 & C3

- i) There were discrepancies identified relating to the revenue and expenditure amounts that are reflected on the mid-year financial report versus budget amounts that were approved by Council. These amounts are reflected in **point 2** – (executive summary) of the mid-year financial report.

Description	Mid-year financial report	Approved Budget
Revenue	581,6m	550,5m
Expenditure	657,9m	680,9m

ii) There were discrepancies identified relating to the revenue and expenditure amounts that are reflected on the mid-year financial report versus budget amounts that were approved by Council. These amounts are reflected in **point 3** – (revenue analysis) of the mid-year financial report.

Description	Mid-year financial report		Approved Adjusted Budget
	Original budgeted revenue	Adjusted	
Revenue	547,9m	581,6m	584,2m

iii) There was discrepancy on the amount reflected on Mid-year financial report and the Approved Adjusted Budget with amount of **2 656** on revenue.

Description: Table C4	Mid-year financial report	Approved Adjusted Budget	Difference
Other Revenue	42 895	54 551	2 656

iv) There were discrepancies identified when we recalculate the year-to-date budget and the different amount to **21 995**.

Description: Table C3	Mid-year financial report	Re-calculate	Difference
Revenue by vote			
Vote 1 – Executive and Council	26 735	31 084	4 349
Vote 2 – Municipal Manager	2 557	2 975	418
Vote 3 – Treasury	57 471	57 389	82
Vote 4 - Corporate Services	247	247	-
Vote 5 – Development Planning and Social Security	36 152	38 160	2 008
Vote 6 - Engineering	235 731	250 869	15 138
<b>Total</b>			<b>21 995</b>

- v) The total revenue reflected in table C3 differ to the total revenue that are reflected in table C4 except the total that is in column that reflect monthly actual. The total does not tally even when you add up capital transfer and contribution.

Description: Table C3&C4	Original Budget	Adjusted Budget	Year to date actual	Year to date budget	YTD variance
Revenue by vote	717 787	761 448	401 794	358 893	42 901
Revenue by source excluding capital transfer and contribution	547 871	581 574	315 089	273 936	41 154
<b>Difference</b>	<b>169 916</b>	<b>179 874</b>	<b>86 705</b>	<b>84 957</b>	<b>1 747</b>
capital transfer and contribution (DoRA Allocation)	<b>209 184</b>	<b>180 475</b>			

- vi) The debtor has increase when compare to the previous report and it shows that the credit and control policy has not been implemented to the later. The age analysis shows outstanding debtors amounting to **R 448** million excluding current debtors.

## 12. Management Responses

The revenue enhancement strategy is scheduled to be tabled to council in January 2021. It entails all measures that the municipality will implement to collect long outstanding debts. The process for appointment of Litigators has also been finalized. The Service Level Agreement will be concluded with the successful service provider and the collection levels are expected to increase from the fourth quarter of the current financial year. Some vacancies which will contribute directly / indirectly to revenue collection has also been finalized [others are to be finalized during the third quarter of the current financial year].

## 13. Audit and Performance Audit Committee's recommendations

The committee thanked the Management for submitting the report though the timeline were not on our side as they only had a week to prepare the reports and submit to the committee. The committee urged the Management to implement all the proposed remedial actions in the report to ensure that service delivery is provided to the communities in a sustainable manner.



# **SETSOTO LOCAL MUNICIPALITY**

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## **MID-YEAR FINANCIAL REPORT**

**[Prepared in accordance with Municipal Budget  
and Reporting Regulations]**

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**JULY 2020 - DECEMBER 2020**

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## **1. Introduction and purpose**

The purpose of this report is to comply with Local Government Municipal Finance Management Act No. 56 of 2003 [MFMA]. In terms of Section 71 of MFMA, the Municipal Manager, as Accounting Officer, is required to submit a report in a prescribed format to the Mayor within ten working days after the end of each month. The purpose thereon is to report on the financial state of affairs of the municipality as at the reporting date [December 2020].

The Mayor is then required, in terms of Section 52 (d) of the MFMA, to submit a report to Municipal Council on the implementation of the annual budget and the financial state of affair of the municipality within 30 days after the end of the quarter. The above mentions in-year reports must be in the prescribed format [Schedule C], as determined by Regulation 28 of the Municipal Budget and Reporting Regulations [MBRR] promulgated in 2009. Therefore, the purpose of this report is to comply with the prescripts of the MFMA [Section 52 (d)] and MBRR [Regulation 28]

## **2. Executive summary**

The 2020/21 annual budget of the municipality has been prepared in accordance with the MFMA, MBRR and MFMA Budget Circulars issued by National Treasury from time to time. In this regard, Council has approved a revenue budget of R581.6 million while the expenditure budget is R657.9 million [inclusive of the non-cash items which will discussed in the later part of the report].

Post adoption of the annual budget by the Municipal Council, budget documents [together with the relevant supporting documentation] were sent to the relevant stakeholders [in both hard and soft copy]. Furthermore, the annual budget was published in the municipality's website as required by various legislation.

The municipality further developed a Service Delivery and Budget Implementation Plan [SDP]. The SDBIP was subsequently approved by the Executive Mayor in line

with Section 53 (1) (c) (ii). The SDBIP is a tool used by both Administration and Municipal Council to ensure that service delivery and annual budget are implemented.

Therefore, the in-year reporting for 'Month 6' [December 2020] is here by detailed below. The report discusses mainly the operating revenue; operating expenditure and capital expenditure [including funding sources] using the prescribed format [Schedule C tables]. Other pertinent information is also included in the report [and full Schedule C tables].

### **3. Revenue Analysis**

The table below indicates the municipality original budgeted revenue of [R547.9 million] and the adjusted budget of [R581.6 million] for the current year. Major part of the revenue is derived from non-exchange transaction / revenue, mainly, operational grants and property rates revenue.

Operational grants [Equitable Share; Finance Management Grant and Expanded Public Works Program] are budgeted at R243.9 million while Property rates revenue is budgeted at R69.7 million. Note should be taken that Equitable Share has been subsequently increased with R34.1 million [post declaration of the disaster because of Covid-19 pandemic]. Thus, the allocation increases from R205.7 million to R239.8 million.

Accordingly, on 30 September 2020 the Municipal Council has adopted the adjustment budget considering the amended Division of Revenue Act was enacted late [June 2020] while the annual budget process was almost completed. The amount is included in the adjustment budget of 31 December 2020.

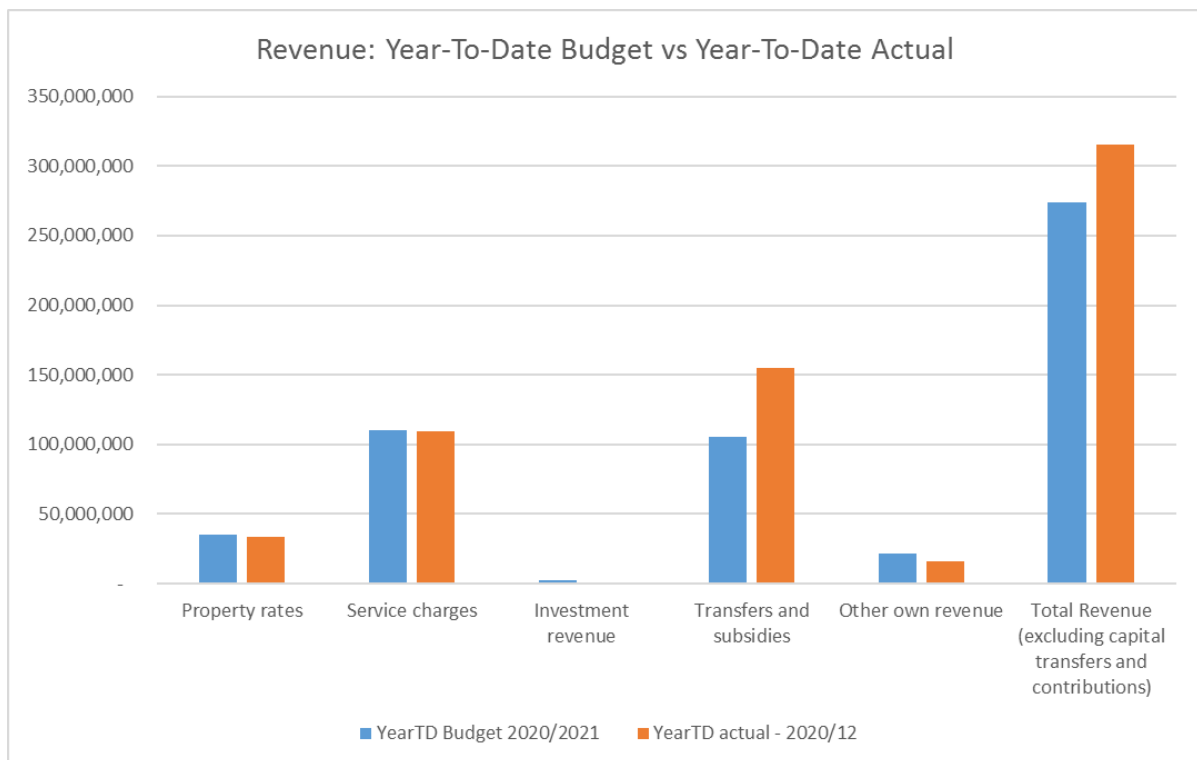
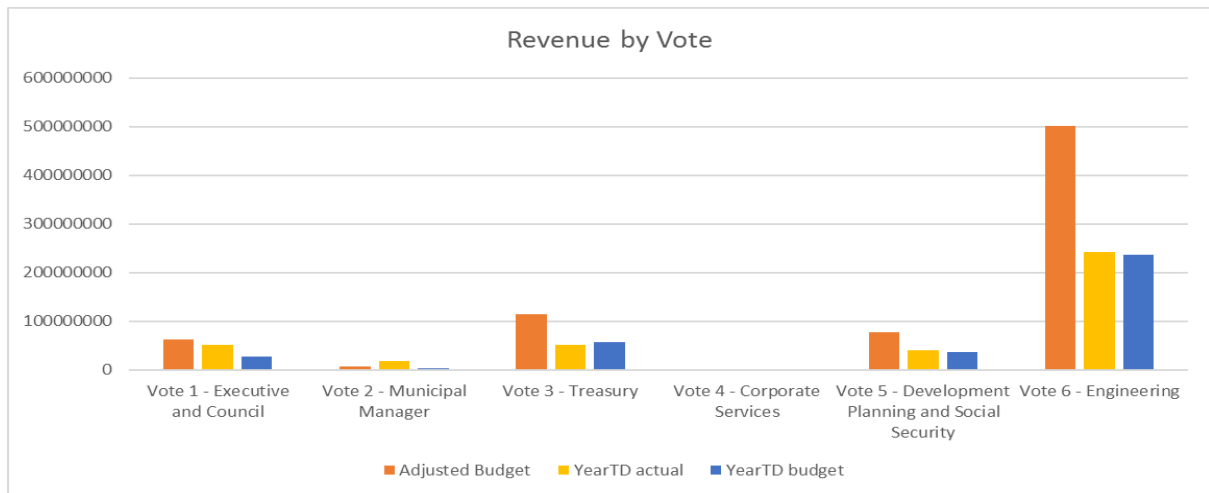
The R34.1 million as indicated above was transferred early December 2020. However, the municipality was scheduled to receive additional R62 million from the original allocation. However, this was not the case as the municipality received only R25 million and the rest of the funds were offset [conditional grants that were not cash backed as of 30 June 2020].

The other major revenue source is from the trading service such as electricity revenue [R78.8 million]; water revenue [R61.6 million]; refuse revenue [R44.7 million] and sanitation revenue [R35.1 million]. Other revenue sources are indicated in the table underneath.

FS191 Setsoto - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December								
Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates	69,710	69,710	5,402	33,553	34,855	(1,302)	-4%	69,710
Service charges - electricity revenue	78,791	78,791	5,612	40,217	39,395	822	2%	78,791
Service charges - water revenue	61,574	61,574	4,742	29,394	30,787	(1,393)	-5%	61,574
Service charges - sanitation revenue	35,122	35,122	2,918	17,531	17,561	(30)	0%	35,122
Service charges - refuse revenue	44,709	44,709	3,737	22,400	22,354	45	0%	44,709
Rental of facilities and equipment	498	498	5	28	249	(221)	-89%	498
Interest earned - external investments	4,825	4,825	107	932	2,412	(1,480)	-61%	4,825
Interest earned - outstanding debtors	37,450	37,450	2,428	13,459	18,725	(5,266)	-28%	37,450
Dividends received	88	88	-	47	44	3	7%	88
Fines, penalties and forfeits	846	846	18	84	423	(339)	-80%	846
Licences and permits	46	46	33	38	23	15	67%	46
Agency services	-	-	-	-	-	-	-	-
Transfers and subsidies	210,246	243,949	59,226	155,063	105,123	49,940	48%	210,246
Other revenue	3,967	3,967	195	2,078	1,983	94	5%	3,967
Gains	-	-	26	266	-	266	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>547,871</b>	<b>581,574</b>	<b>84,449</b>	<b>315,089</b>	<b>273,936</b>	<b>41,154</b>	<b>15%</b>	<b>547,871</b>

FS191 Setsoto - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December								
Vote Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue by Vote</b>								
Vote 1 - Executive and Council	53,470	62,168	37,687	51,252	26,735	24,517	91.7%	53,470
Vote 2 - Municipal Manager	5,115	5,951	3,623	16,855	2,557	14,297	559.1%	5,115
Vote 3 - Treasury	114,942	114,777	7,995	50,277	57,471	(7,194)	-12.5%	114,942
Vote 4 - Corporate Services	493	493	16	92	247	(154)	-62.6%	493
Vote 5 - Development Planning and Social Security	72,305	76,319	7,463	40,637	36,152	4,485	12.4%	72,305
Vote 6 - Engineering	471,462	501,738	27,664	242,681	235,731	6,950	2.9%	471,462
<b>Total Revenue by Vote</b>	<b>717,787</b>	<b>761,448</b>	<b>84,449</b>	<b>401,794</b>	<b>358,893</b>	<b>42,901</b>	<b>12.0%</b>	<b>717,787</b>





Statement of Financial Performance is prepared on similar basis to the prescribed budget format. The statement details revenue by source [excluding capital transfers and contributions] and expenditure by type [to be discussed/shown in the ensuing part of this report]. The statement [table above] shows actual revenue for the reporting at R84.4 million [bringing the year to date actuals to R401.7 million]. Therefore, a positive variance of 12% [R42.9 million] is realised when comparing the 'year to date actual: R401.7 million' versus 'year to date budget: R358.8 million'. This variance is attributed to the additional grant received and does not necessitate investigation [explanation].

### **3.1. Property rates [-4%]**

As indicated in the preceding part of the report, Property Rates revenue is budgeted at R69.7 million. For the reporting month, R5.4 million was realised [thereby resulting into a year-to-date amount of R33.5 million. Accordingly, there is an unfavorable variance of 4% for the period which is immaterial.

### **3.2. Service charges: electricity [2%]**

As indicated in the preceding part of the report that Electricity revenue is budgeted at R78.8 million. The reporting month performance is at R5.6 million resulting into a year-to-date amount of R40.2 million. Thus, service charges electricity has a favorable variance of 2% against the budget to date. It should be noted that electricity charges are consumption based and that during winter months more electricity is consumed than in summer months.

It should be noted that despite the positive performance, the revenue from electricity service, subsidizes other services within the municipality. Accordingly, this has led to the municipality not in a position to service the Eskom accounts [Bulk purchase account and Free Basic Service account] when they become due.

The Eskom account is being paid when the municipality receives the Equitable Share. This situation leads to the municipality having to pay interest on the overdue accounts. In addition to such interest being declared 'fruitless and wasteful', it also exacerbates the existing cash flow constraints. The prepaid system of the municipality has assisted in a great deal in terms of improving collections of electricity service.

### **3.3. Service charges: water [-5%]**

Water services revenue is budgeted at R61.6 million for the current year. The actual performance for the reporting month is R4.7 million [bringing the year-to-date amount to R29.4 million]. Accordingly, water revenue has an unfavorable variance of R1,3 million (-5%) against the year-to-date target.

The unfavorable performance could be attributed to several factors such as the flat-rate billing charged in the township and distribution losses [technical and non-technical losses]. Accordingly, measures and strategies must be developed and implemented to address these deficiencies.

#### **3.4. Service charges: sanitation [0%]**

Service charges for sanitation revenue are budgeted at R35.1 million. The reporting month performance is at R2.9 million, thereby bringing the year-to-date actuals to R17.5 million. Accordingly, there is no variance when compared to the year to date budget [this implies that levies were levied accordingly].

#### **3.5. Service charges: refuse [0%]**

Service charges for refuse revenue is budgeted at R44.7 million. The reporting month performance is at R3.7 million, thereby bringing the year-to-date actuals to R22.4 million. Accordingly, there is no variance when compared to the year to date budget [this implies that levies were levied accordingly].

#### **3.6. Rental of facilities and equipment [-89%]**

The rental of facilities and equipment has been budgeted at R498 thousand. There is an unfavorable variance of 89% when compared to the year-to-date budget. The reason for this inadequate performance can be attributed largely to the implementation of lockdown [post declaration of disaster emanating from Covid-19 pandemic]. Since the declaration of the disaster in March 2020, facilities such as halls and sportsgrounds are not being utilized and this affect the revenue negatively. Accordingly, the need may arise for this revenue source to be adjusted downwards in line with the prevailing performance.

#### **3.7. Interest: external investments [-61%]**

Interest expected to be earned from external investment has been budgeted at R4.8 million. The year-to-date performance has an unfavorable variance of R107 thousand [representing 61% below the budgeted revenue], despite high value investments

[ 2019/20 unspent condition grants and 2020/21 grant allocations received between July – August 2020].

Accordingly, the municipality will need to maximize on this revenue source but putting excess funds into Fixed Deposits [which have a better rate of return] as compared to the existing Call Accounts [which have lesser rate of return due to the accessibility of the funds]. During the first and second quarter of the financial year, all excess funds were invested with the primary banker of the municipality [thus no competition for better investments rates]. If this practice is not changed, the budgeted R4.8 million may need to be revised downwards.

It should be noted that returns on investment depend on the amount invested [to which there was no substantial cash on hand available for investments] as well as the period invested. Accordingly, during the lockdown period, the South African Reserve Bank reduced interest rates to manage the inflation [to avoid the economy going into recession] and to assist consumers to cope with their financial obligations. This led to interest rates on investment also being reduced in the same proportion.

### **3.8. Interest earned: outstanding debtors [-28%]**

Interest earned-outstanding debtors has been budgeted at R37.4 million. The year to date has an unfavorable variance of R5.2 million [-28%] for the period. This performance could be attributed to the general culture [existing amongst consumers] of non-payment of municipal services.

Furthermore, during the lockdown period, certain consumers lost their employment [thereby not having enough/no money to pay for municipal services]. When the lockdown levels are gradually uplifted, it is expected that payment levels will improve gradually. Furthermore, the municipality will be able to implement debt collection and credit control measures. The revenue enhancement strategy is also expected to contribute positively to the revenue collection [thereby reducing outstanding debtors].

#### 4. Grants and subsidies

The table below depicts the grants and subsidies that are expected to accrue to the municipality. Only those grants that have been gazette are included in the municipal budget. They are mainly divided into conditional and non-conditional grants [which can either be for capital or operational purposes].

##### 4.1. Non-conditional grants

The only non-conditional grant that is currently gazette and allocated to the municipality is Equitable Share. The municipality was initially allocated R205.7 million and the amount has been subsequently adjusted with R34.1 million [total allocation is now R239.8 million]. This grant is also meant to assist the municipality with subsidizing the registered Indigent Households.

The table below shows that an amount of R151 million was received and the amount is fully spent as at the end of the reporting period. The future receipts as indicated below is [R88 million].

GRANT	DORA ALLOCATION	ADJUSTMENT DORA ALLOCATION	YTD RECEIPTS	FUTURE RECEIPTS	YTD EXPENDITURE	YTD NET BALANCE	% SPENT
<b>UNCONDITIONAL</b>							
Equitable Share	R 205,715,000	R 239,810,000	R 151,798,000	R 88,012,000	R 151,798,000	R -	100%
<b>Sub-Total</b>	<b>R 205,715,000</b>	<b>R 239,810,000</b>	<b>R 151,798,000</b>	<b>R 88,012,000</b>	<b>R 151,798,000</b>	<b>R -</b>	<b>100%</b>

##### 4.2. Conditional grants

GRANT	DORA ALLOCATION	ADJUSTMENT DORA ALLOCATION	YTD RECEIPTS	FUTURE RECEIPTS	YTD EXPENDITURE	YTD NET BALANCE	% SPENT
<b>CONDITIONAL</b>							
EPWP	R 1,802,000	R 1,802,000	R 1,262,000	R 540,000	R 1,096,462	R 165,538	87%
FMG	R 2,000,000	R 2,000,000	R 2,000,000	R -	R 1,198,231	R 801,770	60%
MIG	R 46,899,000	R 46,899,000	R 9,305,000	R 37,594,000	R 13,011,592	R -3,706,592	140%
RBIG	R 132,108,000	R 103,399,000	R 65,000,000	R 38,399,000	R 59,119,075	R 5,880,925	91%
WSIG	R 26,375,000	R 26,375,000	R 12,400,000	R 13,975,000	R 2,255,025	R 10,144,975	18%
<b>Sub-Total</b>	<b>R 209,184,000</b>	<b>R 180,475,000</b>	<b>R 89,967,000</b>	<b>R 119,217,000</b>	<b>R 76,680,384</b>	<b>R 13,286,616</b>	<b>85%</b>
<b>TOTAL</b>	<b>R 414,899,000</b>	<b>R 420,285,000</b>	<b>R 241,765,000</b>	<b>R 207,229,000</b>	<b>R 228,478,384</b>	<b>R 13,286,616</b>	<b>95%</b>

Conditional grants that are gazette and allocated to the municipality amounts to R180.4 million. The details per each grant are indicated in the table above. It needs to be noted that there were unspent conditional grants [MIG, RBIG and WSIG] as at 30 June 2020. Accordingly, an application for roll-over that was submitted to National - Treasury was declined and the funds were off-set against the Equitable Share being with the same liability.

## 5. Outstanding debtors

FS191 Setsoto - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December										
Description	Budget Year 2020/21									Total over 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	
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	4,636	4,222	4,383	3,821	4,022	4,052	18,551	94,157	137,845	124,603
Trade and Other Receivables from Exchange Transactions - Electricity	3,903	1,776	2,228	1,071	1,753	1,245	2,477	14,874	29,326	21,419
Receivables from Non-exchange Transactions - Property Rates	3,858	3,671	3,148	2,673	2,610	2,566	9,802	45,730	74,057	63,381
Receivables from Exchange Transactions - Waste Water Management	2,475	2,280	2,224	2,174	2,146	2,127	9,681	50,565	73,672	66,693
Receivables from Exchange Transactions - Waste Management	3,142	2,895	2,809	2,771	2,760	2,741	12,737	68,891	98,746	89,900
Interest on Arrear Debtor Accounts	2,426	2,349	2,281	2,212	2,149	2,078	12,659	60,103	86,257	79,201
Other	24	31	22	17	14	8	76	3,268	3,460	3,384
<b>Total By Income Source</b>	<b>20,464</b>	<b>17,224</b>	<b>17,094</b>	<b>14,740</b>	<b>15,455</b>	<b>14,817</b>	<b>65,983</b>	<b>337,588</b>	<b>503,364</b>	<b>448,582</b>
<b>2019/20 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2,690	2,081	2,788	2,059	2,752	2,272	5,164	15,211	35,017	27,459
Commercial	3,978	2,742	2,335	1,406	1,395	1,365	6,217	42,500	61,938	52,884
Households	13,796	12,401	11,971	11,275	11,308	11,179	54,602	279,876	406,409	368,240
<b>Total By Customer Group</b>	<b>20,464</b>	<b>17,224</b>	<b>17,094</b>	<b>14,740</b>	<b>15,455</b>	<b>14,817</b>	<b>65,983</b>	<b>337,588</b>	<b>503,364</b>	<b>448,582</b>

The table above outlines the age analysis of outstanding debtors into two categories which are by income source and customer group. The total outstanding debtors is R503.3 million and the total over 90 days is R448.5 million representing 89% of total outstanding debtors.

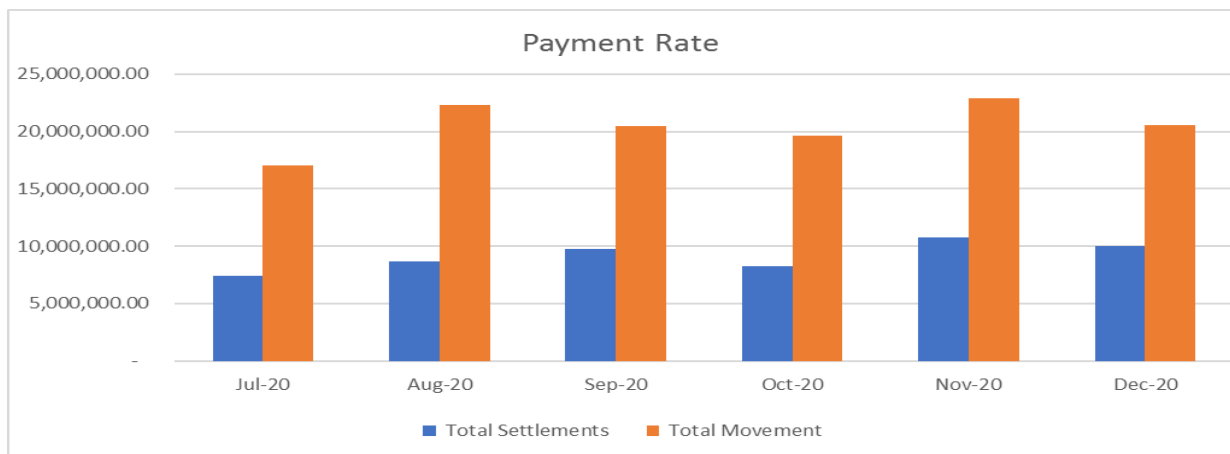
In terms of the income source, the 'water service' has the highest outstanding debt of R137.8 million (27%) followed by waste management debtor accounts with the balance of R98.7 million (20%).

The customer group that holds the highest outstanding debt is households with the balance of R406.4 million (81%) followed by commercial with the balance of R61.9 million (12%).

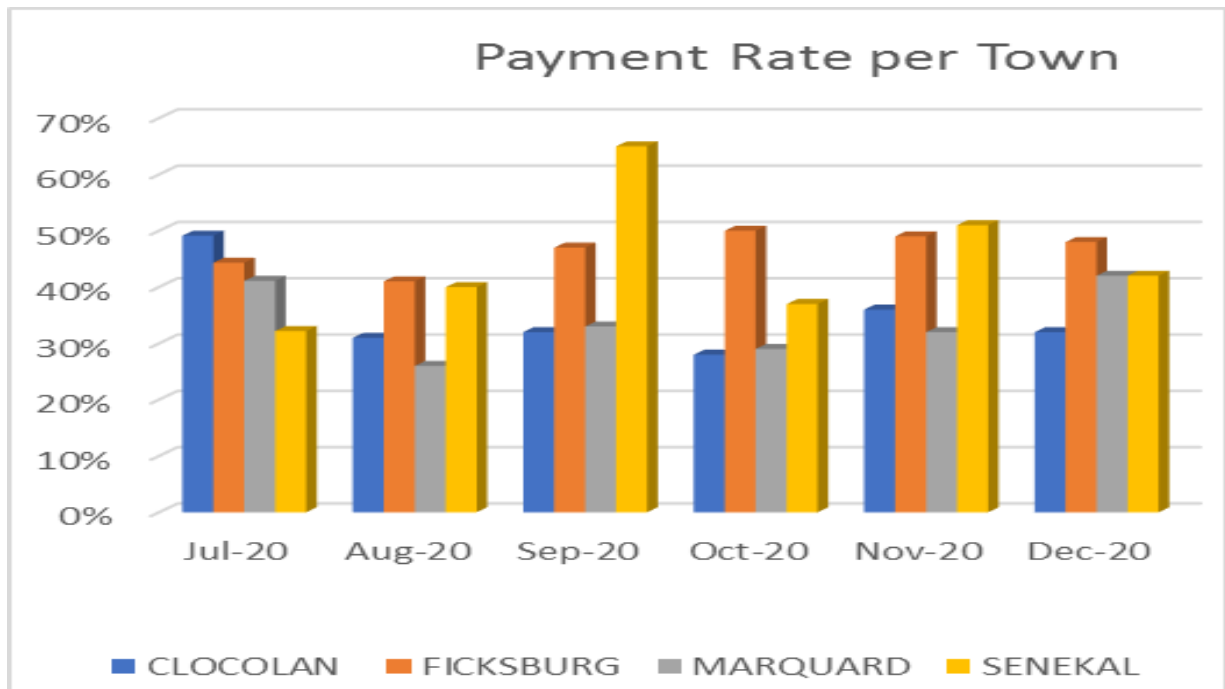
The households are the largest customer group in terms of our debtors hence it is the highest owing and with the current economic situation most household's income sources are not enough to service their municipal accounts. Therefore, they need to come forward so they can be registered as indigents. However, there is also a historical trend of non-payment by households even when they can afford, especially in the townships.

### Debtors Collection Rate

Period	Total Settlements	Total Movement	Billing	Credit Notes	Debit Notes	Other Adjustments	Payment Rate
Jul-20	7,385,264.82	17,014,501.71	20,975,334.87	-4,329,686.65	368,853.49	-86,611,328.42	43%
Aug-20	8,701,625.58	22,299,791.01	22,311,602.80	-103,187.29	78,604.25	12,771.25	39%
Sep-20	9,735,595.30	20,428,084.24	22,537,147.30	-1,859,590.48	30,011.36	-279,483.94	48%
Oct-20	8,250,740.88	19,592,669.18	21,281,957.52	-746,584.85	74,958.58	-1,017,662.07	42%
Nov-20	10,729,170.44	22,873,035.01	23,296,882.16	-403,225.44	464,700.75	-485,322.46	47%
Dec-20	10,010,554.55	20,547,707.43	21,861,381.58	-1,302,147.48	564,349.21	-575,875.88	49%
<b>Total</b>	<b>54,812,951.57</b>	<b>122,755,788.58</b>	<b>132,264,306.23</b>	<b>-8,744,422.19</b>	<b>1,581,477.64</b>	<b>-88,956,901.52</b>	<b>45%</b>



	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
CLOCOLAN	49%	31%	32%	28%	36%	32%
FICKSBURG	44%	41%	47%	50%	49%	48%
MARQUARD	41%	26%	33%	29%	32%	42%
SENEKAL	32%	40%	65%	37%	51%	42%



## 6. Operating expenditure analysis

The municipality budgeted for operating expenditure budget of R657.9 million for the 2020/21 financial year. The expenditure was increased to R657.9 million during the special adjustment budget. Included in this amount is non-cash items [Debt impairment of R71.2 million and Depreciation/asset impairment of R126.1 million]. Accordingly, when the analysis is done [to ascertain any budget deficit / funding], the non-cash items should be considered.

The overall performance on expenditure is below with 41%. As much as the variance is vast, it needs to be noted that, because the municipality is not collecting its revenue adequately, the level of expenditure should be aligned to the prevailing revenue collection rates. The non-transacting of depreciation during the first half of the financial year also contributes immensely on the under spending even though it is a non-cash expenditure item.



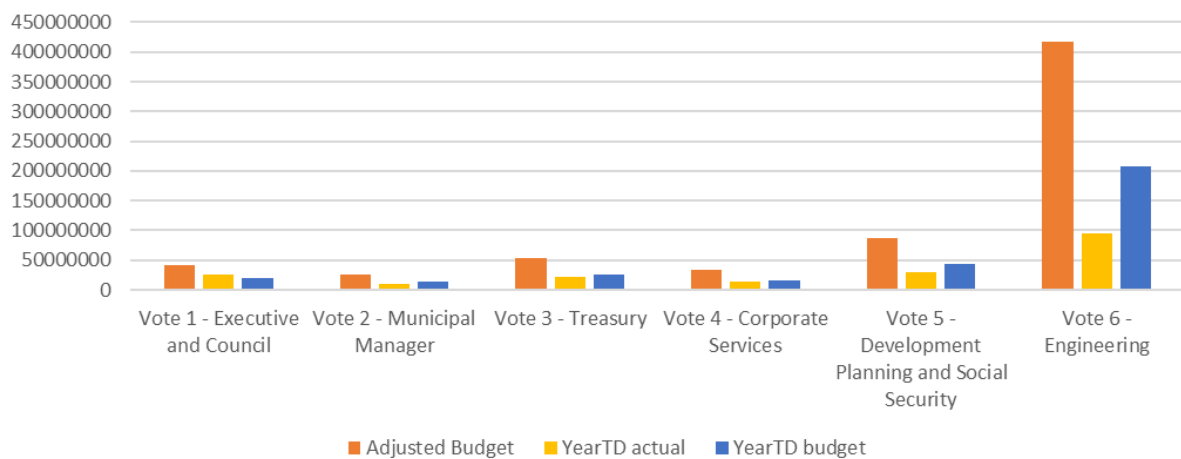
**FS191 Setsoto - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December**

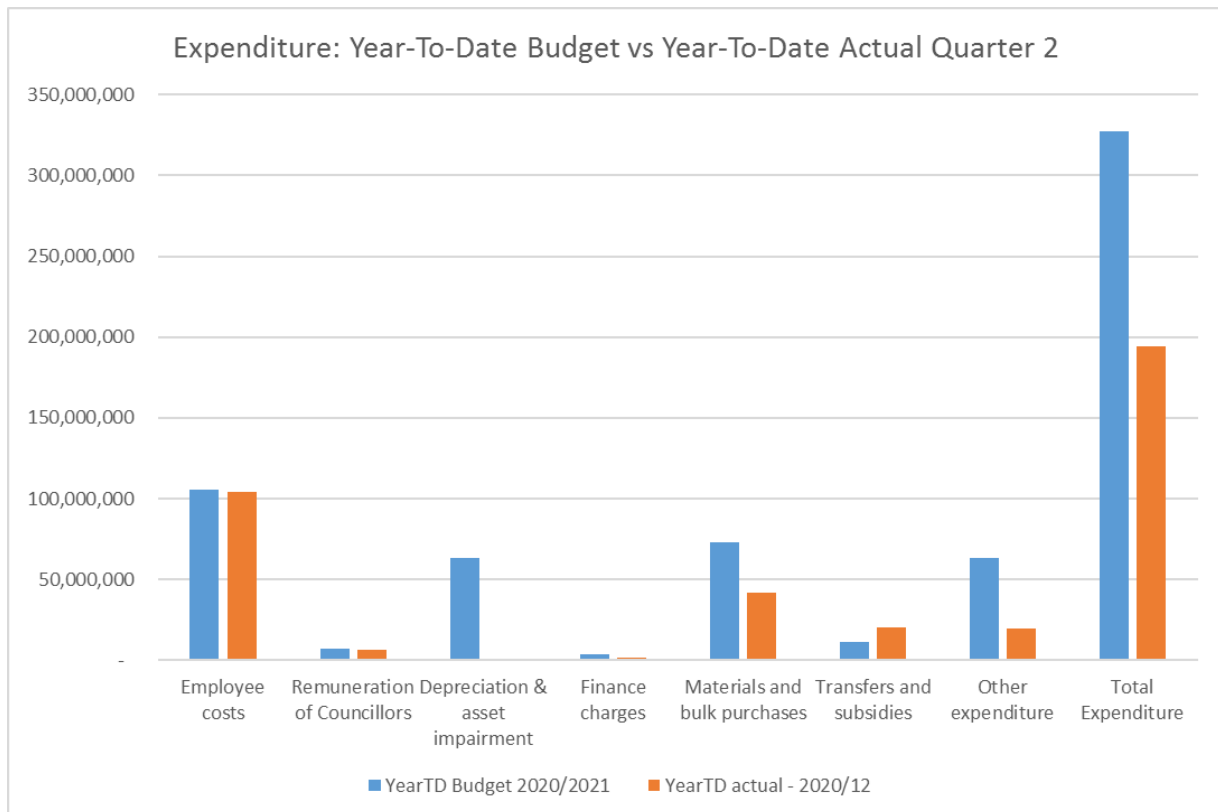
Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>							%	
<b>Expenditure By Type</b>								
Employee related costs	211,287	211,287	18,577	103,982	105,643	(1,661)	-2%	211,287
Remuneration of councillors	14,154	14,154	1,059	6,506	7,077	(572)	-8%	14,154
Debt impairment	71,253	71,253	654	3,408	35,627	(32,219)	-90%	71,253
Depreciation & asset impairment	126,156	126,156	-	-	63,078	(63,078)	-100%	126,156
Finance charges	7,663	7,663	617	1,963	3,831	(1,869)	-49%	7,663
Bulk purchases	84,544	84,544	5,294	37,051	42,272	(5,221)	-12%	84,544
Other materials	61,501	61,968	1,009	4,719	30,750	(26,031)	-85%	61,501
Contracted services	27,496	27,556	1,442	6,005	13,748	(7,744)	-56%	27,496
Transfers and subsidies	22,050	22,050	3,449	20,479	11,025	9,454	86%	22,050
Other expenditure	28,314	31,307	1,350	10,101	14,157	(4,056)	-29%	28,314
<b>Total Expenditure</b>	<b>654,419</b>	<b>657,939</b>	<b>33,451</b>	<b>194,213</b>	<b>327,209</b>	<b>(132,996)</b>	<b>-41%</b>	<b>654,419</b>

**FS191 Setsoto - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December**

Vote Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>							%	
<b>Expenditure by Vote</b>								
Vote 1 - Executive and Council	40,430	41,252	4,618	26,207	20,215	5,992	29.6%	40,430
Vote 2 - Municipal Manager	25,847	25,845	1,380	8,903	12,923	(4,020)	-31.1%	25,847
Vote 3 - Treasury	50,096	52,796	3,629	21,504	25,048	(3,545)	-14.2%	50,096
Vote 4 - Corporate Services	33,514	33,514	2,945	13,204	16,757	(3,552)	-21.2%	33,514
Vote 5 - Development Planning and Social Security	87,474	87,474	5,298	29,785	43,737	(13,952)	-31.9%	87,474
Vote 6 - Engineering	417,058	417,058	15,580	94,610	208,529	(113,919)	-54.6%	417,058
<b>Total Expenditure by Vote</b>	<b>654,419</b>	<b>657,939</b>	<b>33,451</b>	<b>194,213</b>	<b>327,209</b>	<b>(132,996)</b>	<b>-40.6%</b>	<b>654,419</b>

**Expenditure by Vote**





As it can be seen from the tables above, most of the line items have a 'saving'. This saving does not necessarily mean actual savings in terms of Rands and cents but rather instances where expenditure was streamlined for it to be commensurate with the prevailing revenue levels.

### **6.1. Employee related costs [-2%]**

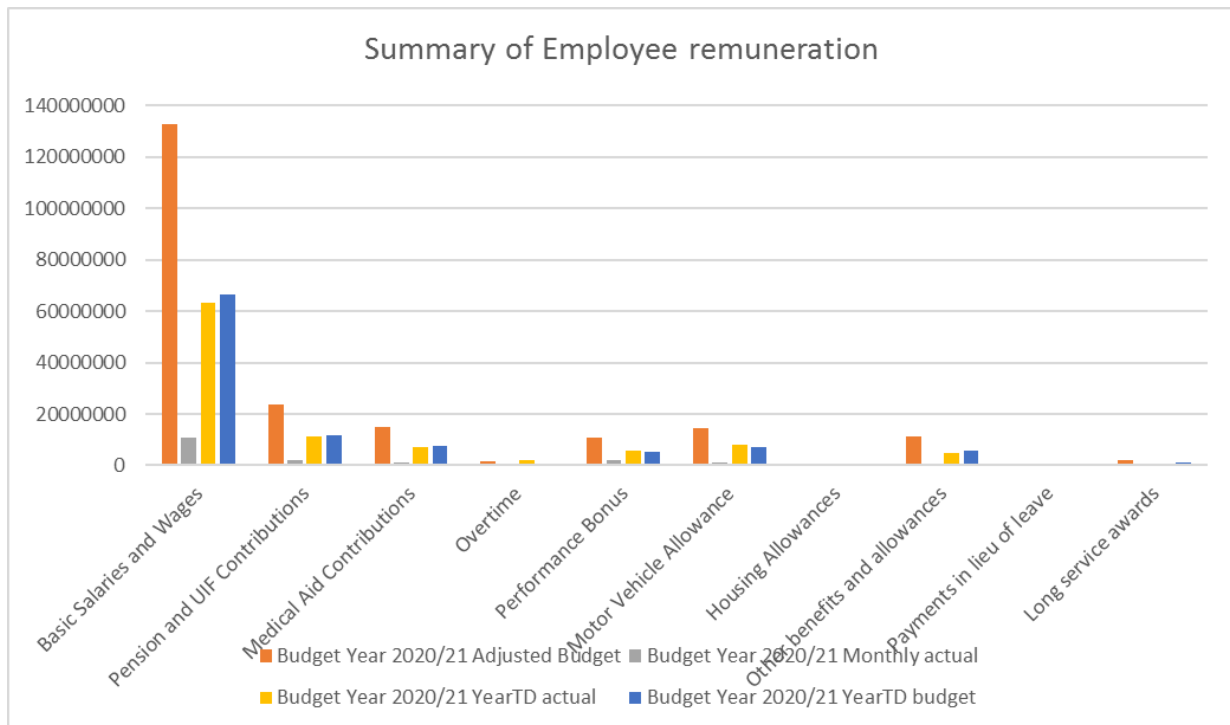
The employee related costs are budgeted at R211.2 million and the year-to-date expenditure is R103.9 million. The spending is below the average with 2% [which is reasonable]. This could be attributed to vacancies that are currently existing within various departments.

Despite the existing vacancies, due diligence and care must be exercised when such vacant posts are being filled. As far as possible, priority should be given to posts that will improve service delivery, assist the municipality with improving revenue collection, reduce outsourcing [where there is use of consultants] and improve compliance.

At this stage, the municipality is experiencing cash flow constraints. Third party deductions from salaries of employees have been paid late to the relevant authorities for the reporting period. Thus, filling of the vacant posts [and/or creation of new posts] will further put the strain on the finances of the municipality [if they are not aligned with the prevailing revenue collection rates]. Furthermore, cost containment should be implemented on allowances such as overtime and standby.

FS191 Setsoto - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December								
Summary of Employee and Councillor remuneration	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	7,057	7,057	639	2,865	3,528	(663)	-19%	7,057
<b>Sub Total - Senior Managers of Municipality</b>	<b>7,057</b>	<b>7,057</b>	<b>639</b>	<b>2,865</b>	<b>3,528</b>	<b>(663)</b>	<b>-19%</b>	<b>7,057</b>
<b>Other Municipal Staff</b>								
Basic Salaries and Wages	125,865	125,865	10,106	60,464	62,932	(2,469)	-4%	125,865
Pension and UIF Contributions	23,878	23,878	1,900	11,351	11,939	(588)	-5%	23,878
Medical Aid Contributions	14,709	14,709	1,195	7,165	7,354	(189)	-3%	14,709
Overtime	1,434	1,434	357	2,157	717	1,440	201%	1,434
Performance Bonus	10,604	10,604	2,036	5,528	5,302	227	4%	10,604
Motor Vehicle Allowance	14,258	14,258	1,326	7,868	7,129	739	10%	14,258
Housing Allowances	429	429	107	751	214	537	250%	429
Other benefits and allowances	11,083	11,083	774	4,589	5,542	(952)	-17%	11,083
Payments in lieu of leave	7	7	68	636	3	633	18151%	7
Long service awards	1,964	1,964	68	607	982	(376)	-38%	1,964
<b>Sub Total - Other Municipal Staff</b>	<b>204,230</b>	<b>204,230</b>	<b>17,938</b>	<b>101,117</b>	<b>102,115</b>	<b>(998)</b>	<b>-1%</b>	<b>204,230</b>

NB. The line item 'performance bonus' is because of reporting limitations from prescribed reporting formats. The amount relates to normal bonuses [13<sup>th</sup> cheque] payable to employees who qualifies for this benefit and other bonus such as long service bonuses.



## 6.2. Remuneration of Councilors [-8%]

Councillors remuneration and allowances are budgeted at R14.2 million and the year-to-date spending is R6.5 million [thus 8% below the average]. The average will increase to be on par with the budget after the gazette on the upper limits is approved. Only then will the upper limits for the current year be implemented [despite having been budgeted already].

## 6.3. Bulk purchases [-12%]

Bulk purchases on electricity services are budgeted at R84.5 million [an increase of approximately R20 million from the previous financial year]. The year-to-date performance is at R37 million [which translate to 12% or R5.2 million below the average]. There is no detailed analysis performed to determine this variance. However, the following could be the contributing factors:

1. Eskom charges a 'seasonal tariff', which means during the winter months, the tariff is high [resulting in higher bill for the municipality].

2. Eskom also charges a 'time-of-use tariff'. This means if consumption by the municipality/within the municipality is high during peak hours, the municipality pays more.
3. Distribution losses [technical and non-technical] are also contributing negatively.

Therefore, the bill from Eskom is expected to reduce slightly post the winter months. Eskom accounts [Bulk account] has been paid up to November 2020. Accordingly, the December month account became payable at end of January 2021. Should the Municipality remain not settling the account timeously a risk exists that Eskom may initiate PAJA process with the intention of disconnecting electricity.

#### **6.4. Finance charges [-49%]**

A provision of R7.7 million has been made for Finance Charges and the year-to-date amount is R1.9 million [thus a saving of R1.8 million when compared to the budget year to date]. This could be attributed to several factors, amongst others:

1. Loan redemption from one year to another [less balance resulting in less interest payable].
2. Eskom account [relating to 2019/20 financial year] that was paid up in November 2020.
3. Outstanding creditors [mainly 2019/20] which were also partially paid up when Equitable Share was received in November and December 2020.

It should be noted that finance charges mainly relate to interest paid on external loans and on overdue creditors. However, because of the lower cash available in the bank for daily operations this figure will drop drastically in the coming months [that is, the municipality will start paying more interest as the balances on outstanding creditors will be high and attracting higher interest].

## 6.5. Other materials (-85%)

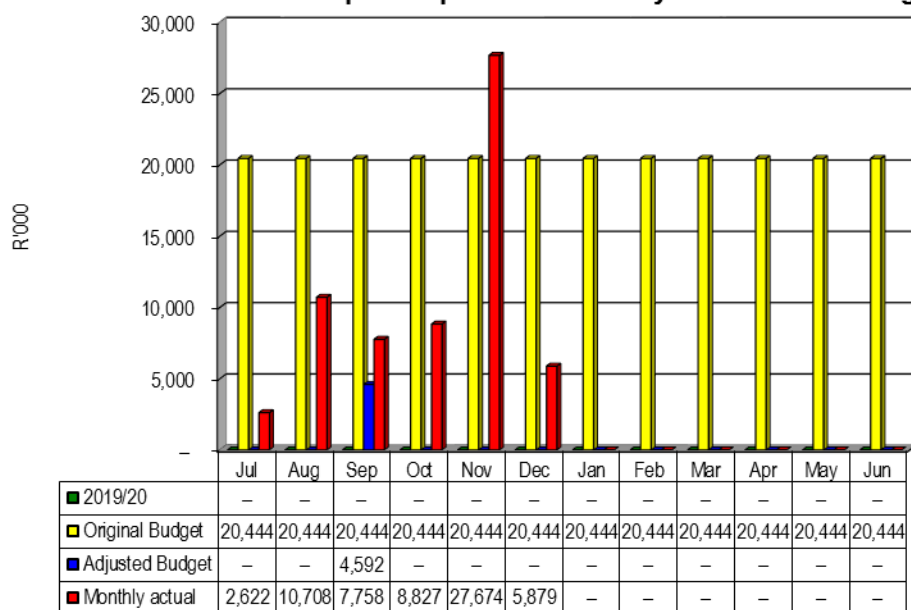
A budget allocation of R62 million has been made for 'other material'. The actual year to date performance is at R4.7 million [thus a saving of 85% when compared to the budget year to date]. As indicated earlier, expenditure should be aligned to the prevailing revenue collection levels [and this cannot be regarded as a 'saving' while there could be service delivery deficiencies].

## 7. Capital expenditure and funding analysis

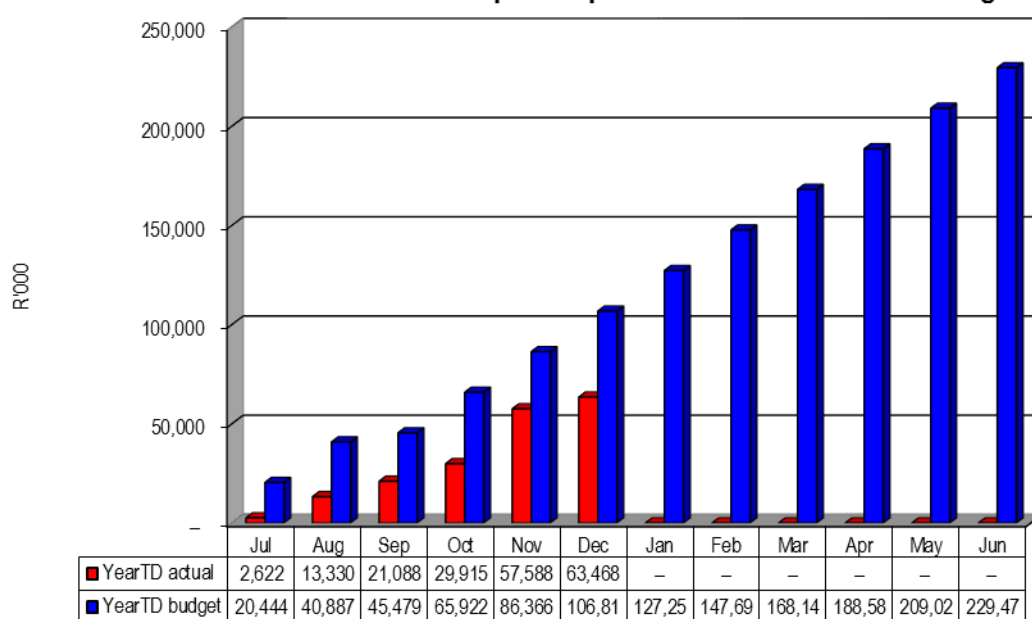
The capital expenditure for the financial year was budgeted at R182.3 million [the budget adjustments are from the additional R15 million on RBIG and R455 thousand of the internal funding for office equipment.

FS191 Setsoto - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) -								
Vote Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							%	
<b>Capital Expenditure - Functional Classification</b>								
<i>Governance and administration</i>	-	275	-	52	-	52	#DIV/0!	-
<i>Community and public safety</i>	2,564	3,317	-	2,373	1,282	1,091	85%	2,564
<i>Economic and environmental services</i>	31,462	9,124	763	2,888	15,731	(12,843)	-82%	31,462
<i>Trading services</i>	147,889	169,655	5,116	58,155	73,944	(15,789)	-21%	200,004
<b>Total Capital Expenditure - Functional Classification</b>	<b>181,915</b>	<b>182,370</b>	<b>5,879</b>	<b>63,468</b>	<b>90,958</b>	<b>(27,490)</b>	<b>-30%</b>	<b>234,031</b>
<b>Funded by:</b>								
National Government	166,715	166,715	5,879	56,729	83,358	(26,629)	-32%	166,715
Provincial Government	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>166,715</b>	<b>166,715</b>	<b>5,879</b>	<b>56,729</b>	<b>83,358</b>	<b>(26,629)</b>	<b>-32%</b>	<b>166,715</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>15,200</b>	<b>15,200</b>	<b>-</b>	<b>6,653</b>	<b>7,600</b>	<b>(947)</b>	<b>-12%</b>	<b>15,200</b>
<b>Total Capital Funding</b>	<b>181,915</b>	<b>181,915</b>	<b>5,879</b>	<b>63,382</b>	<b>90,958</b>	<b>(27,576)</b>	<b>-30%</b>	<b>181,915</b>

**Chart C1 2020/21 Capital Expenditure Monthly Trend: actual v target**



**Chart C2 2020/21 Capital Expenditure: YTD actual v YTD target**



The capital expenditure for the financial year was budgeted at R182.3 million and R63 million has been spent up to the date of reporting. The roll-over application in respect of unspent grant funding for the 2019/2020 financial year was not approved and will have a detrimental effect on the capital project progress.

## 8. Outstanding creditors

FS191 Setsoto - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December									
Description	Budget Year 2020/21								
	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									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity	5	-	-	-	-	-	-	-	5
Bulk Water	-	-	-	-	-	-	-	-	-
PAYE deductions	(303)	-	-	(5)	-	-	(145)	-	(454)
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	9,332	2,348	4	181	-	1	145	845	12,857
Auditor General	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>9,033</b>	<b>2,348</b>	<b>4</b>	<b>176</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>845</b>	<b>12,408</b>

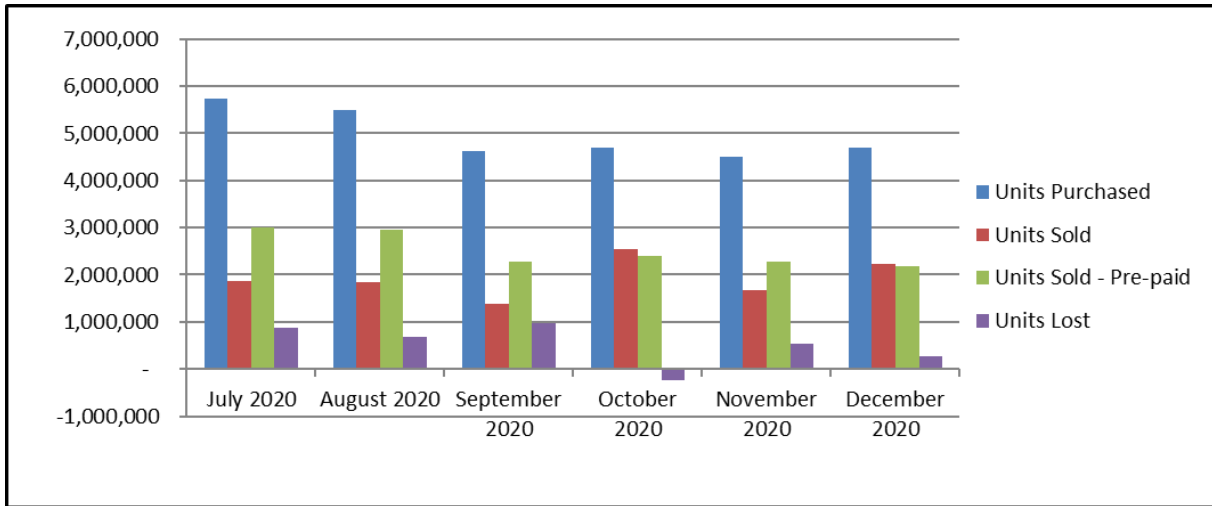
The total outstanding creditors is R12.4 million, R3.4 million [27%] is owed for more than 30 days which is in contravention with section 65 (e) of the MFMA. With the current financial constraints, the municipality cannot pay its' creditors when due.

## 9. Electricity losses

ELECTRICITY						
Period	Units Purchased	Units Sold	Units Sold - Pre-paid	Units Lost	% Losses	Previous Year
July 2020	5,727,214	1,865,781	2,994,500	866,933	15%	16%
August 2020	5,482,481	1,840,111	2,955,778	686,592	13%	24%
September 2020	4,628,871	1,371,085	2,282,283	975,503	21%	28%
October 2020	4,692,544	2,543,957	2,397,960	-249,373	-5%	2%
November 2020	4,505,377	1,672,397	2,286,972	546,008	12%	14%
December 2020	4,685,489	2,225,345	2,179,548	280,596	6%	3%
<b>Total</b>	<b>29,721,976</b>	<b>11,518,676</b>	<b>15,097,041</b>	<b>3,106,259</b>	<b>10%</b>	<b>15%</b>

Percentage electricity losses account to an average of 10% for year to date. The prescribed norm from National Treasury for electricity losses is estimated to be between 7% and 10%.



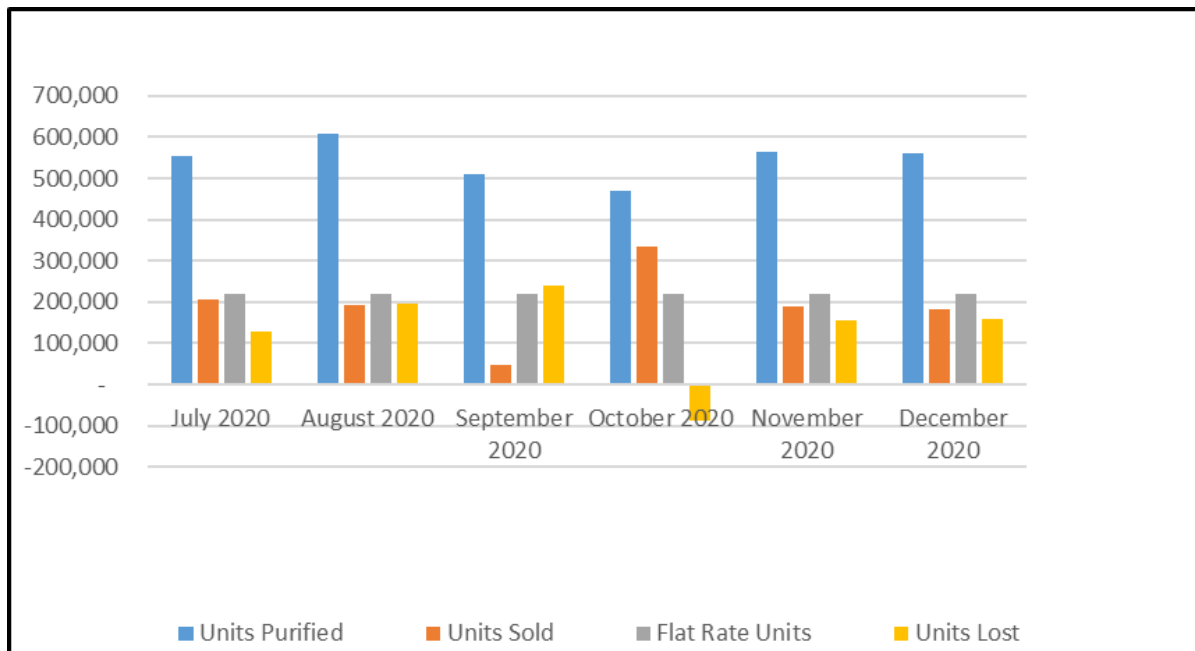


Electricity losses are calculated based on the difference between the total electricity purchases and total electricity sales. The losses are either technical or non-technical. Technical losses are the losses that occur within the distribution network due to the cables, overhead lines, transformers, and other substation equipment that are used to transfer electricity. Non-Technical losses are electricity that are consumed but not billed this is might be because the consumer is not known or is connected illegal and/or the is an error in unmetered supplies.

### 10. Water losses

<b>WATER</b>						
Period	Units Purified	Units Sold	Flat Rate Units	Units Lost	% Losses	Previous Year
July 2020	554,412	207,118	220,102	127,192	23%	52%
August 2020	608,514	193,066	219,582	195,866	32%	70%
September 2020	508,552	47,958	220,350	240,244	47%	43%
October 2020	468,967	335,975	221,039	-88,047	-19%	36%
November 2020	565,518	188,387	221,101	156,030	28%	32%
December 2020	562,223	183,267	220,081	158,875	28%	23%
<b>Total</b>	<b>3,268,186</b>	<b>1,155,771</b>	<b>1,322,255</b>	<b>790,160</b>	<b>24%</b>	<b>43%</b>

Percentage water losses account to an average of 24% for year to date and this include units consumed in township with a flat rate because meters are not read. The prescribed norm from National Treasury for water losses is estimated to be between 15% and 30%



The water losses are calculated obtaining the difference between the volume/quantity of water purified and the volume/quantity of water sold. The municipality is currently reading water meters in towns only and therefore their consumption can be measured realistically, whilst in the townships a flat rate is charged. Losses can result from leakage pipes and joints, overflows and of reservoirs.

## 11. Borrowings

The municipality has several loans which were raised from financial institutions to fund capital expenditure [mainly service delivery vehicles. Details of the loans are provided underneath.

### 11.1. DBSA loan

The details of DBSA loans are provided underneath.

Institution	Average Interest rate	Maturity date	Balance 2020-07-01	Capitalised / Received during the period	Interest for the period	Redeemed / written off during the period	Balance 2020-12-31
<b>LONG-TERM LOANS</b>							
DBSA	11.36%	2024-12-31	3,246,165.14	0.00	185,897.65	284,962.68	2,961,202.46
<b>Total Long-term loans</b>			<b>3,246,165.14</b>	<b>0.00</b>	<b>185,897.65</b>	<b>284,962.68</b>	<b>2,961,202.46</b>

The DBSA loan has a balance of R2.9 million and its instalment is paid bi-annual in December and June, the maturity date is 31 December 2024.

## 11.2. Absa loan

Institution	Average Interest rate	Maturity date	Balance 2020-07-01	Capitalised / Received during the period	Interest for the period	Redeemed / written off during the period	Balance 2020-12-31
ABSA	10.00%	2022-06-01	414,691.38	0.00	18,807.52	96,017.06	318,674.32
ABSA	10.00%	2022-06-01	299,465.22	0.00	13,581.65	69,337.81	230,127.41
ABSA	10.00%	2022-06-01	231,456.51	0.00	10,497.26	53,591.08	177,865.43
ABSA	10.00%	2022-06-01	623,236.02	0.00	28,265.64	144,303.24	478,932.78
ABSA	10.00%	2022-06-01	623,236.02	0.00	28,265.64	144,303.24	478,932.78
ABSA	10.00%	2022-07-01	1,143,118.32	0.00	52,085.34	252,992.28	890,126.04
ABSA	10.00%	2022-07-01	518,557.83	0.00	23,627.72	114,765.94	403,791.89
ABSA	10.00%	2022-07-01	518,557.83	0.00	23,627.72	114,765.94	403,791.89
ABSA	10.00%	2022-06-01	28,447.79	0.00	1,290.20	6,586.78	21,861.01
ABSA	10.00%	2022-06-01	28,447.79	0.00	1,290.20	6,586.78	21,861.01
ABSA	10.00%	2022-09-01	776,557.17	0.00	35,674.68	157,764.72	618,792.45
ABSA	10.00%	2022-09-01	1,734,647.03	0.00	79,688.85	352,409.43	1,382,237.60
ABSA	10.00%	2022-09-01	776,978.41	0.00	35,694.02	157,850.26	619,128.15
ABSA	10.00%	2022-08-01	1,179,742.60	0.00	53,984.01	249,972.39	929,770.21
<b>TOTAL</b>			<b>8,897,139.92</b>	<b>0.00</b>	<b>406,380.45</b>	<b>1,921,246.95</b>	<b>6,975,892.97</b>

ABSA is paid monthly on the 1<sup>st</sup> business day of the month, interest paid to date amounted to R406 thousand and redemption is R1.9 million and that brings the closing balance to R6.9 million. The maturity date for ABSA loans account is 1 August 2022.

## 11.3. Wesbank loan

Institution	Average Interest rate	Maturity date	Balance 2020-07-01	Capitalised / Received during the period	Interest for the period	Redeemed / written off during the period	Balance 2020-12-31
WESBANK	12.25%	2022-08-01	413,293.74	0.00	24,218.71	94,006.13	319,287.61
WESBANK	12.25%	2022-09-01	692,627.08	0.00	40,887.10	137,817.92	554,809.16
WESBANK	12.25%	2022-08-01	2,325,725.90	18,568.09	112,640.09	481,419.53	1,862,874.46
WESBANK	12.25%	2022-08-01	2,325,725.90	18,568.09	112,640.09	524,150.18	1,820,143.81
WESBANK	12.25%	2022-09-01	870,396.48	0.00	51,381.16	173,190.26	697,206.22
WESBANK	12.25%	2022-09-01	870,396.48	0.00	51,381.16	173,190.26	697,206.22
WESBANK	12.25%	2022-09-01	438,249.44	0.00	25,870.68	87,202.20	351,047.24
WESBANK	12.25%	2022-09-01	692,627.08	0.00	40,887.10	150,676.55	541,950.53
<b>TOTAL</b>			<b>8,629,042.10</b>	<b>37,136.18</b>	<b>459,906.09</b>	<b>1,821,653.03</b>	<b>6,844,525.25</b>

WESBANK is paid quarterly, during the quarter under reporting R1.8 million was redeemed and interest on borrowings paid is R459 thousand and the closing balance is R6.8 million.

## 12. Investments

FS191 Setsoto - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December								
Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands								
<b>Municipality</b>								
First National Bank	Call Account	No	Variable	29,036	826	(127,040)	111,048	13,869
Absa	Call Account	No	Variable	36				36
Sanlam		No	Variable	2,198				2,198
Ovk		No	Variable	1,264				1,264
Stabard Bank	Call Account	No	Variable	-	7		30,000	30,007
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>32,534</b>		<b>(127,040)</b>	<b>141,048</b>	<b>47,374</b>

Investment number: 62151783563					
Month	Balance 2020/21	Investment made	Interest received	Withdrawals / transfers	Balance 2020/21
<i>July 2020</i>	717,906.23	0.00	1,234.21	0.00	719,140.44
<i>August 2020</i>	719,140.44	0.00	1,123.04	0.00	720,263.48
<i>September 2020</i>	720,263.48	0.00	1,199.78	0.00	721,463.26
<i>October 2020</i>	721,463.26	0.00	1,126.67	0.00	722,589.93
<i>November 2020</i>	722,589.93	0.00	1,166.04	0.00	723,755.97
<i>December 2020</i>	723,755.97	0.00	1,130.25	0.00	724,886.22
<b>TOTAL</b>		0.00	6,979.99	0.00	

Investment number: 62049046205					
Month	Balance 2020/21	Investment made	Interest received	Withdrawals / transfers	Balance 2020/21
<i>July 2020</i>	52,785.07	2,000,000.00	1,447.85	0.00	2,054,232.92
<i>August 2020</i>	2,054,232.92	2,000,000.00	1,855.23	0.00	4,056,088.15
<i>September 2020</i>	4,056,088.15	0.00	5,507.12	3,700,000.00	361,595.27
<i>October 2020</i>	361,595.27	0.00	1,720.30	0.00	363,315.57
<i>November 2020</i>	363,315.57	0.00	586.28	0.00	363,901.85
<i>December 2020</i>	363,901.85	0.00	549.35	0.00	364,451.20
<b>TOTAL</b>		<b>4,000,000.00</b>	<b>11,666.13</b>	<b>3,700,000.00</b>	

<b>Investment number:</b> 62310540465					
<b>Month</b>	<b>Balance 2020/21</b>	<b>Investment made</b>	<b>Interest received</b>	<b>Withdrawals / transfers</b>	<b>Balance 2020/21</b>
<i>July 2020</i>	<b>28,264,965.78</b>	25,948,347.83	78,105.59	11,116,542.80	43,174,876.40
<i>August 2020</i>	<b>43,174,876.40</b>	36,508,000.00	187,061.98	18.50	79,869,919.88
<i>September 2020</i>	<b>79,869,919.88</b>	0.00	151,102.27	20,786,084.79	59,234,937.36
<i>October 2020</i>	<b>59,234,937.36</b>	3,700,000.00	133,436.41	13,104,367.54	49,964,006.23
<i>November 2020</i>	<b>49,964,006.23</b>	40,892,000.00	155,956.95	19,463,783.44	71,548,179.74
<i>December 2020</i>	<b>71,548,179.74</b>	-	101,426.22	58,869,546.96	12,780,059.00
<b>TOTAL</b>		<b>107,048,347.83</b>	<b>807,089.42</b>	<b>123,340,344.03</b>	

<b>Investment number:</b> 048445851 001					
<b>Month</b>	<b>Balance 2020/21</b>	<b>Investment made</b>	<b>Interest received</b>	<b>Withdrawals / transfers</b>	<b>Balance 2020/21</b>
<i>December 2020</i>	<b>0.00</b>	10,000,000.00	-	0.00	10,000,000.00
<b>TOTAL</b>		<b>10,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	

<b>Investment number:</b> 048445851 002					
<b>Month</b>	<b>Balance 2020/21</b>	<b>Investment made</b>	<b>Interest received</b>	<b>Withdrawals / transfers</b>	<b>Balance 2020/21</b>
<i>December 2020</i>	<b>0.00</b>	10,000,000.00	-	0.00	10,000,000.00
<b>TOTAL</b>		<b>10,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	

<b>Investment number:</b> 048445851 003					
<b>Month</b>	<b>Balance 2020/21</b>	<b>Investment made</b>	<b>Interest received</b>	<b>Withdrawals / transfers</b>	<b>Balance 2020/21</b>
<i>December 2020</i>	<b>0.00</b>	10,000,000.00	6,712.33	0.00	10,006,712.33
<b>TOTAL</b>		<b>10,000,000.00</b>	<b>6,712.33</b>	<b>0.00</b>	

The municipality has invested cash which is not immediately required in terms of section 13 (1) (b) of the MFMA and the municipality's cash management and investment policy.

The institutions where cash is invested is First National Bank (FNB) and Standard Bank and has been split into 6 investments accounts, two being call accounts and one is a money market account and 3 short term with an average interest rate of 3% p.a.

During the period under reporting [quarter 2], interest accumulated from investments amount to R832 thousand, additional investments made amounts to R141 million and withdrawals made amount R127 million. The closing balance of investments is R47.3 million.

### 13. Cash and cash equivalents

DESCRIPTION	CLOSING BALANCE	INTEREST-TO DATE
MONEY MARKET (Account Number: 62151783563)	R 724,886.22	R 6,979.99
BUSINESS CALL (Account Number: 62049046205)	R 364,451.20	R 11,666.13
MIG-INVESTMENT (Account Number: 62310540465)	R 12,780,059.00	R 807,089.42
STANDARD BANK (Account Number: 48445851001)	R 10,000,000.00	R -
STANDARD BANK (Account Number: 48445851002)	R 10,000,000.00	R -
STANDARD BANK (Account Number: 48445851003)	R 10,006,712.33	R 6,712.33
PRIMARY BANK (Account Number: 62048092647)	R 7,130,206.76	R 106,173.43
<b>TOTAL</b>	<b>R 51,006,315.51</b>	<b>R 938,621.30</b>

The total cash and cash equivalents have a positive balance of R51 million, included in that balance is the primary bank account with a positive balance of R7.1 million.

It should be noted that the application for roll-over on unspent grants was declined by the National Treasury and the liability was then off-set against the Equitable Share.

The above suggests that the municipality's cash flow it is still a concern. Creditors are still not being paid when due and should this trend persist, the municipality might find it difficult to pay salaries of employees and Councilors'.

To improve the above the municipality, need to implement strong internal control measures to curb expenditure but not limiting the provision of basic services and maximize the revenue collection.

#### **14. Conclusion**

All necessary steps be taken that the progress and execution of capital projects being done according to the planning and that the capital budget being adjusted to accommodate the projects amendments.

That the budget being reviewed to align and accommodate operating projects not originally provided in the budget. Furthermore, in light of the prevailing budget performance, its clear that the budget will need to be adjusted.

**FS191 Setsoto - Table C1 Monthly Budget Statement Summary - M06 December**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	69,710	69,710	5,402	33,553	34,855	(1,302)	-4%	69,710
Service charges	-	220,195	220,195	17,008	109,541	110,098	(556)	-1%	220,195
Investment revenue	-	4,825	4,825	107	932	2,412	(1,480)	-61%	4,825
Transfers and subsidies	1,250	210,246	243,949	59,226	155,063	105,123	49,940	48%	210,246
Other own revenue	31,947	42,895	42,895	2,706	16,000	21,447	(5,448)	-25%	42,895
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>33,197</b>	<b>547,871</b>	<b>581,574</b>	<b>84,449</b>	<b>315,089</b>	<b>273,936</b>	<b>41,154</b>	<b>15%</b>	<b>547,871</b>
Employee costs	(1,594)	211,287	211,287	18,577	103,982	105,643	(1,661)	-2%	211,287
Remuneration of Councillors	13,209	14,154	14,154	1,059	6,506	7,077	(572)	-8%	14,154
Depreciation & asset impairment	137,423	126,156	126,156	-	-	63,078	(63,078)	-100%	126,156
Finance charges	966	7,663	7,663	617	1,963	3,831	(1,869)	-49%	7,663
Materials and bulk purchases	(4,725)	146,045	146,512	6,303	41,771	73,023	(31,252)	-43%	146,045
Transfers and subsidies	44	22,050	22,050	3,449	20,479	11,025	9,454	86%	22,050
Other expenditure	21,221	127,064	130,117	3,446	19,513	63,532	(44,019)	-69%	127,064
<b>Total Expenditure</b>	<b>166,543</b>	<b>654,419</b>	<b>657,939</b>	<b>33,451</b>	<b>194,213</b>	<b>327,209</b>	<b>(132,996)</b>	<b>-41%</b>	<b>654,419</b>
<b>Surplus/(Deficit)</b>	<b>(133,346)</b>	<b>(106,547)</b>	<b>(76,364)</b>	<b>50,998</b>	<b>120,876</b>	<b>(53,274)</b>	<b>174,150</b>	<b>-327%</b>	<b>(106,547)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	169,915	179,873	-	86,705	84,958	1,747	2%	169,915
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(133,346)</b>	<b>63,368</b>	<b>103,509</b>	<b>50,998</b>	<b>207,581</b>	<b>31,684</b>	<b>175,897</b>	<b>555%</b>	<b>63,368</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(133,346)</b>	<b>63,368</b>	<b>103,509</b>	<b>50,998</b>	<b>207,581</b>	<b>31,684</b>	<b>175,897</b>	<b>555%</b>	<b>63,368</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>57,013</b>	<b>181,915</b>	<b>182,370</b>	<b>5,879</b>	<b>63,468</b>	<b>181,915</b>	<b>(118,448)</b>	<b>-65%</b>	<b>181,915</b>
Capital transfers recognised	-	166,715	166,715	5,879	56,729	83,358	(26,629)	-32%	166,715
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	15,200	15,200	-	6,653	7,600	(947)	-12%	15,200
<b>Total sources of capital funds</b>	<b>-</b>	<b>181,915</b>	<b>181,915</b>	<b>5,879</b>	<b>63,382</b>	<b>90,958</b>	<b>(27,576)</b>	<b>-30%</b>	<b>181,915</b>
<b>Financial position</b>									
Total current assets	(242,981)	(118,547)	(78,862)	-	596,993	-	-	-	(118,547)
Total non current assets	1,155,066	181,915	182,370	-	3,162,719	-	-	-	181,915
Total current liabilities	(80,440)	-	-	-	295,053	-	-	-	-
Total non current liabilities	(10,235)	-	-	-	83,539	-	-	-	-
Community wealth/Equity	(176,672)	-	-	-	3,381,395	-	-	-	-
<b>Cash flows</b>									
Net cash from (used) operating	507	1,306,644	1,393,965	164,930	120,069	653,322	533,253	82%	1,306,644
Net cash from (used) investing	(225)	(181,915)	(182,370)	(5,853)	(59,725)	(90,958)	(31,233)	34%	(181,915)
Net cash from (used) financing	68	-	-	(6)	(4,028)	-	4,028	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>(185,233)</b>	<b>1,124,729</b>	<b>1,211,595</b>	<b>-</b>	<b>86,533</b>	<b>562,364</b>	<b>475,831</b>	<b>85%</b>	<b>1,154,945</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	20,464	17,224	17,094	14,740	15,455	14,817	65,983	337,588	503,364
<b>Creditors Age Analysis</b>									
Total Creditors	9,033	2,348	4	176	-	1	-	845	12,408



FS191 Setsoto - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

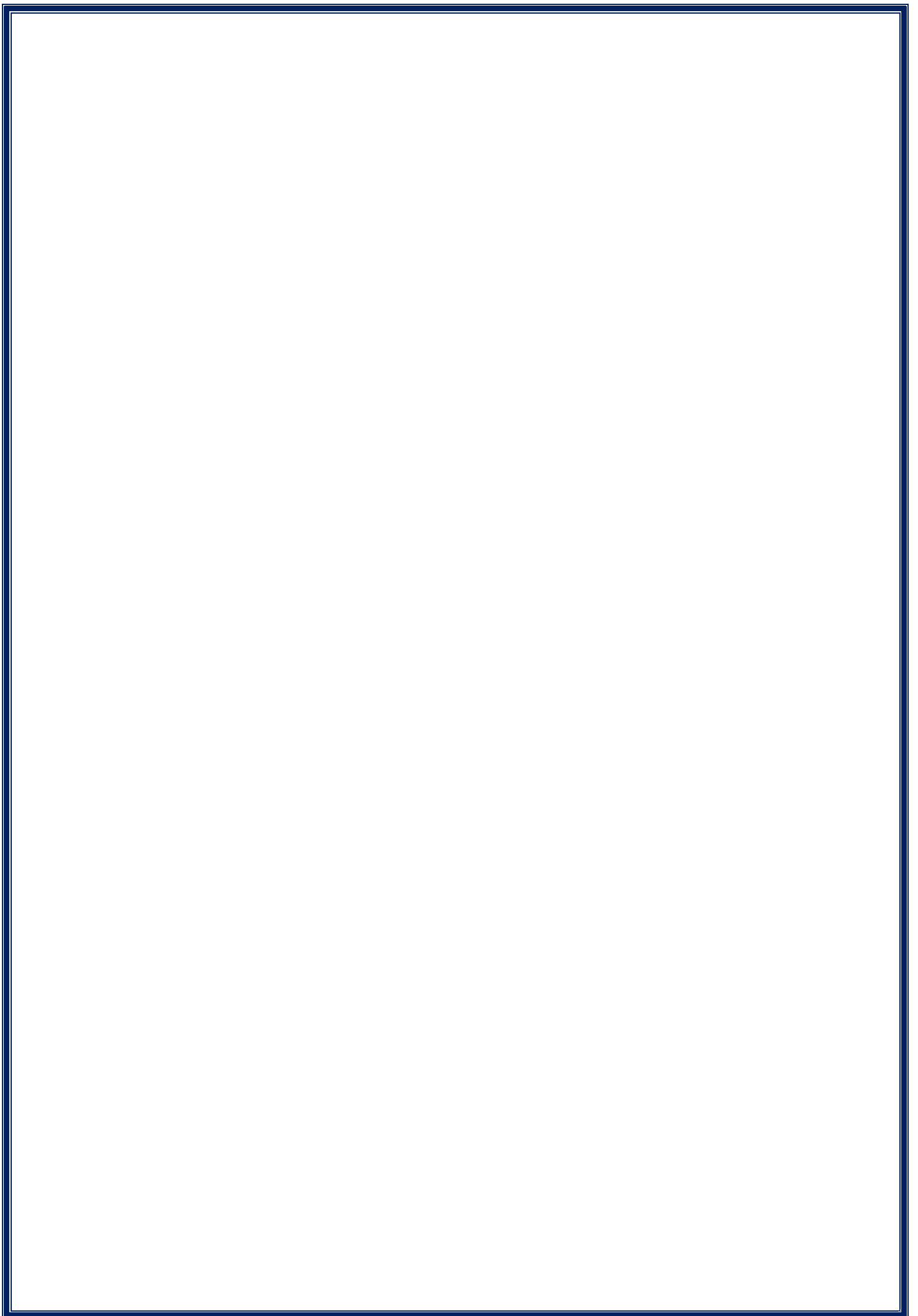
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		32,048	175,382	184,751	49,310	119,111	87,691	31,420	36%	175,382
Executive and council		238	58,539	68,074	41,277	68,069	29,269	38,800	133%	58,539
Finance and administration		31,810	116,843	116,678	8,033	51,042	58,421	(7,379)	-13%	116,843
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		28	2,240	2,240	141	1,028	1,120	(91)	-8%	2,240
Community and social services		1	857	857	78	590	428	161	38%	857
Sport and recreation		-	24	24	1	2	12	(10)	-82%	24
Public safety		-	970	970	35	158	485	(327)	-67%	970
Housing		27	388	388	27	279	194	85	44%	388
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		0	126,495	143,049	3,623	51,528	63,248	(11,719)	-19%	126,495
Planning and development		-	92,154	103,445	33	33,451	46,077	(12,626)	-27%	92,154
Road transport		0	34,342	39,605	3,590	18,077	17,171	906	5%	34,342
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1,121	413,670	431,407	31,375	230,126	206,835	23,291	11%	413,670
Energy sources		109	106,328	110,343	9,202	57,032	53,164	3,868	7%	106,328
Water management		-	168,696	172,716	8,338	99,534	84,348	15,186	18%	168,696
Waste water management		-	69,600	75,288	6,508	34,346	34,800	(454)	-1%	69,600
Waste management		1,012	69,046	73,061	7,327	39,214	34,523	4,691	14%	69,046
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	33,197	717,787	761,448	84,449	401,794	358,893	42,901	12%	717,787
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		35,835	167,422	170,942	13,585	75,828	83,711	(7,883)	-9%	167,422
Executive and council		16,280	49,148	49,968	5,233	29,963	24,574	5,389	22%	49,148
Finance and administration		19,540	113,581	116,281	8,024	43,815	56,791	(12,976)	-23%	113,581
Internal audit		15	4,693	4,693	328	2,051	2,346	(296)	-13%	4,693
<b>Community and public safety</b>		5,696	46,394	46,394	3,081	17,419	23,197	(5,778)	-25%	46,394
Community and social services		763	7,868	7,868	463	2,589	3,934	(1,345)	-34%	7,868
Sport and recreation		1,772	9,174	9,174	892	4,999	4,587	412	9%	9,174
Public safety		170	11,912	11,912	810	4,603	5,956	(1,353)	-23%	11,912
Housing		1,418	16,785	16,785	916	5,227	8,393	(3,165)	-38%	16,785
Health		1,574	655	655	-	-	327	(327)	-100%	655
<b>Economic and environmental services</b>		111,750	161,214	161,214	2,595	16,133	80,607	(64,474)	-80%	161,214
Planning and development		198	11,291	11,291	544	3,693	5,646	(1,953)	-35%	11,291
Road transport		111,552	149,922	149,922	2,050	12,439	74,961	(62,522)	-83%	149,922
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		13,262	279,389	279,389	14,190	84,834	139,695	(54,861)	-39%	279,389
Energy sources		(7,728)	111,178	111,178	6,272	43,184	55,589	(12,405)	-22%	111,178
Water management		3,382	76,787	76,787	3,940	20,156	38,393	(18,238)	-48%	76,787
Waste water management		12,932	52,818	52,818	1,994	10,400	26,409	(16,008)	-61%	52,818
Waste management		4,676	38,606	38,606	1,984	11,094	19,303	(8,209)	-43%	38,606
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	166,543	654,419	657,939	33,451	194,213	327,209	(132,996)	-41%	654,419
<b>Surplus/ (Deficit) for the year</b>		(133,346)	63,368	103,509	50,998	207,581	31,684	175,897	555%	63,368

**FS191 Setsoto - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December**

Vote Description	Ref	Budget Year 2020/21								
		2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - Executive and Council	1	-	53,470	62,168	37,687	51,252	26,735	24,517	91.7%	53,470
Vote 2 - Municipal Manager		238	5,115	5,951	3,623	16,855	2,557	14,297	559.1%	5,115
Vote 3 - Treasury		0	114,942	114,777	7,995	50,277	57,471	(7,194)	-12.5%	114,942
Vote 4 - Corporate Services		-	493	493	16	92	247	(154)	-62.6%	493
Vote 5 - Development Planning and Social Security		32,823	72,305	76,319	7,463	40,637	36,152	4,485	12.4%	72,305
Vote 6 - Engineering		136	471,462	501,738	27,664	242,681	235,731	6,950	2.9%	471,462
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>33,197</b>	<b>717,787</b>	<b>761,448</b>	<b>84,449</b>	<b>401,794</b>	<b>358,893</b>	<b>42,901</b>	<b>12.0%</b>	<b>717,787</b>
<b>Expenditure by Vote</b>										
Vote 1 - Executive and Council	1	15,779	40,430	41,252	4,618	26,207	20,215	5,992	29.6%	40,430
Vote 2 - Municipal Manager		881	25,847	25,845	1,380	8,903	12,923	(4,020)	-31.1%	25,847
Vote 3 - Treasury		11,273	50,096	52,796	3,629	21,504	25,048	(3,545)	-14.2%	50,096
Vote 4 - Corporate Services		(1,461)	33,514	33,514	2,945	13,204	16,757	(3,552)	-21.2%	33,514
Vote 5 - Development Planning and Social Security		18,378	87,474	87,474	5,298	29,785	43,737	(13,952)	-31.9%	87,474
Vote 6 - Engineering		121,692	417,058	417,058	15,580	94,610	208,529	(113,919)	-54.6%	417,058
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>166,543</b>	<b>654,419</b>	<b>657,939</b>	<b>33,451</b>	<b>194,213</b>	<b>327,209</b>	<b>(132,996)</b>	<b>-40.6%</b>	<b>654,419</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(133,346)</b>	<b>63,368</b>	<b>103,509</b>	<b>50,998</b>	<b>207,581</b>	<b>31,684</b>	<b>175,897</b>	<b>555.2%</b>	<b>63,368</b>

FS191 Setsoto - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2020/21								
		2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		-	69,710	69,710	5,402	33,553	34,855	(1,302)	-4%	69,710
Service charges - electricity revenue		-	78,791	78,791	5,612	40,217	39,395	822	2%	78,791
Service charges - water revenue		-	61,574	61,574	4,742	29,394	30,787	(1,393)	-5%	61,574
Service charges - sanitation revenue		-	35,122	35,122	2,918	17,531	17,561	(30)	0%	35,122
Service charges - refuse revenue		-	44,709	44,709	3,737	22,400	22,354	45	0%	44,709
Rental of facilities and equipment		-	498	498	5	28	249	(221)	-89%	498
Interest earned - external investments		-	4,825	4,825	107	932	2,412	(1,480)	-61%	4,825
Interest earned - outstanding debtors	(50)	37,450	37,450	2,428	13,459	18,725	(5,266)	-28%	37,450	
Dividends received		-	88	88	-	47	44	3	7%	88
Fines, penalties and forfeits	38	846	846	18	84	423	(339)	-80%	846	
Licences and permits		-	46	46	33	38	23	15	67%	46
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,250	210,246	243,949	59,226	155,063	105,123	49,940	48%	210,246	
Other revenue		28	3,967	3,967	195	2,078	1,983	94	5%	3,967
Gains		31,932	-	-	26	266	-	266	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>33,197</b>	<b>547,871</b>	<b>581,574</b>	<b>84,449</b>	<b>315,089</b>	<b>273,936</b>	<b>41,154</b>	<b>15%</b>	<b>547,871</b>
<b>Expenditure By Type</b>										
Employee related costs		(1,594)	211,287	211,287	18,577	103,982	105,643	(1,661)	-2%	211,287
Remuneration of councillors		13,209	14,154	14,154	1,059	6,506	7,077	(572)	-8%	14,154
Debt impairment		8,963	71,253	71,253	654	3,408	35,627	(32,219)	-90%	71,253
Depreciation & asset impairment		137,423	126,156	126,156	-	-	63,078	(63,078)	-100%	126,156
Finance charges		966	7,663	7,663	617	1,963	3,831	(1,869)	-49%	7,663
Bulk purchases		(5,774)	84,544	84,544	5,294	37,051	42,272	(5,221)	-12%	84,544
Other materials		1,049	61,501	61,968	1,009	4,719	30,750	(26,031)	-85%	61,501
Contracted services		1,710	27,496	27,556	1,442	6,005	13,748	(7,744)	-56%	27,496
Transfers and subsidies		44	22,050	22,050	3,449	20,479	11,025	9,454	86%	22,050
Other expenditure		10,270	28,314	31,307	1,350	10,101	14,157	(4,056)	-29%	28,314
Losses		277	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>166,543</b>	<b>654,419</b>	<b>657,939</b>	<b>33,451</b>	<b>194,213</b>	<b>327,209</b>	<b>(132,996)</b>	<b>-41%</b>	<b>654,419</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(133,346)	(106,547)	(76,364)	50,998	120,876	(53,274)	174,150	(0)	(106,547)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	169,915	179,873	-	86,705	84,958	1,747	0	169,915
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(133,346)</b>	<b>63,368</b>	<b>103,509</b>	<b>50,998</b>	<b>207,581</b>	<b>31,684</b>			<b>63,368</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(133,346)</b>	<b>63,368</b>	<b>103,509</b>	<b>50,998</b>	<b>207,581</b>	<b>31,684</b>			<b>63,368</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(133,346)</b>	<b>63,368</b>	<b>103,509</b>	<b>50,998</b>	<b>207,581</b>	<b>31,684</b>			<b>63,368</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(133,346)</b>	<b>63,368</b>	<b>103,509</b>	<b>50,998</b>	<b>207,581</b>	<b>31,684</b>			<b>63,368</b>



FS191 Setsoto - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2019/20				Budget Year 2020/21				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Treasury		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning and Social Security		-	-	-	-	-	-	-	-	-
Vote 6 - Engineering		-	-	-	-	-	-	-	-	-
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council	4	-	-	-	-	21	-	21	#DIV/0!	-
Vote 2 - Municipal Manager		-	-	25	-	-	-	-	-	-
Vote 3 - Treasury	(47)	-	-	235	-	20	-	20	#DIV/0!	-
Vote 4 - Corporate Services	602	-	-	40	-	11	-	11	#DIV/0!	-
Vote 5 - Development Planning and Social Security	5,269	2,564	3,317	-	2,408	2,564	(156)	-6%	2,564	
Vote 6 - Engineering	51,185	179,351	178,753	5,879	61,008	179,351	(118,343)	-66%	179,351	
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	57,013	181,915	182,370	5,879	63,468	181,915	(118,448)	-65%	181,915
<b>Total Capital Expenditure</b>		57,013	181,915	182,370	5,879	63,468	181,915	(118,448)	-65%	181,915
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		559	-	275	-	52	-	52	#DIV/0!	-
Executive and council		4	-	-	-	21	-	21	#DIV/0!	-
Finance and administration		555	-	275	-	31	-	31	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		5,285	2,564	3,317	-	2,373	1,282	1,091	85%	2,564
Community and social services		-	314	1,078	-	529	157	372	237%	314
Sport and recreation		5,269	2,250	2,164	-	1,843	1,125	718	64%	2,250
Public safety		-	-	75	-	1	-	1	#DIV/0!	-
Housing		16	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		6,652	31,462	9,124	763	2,888	15,731	(12,843)	-82%	31,462
Planning and development		25	-	25	-	-	-	-	-	-
Road transport		6,627	31,462	9,099	763	2,888	15,731	(12,843)	-82%	31,462
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		44,517	147,889	169,655	5,116	58,155	73,944	(15,789)	-21%	200,004
Energy sources		24,346	15,200	28,895	-	7,144	7,600	(456)	-6%	15,200
Water management		20,171	129,800	122,645	4,407	47,200	64,900	(17,700)	-27%	181,915
Waste water management		-	2,889	18,114	709	3,775	1,444	2,331	161%	2,889
Waste management		-	-	-	-	35	-	35	#DIV/0!	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	57,013	181,915	182,370	5,879	63,468	90,958	(27,490)	-30%	234,031
<b>Funded by:</b>										
National Government		-	166,715	166,715	5,879	56,729	83,358	(26,629)	-32%	166,715
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	166,715	166,715	5,879	56,729	83,358	(26,629)	-32%	166,715
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	15,200	15,200	-	6,653	7,600	(947)	-12%	15,200
<b>Total Capital Funding</b>		-	181,915	181,915	5,879	63,382	90,958	(27,576)	-30%	181,915

FS191 Setsoto - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2019/20		Budget Year 2020/21						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	69,710	69,710	3,050	28,252	34,855	(6,603)	-19%	69,710
Service charges		-	140,466	140,466	6,019	47,147	70,233	(23,086)	-33%	140,466
Other revenue		507	721,849	765,510	129,439	2,078	360,925	(358,847)	-99%	721,849
Transfers and Subsidies - Operational		-	209,909	243,612	59,226	155,065	104,955	50,110	48%	209,909
Transfers and Subsidies - Capital		-	169,915	179,873	-	77,400	84,958	(7,558)	-9%	169,915
Interest		-	(5,206)	(5,206)	(5)	932	(2,603)	3,535	-136%	(5,206)
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		-	-	-	(28,731)	(168,364)	-	168,364	#DIV/0!	-
Finance charges		-	-	-	(617)	(1,963)	-	1,963	#DIV/0!	-
Transfers and Grants		-	-	-	(3,449)	(20,479)	-	20,479	#DIV/0!	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>507</b>	<b>1,306,644</b>	<b>1,393,965</b>	<b>164,930</b>	<b>120,069</b>	<b>653,322</b>	<b>533,253</b>	<b>82%</b>	<b>1,306,644</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	26	244	-	244	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(225)	-	-	-	3,498	-	3,498	#DIV/0!	-
<b>Payments</b>										
Capital assets		-	(181,915)	(182,370)	(5,879)	(63,468)	(90,958)	(27,490)	30%	(181,915)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(225)</b>	<b>(181,915)</b>	<b>(182,370)</b>	<b>(5,853)</b>	<b>(59,725)</b>	<b>(90,958)</b>	<b>(31,233)</b>	<b>34%</b>	<b>(181,915)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		68	-	-	(6)	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	(4,028)	-	4,028	#DIV/0!	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>68</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>(4,028)</b>	<b>-</b>	<b>4,028</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>350</b>	<b>1,124,729</b>	<b>1,211,595</b>	<b>159,072</b>	<b>56,316</b>	<b>562,364</b>			<b>1,124,729</b>
Cash/cash equivalents at beginning:		(185,583)	-	-	-	30,217	-	-	-	30,217
Cash/cash equivalents at month/year end:		(185,233)	1,124,729	1,211,595	-	86,533	562,364	-	-	1,154,945