

REPORT : MUNICIPAL MANAGER'S REPORT

1. PURPOSE

To report to Council on the Mid-Year Budget and Performance Assessment Report 2021/2022 Results as at the end of the 2nd Quarter of the 2021/2022 financial year as required by Sections 71, 52(d) and 72 of the Municipal Finance Management Act, 56 of 2003 and more detailed in the Budget and Reporting Regulations.

2. STRATEGIC OBJECTIVE

To promote good governance report on the financial sustainability and service provision of Setsoto Local Municipality.

3. BACKGROUND

Sections 71, 52 (d) and 72 of the Municipal Finance Management Act, 56 of 2003, and in terms of section 28 of the Government Notice 3141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act, 56 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 2020, the 30 days limit expires on 30 January 2020.

Section 72 of the Municipal Finance Management Act, 56 of 2003, states 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 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 monthly budget statement for September, December, March, and June as applicable; and
- (c) Submitted to the National Treasury and relevant Provincial Treasury within five days of tabling of the report in Council."

The following annexures are provided:

Annexure A	Mid-Year Budget Performance Report)
Annexure B	Detailed Performance Report (Predetermined Measurable Performance indicators and Targets)
Annexure C	C-Schedule

4. STAKEHOLDER CONSULTED

- Department Treasury Services for the submission of financial and non-financial performance information and recommendations are supported;
- Department of Corporate Services for submission of non-financial performance information and recommendations are supported;
- Department of Development Planning and Social Security for submission of non-financial performance information and recommendations are supported;
- Department of Engineering Services for submission of non-financial performance information and recommendations are supported;
- Department of the Office of the Municipal Manager for submission of non-financial performance information and recommendations are supported;
- Management Committee; and
- Audit and Performance Audit Committee for their recommendations.

5. FINANCIAL IMPLICATIONS

Whether to table the Adjustment Budget 2021/2022 and the revised Service Delivery and Budget Implementation Plan 2021/2022, if necessary, not later than the 28 February 2021 and 31 March 2021, as required by sections 28 and 54 of the Municipal Finance Management Act, 56 of 2003, respectively.

6. LEGAL IMPLICATIONS

The report is compiled in accordance with the requirement of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting Regulations of 2009.

7. STAFF IMPLICATIONS

- Office of the Municipal Manager for the consolidation of the departmental performance reports
- IDP/PMS Division for assessment of the departmental reports and compilation of the Mid-Year Budget and Performance Assessment Report
- Internal Audit Division for audit assurance and submission to Audit and Performance Audit Committee
- Administration and Council Support for distribution of the report as part of the council's agenda

8. RISKS

Non-compliance to legislative requirement of sections 71, 52 (d) and 72 of Municipal Finance Management Act, 56 of 2003 which will lead to a qualification paragraph in the Audit Report.

9. RECOMMENDATION

It is therefore recommended that:

- The Mid-Year Budget and Performance Assessment Report 2021/2022 as per section 71, section 72 and inclusive of section 52 (d) of the Municipal Finance Management Act, 56 of 2003, be discussed and resolution be made that will inform the compilation of Adjustments Budget 2021/2022 and revision of Service Delivery and Budget Implementation Plan 2021/2022 by the 28 of February 2021 and 31 March 2021, respectively, if necessary.
- In compliance with section 71 of the Municipal Finance Management Act, 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act, 56 of 2003 Municipal Budget and Reporting Regulations" the statement reflecting the interim financial statement for the 2nd Quarter ending 31 December 2020 be submitted by the Accounting Officer to the Executive Mayor.
- In compliance with sections 52 (d) and 71 of the Municipal Finance Management Act, 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act, 56 of 2003 Municipal Budget and Reporting Regulations" the financial results regarding the operating and capital budgets for the 2nd Quarter of 2021/2022 financial year, and supporting documents as required by National Treasury (Schedule C) as at 31 December 2021, is submitted;

- In order to comply with section 31 (1) of Government Notice 32141 dated 17 April 2009, this report be submitted to National Treasury, Free State Provincial Treasury and Department of Cooperative Governance and Traditional Affairs in the Free State within five days of tabling of the report in council, in both a council approved document (hardcopy) and electronic format.

(FOR RESOLUTION)

Minutes: Council Meeting: 26 January 2022

After some discussion it was agreed by members that the Executive Mayor circulate her narrative report on this matter to Councillors for information.

The Executive Mayor then proposed that the matter be resolved as follows and was seconded by MMC Selasi.

RESOLVED:

1. That the Mid-Year Budget and Performance Assessment Report 2021/2022 as per section 71, section 72 and inclusive of section 52 (d) of the Municipal Finance Management Act, 56 of 2003, be discussed and resolution be made that will inform the compilation of Adjustments Budget 2021/2022 and revision of Service Delivery and Budget Implementation Plan 2021/2022 by the 28 of February 2021 and 31 March 2021, respectively, if necessary.
2. That in compliance with section 71 of the Municipal Finance Management Act, 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act, 56 of 2003 Municipal Budget and Reporting Regulations" the statement reflecting the interim financial statement for the 2nd Quarter ending 31 December 2020 be submitted by the Accounting Officer to the Executive Mayor.
3. That in compliance with sections 52 (d) and 71 of the Municipal Finance Management Act, 56 of 2003 and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act, 56 of 2003 Municipal Budget and Reporting Regulations" the financial results regarding the operating and capital budgets for the 2nd Quarter of 2021/2022 financial year, and supporting documents as required by National Treasury (Schedule C) as at 31 December 2021, is submitted;

4. That in order to comply with section 31 (1) of Government Notice 32141 dated 17 April 2009, this report be submitted to National Treasury, Free State Provincial Treasury and Department of Cooperative Governance and Traditional Affairs in the Free State within five days of tabling of the report in council, in both a council approved document (hardcopy) and electronic format.
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MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT
2021/2022



*OFFICE OF THE EXECUTIVE MAYOR
SETSOTO LOCAL MUNICIPALITY 27 VOORTREKKER STREET FICKSBURG 9730*

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1. EXECUTIVE MAYOR'S REPORT

1.1 LEGISLATIVE REQUIREMENTS

In terms of Section 72 of the Municipal Finance Management Act, 56 of 2003, the accounting officer of the municipality is required to submit a report in the prescribed format to the Mayor by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the year. This mid-year Budget and performance assessment report is a critical stage in the in-year reporting cycle of the municipality as it allows the municipality to review any circumstances that may have changed since the preparation of the annual budget.

As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether the Service Delivery and Budget Implementation Plan and Annual Budget, i.e. Both operational and capital, needs to be adjusted. Furthermore, Section 54(f) of the Municipal Finance Management Act, 56 of 2003 requires the mayor to consider and submit a report to council by 31 January.

Honourable Speaker, members of the mayoral committee, all councillors, municipal manager, and his team as well as members of the community and media, allow me to fulfil my responsibility in terms section 72 of the Municipal Finance Management Act, 56 of 2003. This mid-year performance assessment report as detailed into this document and the annexures, is the fulfilment of the legislative requirement as per section 72 of the Municipal Financial Management Act, 56 of 2003. It provides the municipality with the opportunity to decide on whether there is a need for the adjustment budget or not, after a detailed performance assessment as at 31 December 2021.

In this, I have had an opportunity to interact and interrogate each director with regards to their departmental performance as per our approved budget, service delivery and budget implementation plan, and procurement plan for the year 2021/2022. The focus of this report is not to deviate much from the planned projects but rather to assess progress on each programme planned for the year as per our resolutions taken in June 2021. We are therefore going to be updated on those municipal programs that are performing well while at the same time accelerating on the ones that are lagging behind in terms of the targets.

Honourable speaker, allow me to highlight the following performance activities as at the end of December 2021 as stated below:

1.2 FINANCIAL PERFORMANCE

1.2.1 REVENUE

The total year-to-date actual revenue generated for the month of December 2021 amounted to R 267 138 million while the projected year-to-date budget amounted to R 342 752 million. This means that the municipality generated slightly below what was projected at the end of the sixth month.

The variances on property rates revenue, electricity revenue, refuse removal revenue and water revenue are below at 0.7%, which is an acceptable level. However, revenue from transfers and subsidies has a variance of -43%, as a result of the withholding of R 32 799 million roll-over amount as our application

has been denied. This means that revenue generated from this source is lower than projected in the annual budget. However, the municipality will continue to monitor this area closely and engage with the relevant transferring departments to remedy the situation.

Revenue from External investments, Fines and Other revenue is slightly more than initially projected in the annual budget. Therefore, the estimates should be adjusted upwards in the adjustments budget if it is anticipated that the revenue collection is going to be increased in the next six months of the financial year.

Overall, in the sixth month of the year, the municipality generated R 267 138 million revenue against the annual budget of R 576 399 million, which is 46% of the annual budget, which is 4% less than the norm at this stage of the year. The municipality must monitor closely the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue as that may create cash flow problems in a long run.

1.2.1.1 Service Charges – Electricity Revenue:

This is a major revenue source of the municipality contributing 17.55% to the actual year operating revenue basket. The year-to-date revenue earned from electricity service charges had a 3% variance when compared to the year-to-date budget.

1.2.1.2 Property Rates

Is the second largest contributor to the operating revenue basket making up 11.98% of the total operating revenue. There is a -9% variance when comparing year to date actual and year to date budget which an acceptable variance.

1.2.1.3 Transfers recognised – Operational

Is made up of all operational grants funding mainly from the National and Provincial Government Departments, the largest of these being the equitable share. The year-to-date actual for transferred recognised is R 92 139 million against the year-to-date budget of R 162 881 million, which gives a variance of -43%, as a result of R 32 779 million that was deducted from equitable share allocation due to non-approval of roll-over application.

1.2.1.4 Service Charges - Water revenue

The revenue earned from water charges shared 11.20% of the budgeted revenue basket and 12.40% of year-to-date actual revenue, there is a slight over performance against the budget causing a 3% variance when comparing year-to-date actual to year-to-date budget. The provision of water is currently resulting in a gross profit.

1.2.1.5 Service Charges - sanitation revenue

Reflects a performance of 0% variance when comparing the year-to-date actual revenue to the year-to-date budget. The provision of sanitation service is currently resulting in a break-even point.

1.2.1.6 Service Charges - refuse revenue

Reflects a performance of -0% when comparing the year-to-date actual revenue to the year-to-date budget. The provision of solid waste service is currently resulting in a break-even point.

1.2.1.7 Interest earned – outstanding debtors

Contributed 5.93% to the total operating revenue.

1.2.1.8 Other revenue contributed 0.76% to the total operating revenue received as at 31 December 2021.

1.2.1.9 Collection Rate is at 48% and collection strategies need to be enhanced so that the municipality can raise revenue as anticipated in the service delivery and budget implementation plan.

1.2.2 OPERATING EXPENDITURE

The total year-to-date actual operating expenditure for the period ending 31 December 2021 amounted to R 212 449 million while the year-to-date budget amounted to R 317 372 million. Operational expenditure is largely defined by the bulk electricity purchases and employee related costs both accounting for 54% of the annual budget expenditure. Overall, the municipality recorded a surplus of R 54 689 million for the sixth month of the financial year.

1.2.2.1 Bulk Purchases

Year-to-date budget figure was R 48 450 million while the actual costs incurred R 44 256 million resulting in under-expenditure of R 4 194 million.

1.2.2.2 Employee Related Costs

There is a under expenditure of R 107 034 million in respect of actual year-to-date expenditure on employee related costs against R 125 151 the year-to-date budget. This is due to post that are vacant and yet to be filled. A detailed line item and business unit analysis of the employee related cost is contained in the Table SC8of the C-Schedule on staff benefits.

1.2.2.3 Other Expenditure

Year-to-date budget figure was R 11 044 million while the actual costs incurred was R 11 471 million resulting in over-expenditure of R 427 thousand.

1.2.2.4 Depreciation & Asset Impairment

The depreciation and asset impairment year-to-date budget is R 60 433 million. The actual year-to-date being R 0, which resulted in an under-expenditure of R 60 433 million.

1.2.2.5 Finance Charges

Year-to-date budgeted figure for finance charges for as 31 December 2021 amounted to Two million rand and the actual year-to-date was One million, Seven Hundred and Eighty Thousand rand and which resulted in slight variance of Two Hundred and Twenty Thousand rand.

1.2.2.6 Contracted Services

Year-to-date budget for contracted services amounted to R 12 961 million, whilst the actual amounted to R 10 331 million, which resulted in variance of R 2 630 million.

1.2.3 CAPITAL EXPENDITURE

The year-to-date actual capital expenditure for the period ending 31 December 2021 amounted to R 71 341 674 while the year-to-date budget amounted to R 133 069 00 resulting in underperformance of R 61 727 326 or 46% of the capital budget year to date receipts. This figure excludes the rollover amount of R 13 500 600 from the previous financial year.

This is a serious cause of concern because under-expenditure on capital projects directly results in a negative impact on service delivery. The municipality should therefore put measures in place to ensure that the acceleration of expenditure on capital projects thereby improving on delivery of services.

1.2.4 GRANT RECEIPTS

The total operational and capital grant receipts for the sixth month amounted to R 259 528 000 while the expenditure amounted to R 197 797 674 which only amounts to 76% performance against receipts.

1.2.5 CASH AND CASH EQUIVALENTS

As at the end of 31 December 2021 the cash and investments resulted in a positive balance amounting to R 84 017 913.55 million. The bank balance is made up of the following:

- Primary bank balance to the amount of R 3.4 million;
- Unspent roll-over grant balance of R 13 500 560; and
- Current year conditional grant year to date receipt balance of R 61 727 326.

1.2.6 CONSUMER DEBTORS

Consumer debtors at the end of the sixth month is at R 573 956 million. The municipality's debtors are continually increasing which poses a serious threat to the municipality's future sustainability. A significant amount of debtors relates to household debtors' category which amount to R 464 220 million, of which R 416 909 million has been outstanding for more than 90 days.

Commercial debtors are the second largest category of debtors owed to the municipality amounting to R 70 378 million, of which R 61 579 million of those debtors have been outstanding for more than 90 days. The lowest category of debtors owed to the municipality relates to organ of the states which amounts to R 39 358 million.

It should be noted although this category is considered the lowest, if efforts are made by the organs of the state owing the municipality in ensuring this balance is reduced, this may make a significant difference in the municipality's cash flow position.

Achieving the collection overall in all categories will save the municipality from the significant cash flow risk exposure as it will always be liquid and able to pay its debts as they become due. The municipality will continuously introduce measures to ensure acceptable levels of debt collections and thereby mitigating the risk of cash flow problems in future.

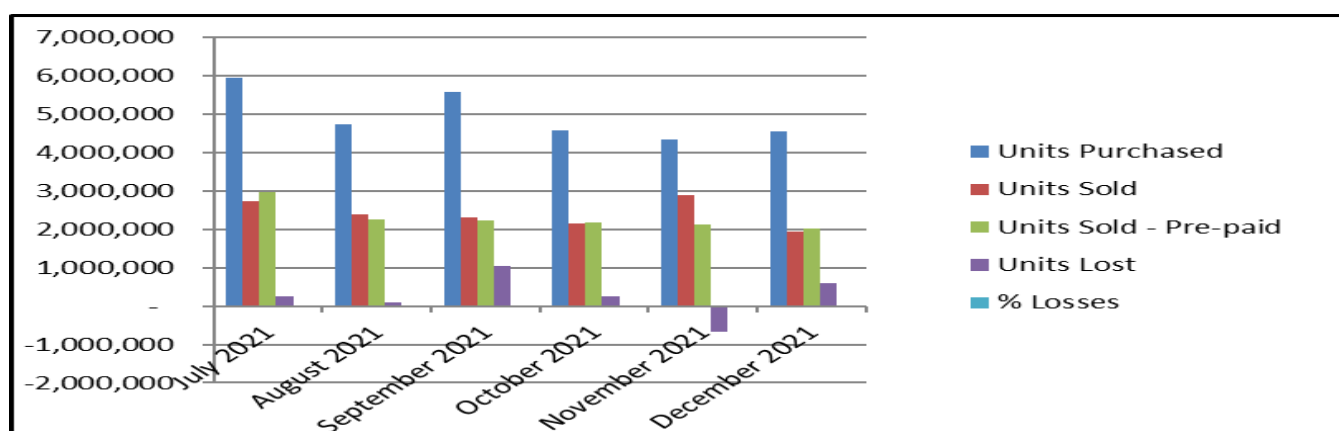
1.2.7 CREDITORS

Creditors owed by the municipality as at the end of mid-year amount to R 5 680 million. Efforts need to be done in order to ensure that there is always enough cash on hand to pay creditors in time Sixty percent of the outstanding amount is longer than thirty days, which is a clear contravention of the act.

1.2.8 ELECTRICITY LOSSES

ELECTRICITY						
Period	Units Purchased	Units Sold	Units Sold - Pre-paid	Units Lost	% Losses	Previous Year
July 2021	5 960 135	2 744 384	2 963 407	252 344	4%	15%
August 2021	4 732 349	2 393 777	2 247 752	90 820	2%	13%
September 2021	5 586 119	2 318 144	2 229 215	1 038 760	19%	21%
October 2021	4 584 929	2 143 448	2 184 785	256 696	6%	-5%
November 2021	4 337 300	2 891 606	2 125 536	-679 842	-16%	12%
December 2021	4 562 100	1 952 405	2 012 323	597 372	13%	6%
Total	29 762 932	14 443 764	13 763 018	1 556 150	5%	10%

Percentage electricity losses account to an average of 5% 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.

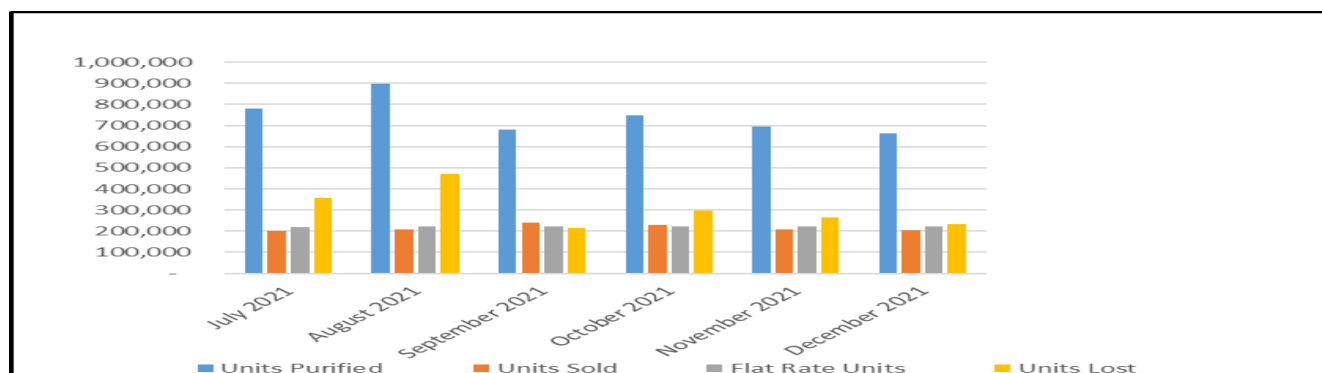
Non-Technical losses are electricity that are consumed but not billed this is might be because the consumer is not known or is connected illegal and/or the is an error in unmetered supplies.

After the handover of the Prepaid Meters, as per the Revenue Enhancement Strategy an audit of all electricity meters [CT meters and prepaid meters] should be done to ensure that all meters are legally connected to the Distribution Network.

1.2.9 WATER LOSSES

WATER						
Period	Units Purified	Units Sold	Flat Rate Units	Units Lost	% Losses	Previous Year
July 2021	778,753	202,101	219,589	357,063	46%	23%
August 2021	898,601	206,972	221,925	469,704	52%	32%
September 2021	679,516	241,348	222,229	215,939	32%	47%
October 2021	748,775	230,907	222,260	295,608	39%	-19%
November 2021	695,556	207,340	223,252	264,964	38%	28%
December 2021	662,479	204,564	223,415	234,500	35%	23%
Total	4,463,680	1,293,232	1,332,670	1,837,778	41%	22%

Percentage water losses account to an average of 41% 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. Water losses remains high, and the necessary steps needs to be put in place to reduce the losses as much as possible.

All water leaks and possible diversions into stormwater pipes should be attended to. Prepaid water meters should be installed in the areas with historic low payment rates or where the flat rate currently applies. As per the Revenue Enhancement Strategy an Audit of all water meters should be done by Engineering Services in the areas where water is billed on consumption. Where meters are not found or broken, new meters must be installed.

I have engaged with management to address the following:

- Problems identified during the review of the report;
- Internal Audit Unit findings; and
- Audit and Performance Audit Committee's recommendations.

I am pleased to report that most of these issues have been addressed before the report can be tabled to council, issues still outstanding are the ones that will be addressed during the compilation of the adjustment budget and the revision of the service delivery and budget implementation plan.

Honourable Speaker and members, please allow me to take this opportunity to present in front of this council this detailed report supported by various annexures for information.

COUNCILLOR SEIPATI MBIWE (Mrs.)
EXECUTIVE MAYOR

PART I: FINANCIAL PERFORMANCE INFORMATION-MAIN TABLES

1.1 MONTHLY BUDGET STATEMENT SUMMARY-TABLE C1

FS191 Setsoto - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	66 418	70 462	-	5 396	32 017	35 231	(3 214)	-9%	70 462
Service charges	218 662	241 013	-	18 435	122 625	120 507	2 118	2%	241 013
Investment revenue	1 850	5 025	-	389	1 967	2 513	(545)	-22%	5 025
Transfers and subsidies	243 876	216 708	-	-	92 139	162 881	(70 742)	-43%	216 708
Other own revenue	17 203	43 191	-	3 134	18 390	21 621	(3 231)	-15%	43 191
Total Revenue (excluding capital transfers and contributions)	548 009	576 399	-	27 354	267 138	342 752	(75 614)	-22%	576 399
Employee costs	222 425	250 302	-	19 122	107 034	125 151	(18 117)	-14%	250 302
Remuneration of Councillors	12 967	14 355	-	1 095	6 184	7 178	(994)	-14%	14 355
Depreciation & asset impairment	394 456	120 865	-	-	-	60 433	(60 433)	-100%	120 865
Finance charges	5 579	4 000	-	859	1 780	2 000	(220)	-11%	4 000
Inventory consumed and bulk purchases	94 540	132 572	-	7 252	50 842	66 286	(15 444)	-23%	132 572
Transfers and subsidies	30 601	4 640	-	1 789	7 104	2 320	4 784	206%	4 640
Other expenditure	172 966	108 010	-	5 522	39 505	54 005	(14 500)	-27%	108 010
Total Expenditure	933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33%	634 745
Surplus/(Deficit)	(385 525)	(58 345)	-	(8 286)	54 689	25 380	29 309	115%	(58 345)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	158 588	189 617	-	8 679	129 576	105 992	23 584	22%	189 617
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)	8 076	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(218 861)	131 272	-	393	184 265	131 372	52 893	40%	131 272

FS191 Setsoto - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(218 861)	131 272	-	393	184 265	131 372	52 893	40%	131 272
Capital expenditure & funds sources									
Capital expenditure	221 687	204 601	-	17 236	65 387	204 601	(139 215)	-68%	31 036 242
Capital transfers recognised	172 053	189 617	-	17 218	58 485	94 809	(36 324)	-38%	-
Borrowing	(2)	7 950	-	-	47	3 975	(3 928)	-99%	-
Internally generated funds	140	1 765	-	-	6 595	882	5 713	647%	-
Total sources of capital funds	172 192	199 332	-	17 218	65 128	99 666	(34 538)	-35%	-
Financial position									
Total current assets	405 919	(73 330)	-		481 156				(73 330)
Total non-current assets	2 699 067	204 601	-		2 763 640				204 601
Total current liabilities	258 870	-	-		214 201				-
Total non-current liabilities	83 068	-	-		83 068				-
Community wealth/Equity	2 429 041	-	-		2 763 261				-
Cash flows									
Net cash from (used) operating	530 383	635 777	-	(35 372)	182 937	489 591	306 654	63%	2 167 809
Net cash from (used) investing	(181 502)	(199 332)	-	(18 875)	(79 562)	(99 666)	(20 104)	20%	(204 601)
Net cash from (used) financing	(3 920)	-	-	(364)	(2 100)	-	2 100	#DIV/0!	-
Cash/cash equivalents at the month/year end	344 960	436 445	-	-	146 800	389 925	243 125	62%	2 008 734
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	25 403	21 385	17 390	15 137	14 963	14 383	69 527	357 918	536 106
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

**1.2 MONTHLY BUDGET STATEMENT-FINANCIAL PERFORMANCE: FUNCTIONAL CLASSIFICATION-
TABLE C2**

FS191 Setsoto - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		214 957	140 874	-	8 780	61 949	76 599	(14 650)	-19%	140 874
Executive and council		119 211	21 070	-	0	8 527	15 622	(7 095)	-45%	21 070
Finance and administration		95 747	119 805	-	8 780	53 422	60 977	(7 555)	-12%	119 805
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		(7 429)	407	-	131	1 134	203	931	458%	407
Community and social services		1 264	30	-	99	646	15	631	4208%	30
Sport and recreation		3	15	-	1	9	8	1	17%	15
Public safety		1 233	335	-	15	245	168	78	46%	335
Housing		(9 928)	26	-	16	234	13	220	1663%	26
Health		-	-	-	-	-	-	-		-
Economic and environmental services		172 790	154 312	-	2	90 886	83 116	7 771	9%	154 312
Planning and development		47 359	110 075	-	2	71 890	50 038	21 853	44%	110 075
Road transport		25 431	44 237	-	0	18 996	33 078	(14 082)	-43%	44 237
Environmental protection		-	-	-	-	-	-	-		-
Trading services		334 355	470 424	-	27 120	242 745	288 826	(46 082)	-16%	470 424
Energy sources		111 003	126 008	-	5 720	62 668	72 264	(9 596)	-13%	126 008
Water management		105 359	184 525	-	14 223	106 477	118 008	(11 530)	-10%	184 525
Wastewater management		60 463	78 437	-	3 132	35 740	49 535	(13 795)	-28%	78 437
Waste management		57 531	81 455	-	4 045	37 860	49 020	(11 160)	-23%	81 455
Other	4	-	-	-	-	-	-	-		-
Total Revenue - Functional	2	714 673	766 016	-	36 033	396 714	448 744	(52 030)	-12%	766 016
Expenditure - Functional										
Governance and administration		176 914	211 582	-	14 499	74 050	105 791	(31 741)	-30%	211 582
Executive and council		51 781	38 977	-	3 712	20 222	19 489	733	4%	38 977
Finance and administration		120 969	167 776	-	10 338	51 614	83 888	(32 274)	-38%	167 776
Internal audit		4 164	4 829	-	449	2 214	2 414	(200)	-8%	4 829
Community and public safety		47 824	44 357	-	3 133	17 869	22 179	(4 310)	-19%	44 357
Community and social services		5 424	6 644	-	534	2 970	3 322	(352)	-11%	6 644
Sport and recreation		10		-		5	5	(147)	-3%	10
		360	10 644	-	931	175	322			644
Public safety		12		-		4	5	(1 263)	-23%	11
		260	11 174	-	860	324	587			174

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

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Housing		19 780	15 896	-	807	5 400	7 948	(2 548)	-32%	15 896
Health		-	-	-	-	-	-	-		-
Economic and environmental services		412 051	147 444	-	2 619	16 432	73 722	(57 290)	-78%	147 444
Planning and development		6 758	9 007	-	574	3 489	4 503	(1 014)	-23%	9 007
Road transport		405 292	138 437	-	2 045	12 943	69 219	(56 275)	-81%	138 437
Environmental protection		-	-	-	-	-	-	-		-
Trading services		296 745	231 362	-	15 387	104 099	115 681	(11 582)	-10%	231 362
Energy sources		95 464	115 008	-	7 499	50 121	57 504	(7 383)	-13%	115 008
Water management		96 092	54 601	-	3 354	24 242	27 301	(3 059)	-11%	54 601
Wastewater management		53 414	29 146	-	2 094	13 520	14 573	(1 053)	-7%	29 146
Waste management		51 775	32 606	-	2 441	16 216	16 303	(87)	-1%	32 606
Other		-	-	-	-	-	-	-		-
Total Expenditure - Functional	3	933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33%	634 745
Surplus/ (Deficit) for the year		(218 861)	131 272	-	393	184 265	131 372	52 893	40%	131 272

1.3 MONTHLY BUDGET STATEMENT-FINANCIAL PERFORMANCE: REVENUE AND EXPENDITURE BY MUNICIPAL VOTE-TABLE C3

FS191 Setsoto - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		101 127	8 084	-	0	3 116	5 883	(2 766)	-47.0%	8 084
Vote 2 - Municipal Manager		26 230	13 061	-	2	5 425	9 777	(4 352)	-44.5%	13 061
Vote 3 - Treasury		99 817	117 936	-	8 662	52 368	60 043	(7 675)	-12.8%	117 936
Vote 4 - Corporate Services		458	457	-	7	239	229	10	4.6%	457
Vote 5 - Development Planning and Social Security		55 502	83 247	-	4 271	39 576	49 916	(10 340)	-20.7%	83 247
Vote 6 - Engineering		431 540	543 232	-	23 091	295 991	322 898	(26 907)	-8.3%	543 232
Total Revenue by Vote	2	714 673	766 016	-	36 033	396 714	448 744	(52 030)	-11.6%	766 016
Expenditure by Vote	1									
Vote 1 - Executive and Council		43 885	30 909	-	2 897	16 175	15 454	720	4.7%	30 909
Vote 2 - Municipal Manager		19 085	23 513	-	1 748	9 609	11 757	(2 148)	-18.3%	23 513
Vote 3 - Treasury		50 134	102 033	-	5 705	27 508	51 017	(23 508)	-46.1%	102 033
Vote 4 - Corporate Services		43 885	37 204	-	2 788	14 561	18 602	(4 040)	-21.7%	37 204
Vote 5 - Development Planning and Social Security		101 118	83 527	-	6 229	35 911	41 764	(5 852)	-14.0%	83 527
Vote 6 - Engineering		675 427	357 558	-	16 273	108 684	178 779	(70 095)	-39.2%	357 558
Total Expenditure by Vote	2	933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33.1%	634 745
Surplus/ (Deficit) for the year	2	(218 861)	131 272	-	393	184 265	131 372	52 893	40.3%	131 272

1.4 STATEMENT OF FINANCIAL PERFORMANCE-TABLE C4

FS191 Setsoto - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		66 418	70 462	-	5 396	32 017	35 231	(3 214)	-9%	70 462
Service charges - electricity revenue		87 999	90 967	-	5 720	46 902	45 484	1 418	3%	90 967
Service charges - water revenue		60 995	64 591	-	5 538	33 139	32 295	844	3%	64 591
Service charges - sanitation revenue		35 033	37 170	-	3 132	18 545	18 585	(40)	0%	37 170
Service charges - refuse revenue		34 635	48 285	-	4 045	24 039	24 143	(104)	0%	48 285
Rental of facilities and equipment		59	76	-	4	36	38	(2)	-5%	76
Interest earned - external investments		1 850	5 025	-	389	1 967	2 513	(545)	-22%	5 025
Interest earned - outstanding debtors		28 914	39 697	-	2 844	15 842	19 849	(4 007)	-20%	39 697
Dividends received		47	50	-	-	55	50	5	11%	50
Fines, penalties and forfeits		1 105	195	-	3	168	98	70	72%	195
Licences and permits		70	75	-	2	14	38	(23)	-62%	75
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		243 876	216 708	-	-	92 139	162 881	(70 742)	-43%	216 708
Other revenue		5 739	3 098	-	265	2 043	1 549	494	32%	3 098
Gains		(18 732)	-	-	16	231	-	231	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		548 009	576 399	-	27 354	267 138	342 752	(75 614)	-22%	576 399
Expenditure By Type										
Employee related costs		222 425	250 302	-	19 122	107 034	125 151	(18 117)	-14%	250 302
Remuneration of councillors		12 967	14 355	-	1 095	6 184	7 178	(994)	-14%	14 355
Debt impairment		127 928	60 000	-	1 578	17 703	30 000	(12 297)	-41%	60 000
Depreciation & asset impairment		394 456	120 865	-	-	-	60 433	(60 433)	-100%	120 865
Finance charges		5 579	4 000	-	859	1 780	2 000	(220)	-11%	4 000
Bulk purchases - electricity		79 631	96 900	-	6 478	44 256	48 450	(4 194)	-9%	96 900
Inventory consumed		14 908	35 672	-	774	6 586	17 836	(11 250)	-63%	35 672
Contracted services		17 578	25 922	-	1 422	10 331	12 961	(2 630)	-20%	25 922
Transfers and subsidies		30 601	4 640	-	1 789	7 104	2 320	4 784	206%	4 640
Other expenditure		27 533	22 088	-	2 521	11 471	11 044	427	4%	22 088
Losses		(73)	-	-	-	-	-	-	-	-
Total Expenditure		933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33%	634 745
Surplus/(Deficit)		(385 525)	(58 345)	-	(8 286)	54 689	25 380	29 309	0	(58 345)

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

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		158 588	189 617	-	8 679	129 576	105 992	23 584	0	189 617
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)		8 076	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		(218 861)	131 272	-	393	184 265	131 372			131 272
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		(218 861)	131 272	-	393	184 265	131 372			131 272
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		(218 861)	131 272	-	393	184 265	131 372			131 272
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		(218 861)	131 272	-	393	184 265	131 372			131 272

1.5 CAPITAL EXPENDITURE-TABLE C5

FS191 Setsoto - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification, and funding) - M06 December										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Multi-Year expenditure appropriation	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		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		21	-	-	-	-	-	-		-
Vote 2 - Municipal Manager		26	1 767	-	-	49	1 767	(1 718)	-97%	2 216 874
Vote 3 - Treasury		60	250	-	17	34	250	(216)	-86%	2 216 874
Vote 4 - Corporate Services		1 199	165	-	-	78	165	(87)	-53%	2 216 874
Vote 5 - Development Planning and Social Security		19 869	3 082	-	-	53	3 082	(3 029)	-98%	2 216 874
Vote 6 - Engineering		200 513	199 337	-	17 218	65 173	199 337	(134 164)	-67%	2 216 874
Vote 7 - Null		-	-	-	-	-	-	-		2 216 874
Vote 8 - Null		-	-	-	-	-	-	-		2 216 874
Vote 9 - Null		-	-	-	-	-	-	-		2 216 874
Vote 10 - Null		-	-	-	-	-	-	-		2 216 874
Vote 11 - Null		-	-	-	-	-	-	-		2 216 874
Vote 12 - Null		-	-	-	-	-	-	-		2 216 874
Vote 13 - Null		-	-	-	-	-	-	-		2 216 874
Vote 14 - Null		-	-	-	-	-	-	-		2 216 874
Vote 15 - Null		-	-	-	-	-	-	-		2 216 874
Total Capital single-year expenditure	4	221 687	204 601	-	17 236	65 387	204 601	(139 215)	-68%	2 216 874
Total Capital Expenditure		221 687	204 601	-	17 236	65 387	204 601	(139 215)	-68%	31 036 242
Governance and administration		3 248	2 047	-	17	144	1 024	(880)	-86%	2 047
Executive and council		47	32	-	-	32	16	16	99%	32
Finance and administration		3 201	2 015	-	17	112	1 008	(896)	-89%	2 015
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		16 609	1 980	-	-	115	990	(875)	-88%	1 980
Community and social services		-	-	-	-	35	-	35	#DIV/0!	-
Sport and recreation		16 601	800	-	-	17	400	(383)	-96%	800

FS191 Setsoto - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1									%
Capital Expenditure - Functional Classification										
Public safety		8	1 000	-	-	1	500	(499)	-100%	1 000
Housing		-	180	-	-	62	90	(28)	-31%	180
Health		-	-	-	-	-	-	-		-
Economic and environmental services		10 521	135	-	-	17	68	(51)	-75%	135
Planning and development		-	135	-	-	17	68	(51)	-75%	135
Road transport		10 521	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		191 309	200 439	-	17 218	65 111	100 220	(35 109)	-35%	267 065
Energy sources		18 561	11 240	-	-	6 610	5 620	990	18%	11 240
Water management		128 996	137 975	-	15 900	51 695	68 988	(17 292)	-25%	204 601
Wastewater management		42 383	49 942	-	1 318	6 805	24 971	(18 166)	-73%	49 942
Waste management		1 368	1 282	-	-	-	641	(641)	-100%	1 282
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	221 687	204 601	-	17 236	65 387	102 301	(36 914)	-36%	271 228
Funded by:										
National Government		172 053	189 617	-	17 218	58 485	94 809	(36 324)	-38%	
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)		-	-	-	-	-	-	-		
Transfers recognised - capital		172 053	189 617	-	17 218	58 485	94 809	(36 324)	-38%	-
Borrowing	6	(2)	7 950	-	-	47	3 975	(3 928)	-99%	
Internally generated funds		140	1 765	-	-	6 595	882	5 713	647%	
Total Capital Funding		172 192	199 332	-	17 218	65 128	99 666	(34 538)	-35%	-

1.6 FINANCIAL POSITION-TABLE C6

FS191 Setsoto - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		2 015	(13 330)	-	15 505	(13 330)
Call investment deposits		43 510	-	-	29 500	-
Consumer debtors		256 915	(60 000)	-	325 520	(60 000)
Other debtors		100 676	-	-	106 059	-
Current portion of long-term receivables		189	-	-	189	-
Inventory		2 613	-	-	4 384	-
Total current assets		405 919	(73 330)	-	481 156	(73 330)
Non-current assets						
Long-term receivables		-	-	-	-	-
Investments		3 616	-	-	3 616	-
Investment property		83 725	-	-	83 725	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		2 539 627	203 001	-	2 604 200	203 001
Biological		-	-	-	-	-
Intangible		545	1 600	-	545	1 600
Other non-current assets		71 554	-	-	71 554	-
Total non-current assets		2 699 067	204 601	-	2 763 640	204 601
TOTAL ASSETS		3 104 986	131 272	-	3 244 796	131 272
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		8 984	-	-	4 919	-
Consumer deposits		3 188	-	-	3 211	-
Trade and other payables		243 349	-	-	202 723	-
Provisions		3 348	-	-	3 348	-
Total current liabilities		258 870	-	-	214 201	-
Non-current liabilities						
Borrowing		3 687	-	-	3 687	-
Provisions		79 381	-	-	79 381	-
Total non-current liabilities		83 068	-	-	83 068	-
TOTAL LIABILITIES		341 938	-	-	297 269	-
NET ASSETS	2	2 763 048	131 272	-	2 947 527	131 272
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 429 041	-	-	2 763 261	-
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 429 041	-	-	2 763 261	-

PART II: FINANCIAL PERFORMANCE INFORMATION-SUPPORTING DOCUMENTATION

2.1 PURPOSE OF THE REPORT

To report to council on the Mid-Year Budget and Performance Assessment results as at the end of the second quarter of the 2021/2022 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.

2.2 CONSTITUTIONAL AND POLICY IMPLICATIONS

The process is currently driven by legislation. A reviewed policy has been approved.

2.3 LEGAL IMPLICATION

- Section 72 (1), Local Government: Municipal Finance Management Act, 2003 (Act 55 of 2003)
- Local Government: Municipal Systems Act, 2000 (Act 32 of 200) (Chapter 6 and sections 1)

2.4 BACKGROUND

In terms of Section 72 (1) of the MFMA, the accounting officer of a Municipality must by 25 January of each year;

- assess the performance of the municipality during the first half of the financial year, taking into account-
 - the monthly statements referred to in section 71 for the first half of the financial year;
 - the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and the performance indicators set in the service delivery and budget implementation plan;
 - the past year's annual report, and progress on resolving problems identified in the annual report; and
 - the performance of every municipal entity under the sole and shared control of the municipality, taking into account report in terms of section 88 from any such entity; and
- submit a report on such assessment to-
 - the Mayor of the municipality
 - the National Treasury; and
 - the relevant Provincial Treasury

Thereafter, the mayor must, in terms of Section 54 (1)-

- consider the report
- check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget;
- issue any appropriate instructions to the accounting officer to ensure-
 - that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - that spending of funds and revenue collection proceed in accordance with the budget;
- identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- submit the report to the council by 31 January of each year

2.5 EXECUTIVE SUMMARY

In terms of Section 72 of the Municipal Finance Management Act, 56 of 2003, the accounting officer of the municipality is required to submit a report in the prescribed format to the mayor by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the year.

This mid-year report is a critical stage in the in-year reporting cycle of the municipality as it allows the municipality to review any circumstances that may have changed since the preparation of the annual budget.

As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether the Service Delivery and Budget Implementation Plan and Annual budget, i.e. Both Operational and Capital, needs to be adjusted. Furthermore, Section 54(f) of the Municipal Finance Management Act, 56 of 2003, requires the mayor to consider and submit a report to council by 31 January.

2.6 MATERIAL VARIANCE EXPLANATIONS-TABLE SC1

FS191 Setsoto - Supporting Table SC1 Material variance explanations - M06 December				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	Revenue By Source			
	Property Rates	-3213	Refer to Annexure A-Page 8	
	Service Charges	2 118	Please refer to the Mid-Year report for more details-Annexure A page 8	
	Investment Revenue	-545	Low cash on hand balances	More interest will be earned in Jan for new investments made in December 2021
	Transfers and Subsidies	-70742	Rollover application declined and offset against E/S	Effect accounting entry
2	Expenditure By Type			
	Employee related costs	-18 118	Vacant positions budgeted but not filled	Adjust the budget downward
	Remuneration of Councillors	-994	Change in council	Adjust the budget downward
	Depreciation and asset impairment	-60 433	Asset Module not yet updated	Update the asset module
	Finance Charges	-220	Low cash on hand balances and creditors not paid in full	Increase revenue collection
	Inventory consumed and bulk purchases	-15 444	Less inventory consumed	Investigate and adjust if necessary
	Debt impairment	-12 297	Calculated at year end	Wait until year end
	Transfers and Subsidies	4 784	Additional indigent registered	Adjust the budget upward
3	Capital Expenditure			
	MIG Grant	(4 919)	Slow spending and progress on project	Speed up the process on the project
	WSIG Grant	3 034	Spending more than planned	Progress of project above planned
	RBIG Grant	(23 282)	Slow spending and progress on project	Speed up the process on the project
4	Financial Position			
	Total Community Wealth/Equity	334 220	The total equity increased; however, the depreciation and accumulated depreciation has not been taken into account.	The Asset register implementation will rectify the distortion to an acceptable level.
5	Cash Flow			
	Refer to Mid-Year report		Refer to Mid-Year report-Annexure A page 8	Refer to Mid-Year report
6	Measurable performance			
	Refer to Part III-Non-financial performance report		Refer to Part III-Non-financial performance report-Pages 36-72	Refer to Part III-Non-financial performance report

2.7 CONSOLIDATED BUDGET STATEMENT: FINANCIAL PERFORMANCE BY STANDARD CLASSIFICATION-TABLE SC2

FS191 Setsoto - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December							
Description of financial indicator	Basis of calculation	Ref	2020/21	Budget Year 2021/22			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.2%	19.7%	0.0%	0.8%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	3.9%	0.0%	0.1%	3.9%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		10.5%	0.0%	0.0%	7.6%	0.0%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	156.8%	0.0%	0.0%	224.6%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		17.6%	0.0%	0.0%	21.0%	0.0%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		65.3%	-10.4%	0.0%	161.6%	-10.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		78.0%	60.0%	0.0%	74.0%	80.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	12.0%	12.0%	0.0%	5.0%	5.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	29.0%	35.0%	0.0%	41.0%	35.0%
Employee costs	Employee costs/Total Revenue - capital revenue		40.6%	43.4%	0.0%	40.1%	43.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		73.0%	21.7%	0.0%	0.7%	3.2%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		0.6%	0.9%	0.0%	1.3%	0.9%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		125.5%	-19.3%	0.0%	279.1%	-19.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		9.0%	10.9%	0.0%	8.9%	12.1%

2.8 CONSOLIDATED BUDGET STATEMENT: FINANCIAL PERFORMANCE-REVENUE AND EXPENDITURE BY MUNICIPAL VOTE-TABLE SC3

FS191 Setsoto - Table SC3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote										
Vote 1 - Executive and Council		101 127	8 084	-	0	3 116	5 883	(2 766)	-47.0%	8 084
Vote 2 - Municipal Manager		26 230	13 061	-	2	5 425	9 777	(4 352)	-44.5%	13 061
Vote 3 - Treasury		99 817	117 936	-	8 662	52 368	60 043	(7 675)	-12.8%	117 936
Vote 4 - Corporate Services		458	457	-	7	239	229	10	4.6%	457
Vote 5 - Development Planning and Social Security		55 502	83 247	-	4 271	39 576	49 916	(10 340)	-20.7%	83 247
Vote 6 - Engineering		431 540	543 232	-	23 091	295 991	322 898	(26 907)	-8.3%	543 232
Total Revenue by Vote	2	714 673	766 016	-	36 033	396 714	448 744	(52 030)	-11.6%	766 016
Expenditure by Vote										
Vote 1 - Executive and Council		43 885	30 909	-	2 897	16 175	15 454	720	4.7%	30 909
Vote 2 - Municipal Manager		19 085	23 513	-	1 748	9 609	11 757	(2 148)	-18.3%	23 513
Vote 3 - Treasury		50 134	102 033	-	5 705	27 508	51 017	(23 508)	-46.1%	102 033
Vote 4 - Corporate Services		43 885	37 204	-	2 788	14 561	18 602	(4 040)	-21.7%	37 204
Vote 5 - Development Planning and Social Security		101 118	83 527	-	6 229	35 911	41 764	(5 852)	-14.0%	83 527
Vote 6 - Engineering		675 427	357 558	-	16 273	108 684	178 779	(70 095)	-39.2%	357 558
Total Expenditure by Vote	2	933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33.1%	634 745
Surplus/ (Deficit) for the year	2	(218 861)	131 272	-	393	184 265	131 372	52 893	40.3%	131 272

2.9 MONTHLY BUDGET STATEMENT-SUPPORTING TABLE SC6: MAONTHLY BUDGET STATEMENT- TRANSFERS AND GRANT RECIEPTS

FS191 Setsoto - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		243 616	216 408	-	-	91 958	162 731	(70 773)	-43.5%	216 408
Local Government Equitable Share		239 814	212 318	-	-	88 465	159 239	(70 774)	-44.4%	212 318
Expanded Public Works Programme Integrated Grant		1 802	1 990	-	-	1 393	1 393	0	0.0%	1 990
Local Government Financial Management Grant		2 000	2 100	-	-	2 100	2 100	-		2 100
Other grant providers:		260	300	-	-	181	150	31	20.9%	300
Departmental Agencies and Accounts		260	300	-	-	181	150	31	20.9%	300
Total Operating Transfers and Grants	5	243 876	216 708	-	-	92 139	162 881	(70 742)	-43.4%	216 708
Capital Transfers and Grants										
National Government:		46 365	189 617	-	8 679	68 642	94 809	(26 166)	(0)	189 617
Energy Efficiency and Demand Side Management Grant		-	2 000	-	-	-	1 000	(1 000)	-100.0%	2 000
Municipal Infrastructure Grant		46 365	49 792	-	8 679	19 977	24 896	(4 919)	-19.8%	49 792
Water Services Infrastructure Grant		-	27 825	-	-	16 947	13 913	3 034	21.8%	27 825
Regional Bulk Infrastructure Grant		-	110 000	-	-	31 718	55 000	(23 282)	-42.3%	110 000
Total Capital Transfers and Grants	5	54 442	189 617	-	8 679	68 642	94 809	(26 166)	-27.6%	189 617
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	298 318	406 325	-	8 679	160 782	257 690	(96 908)	-37.6%	406 325

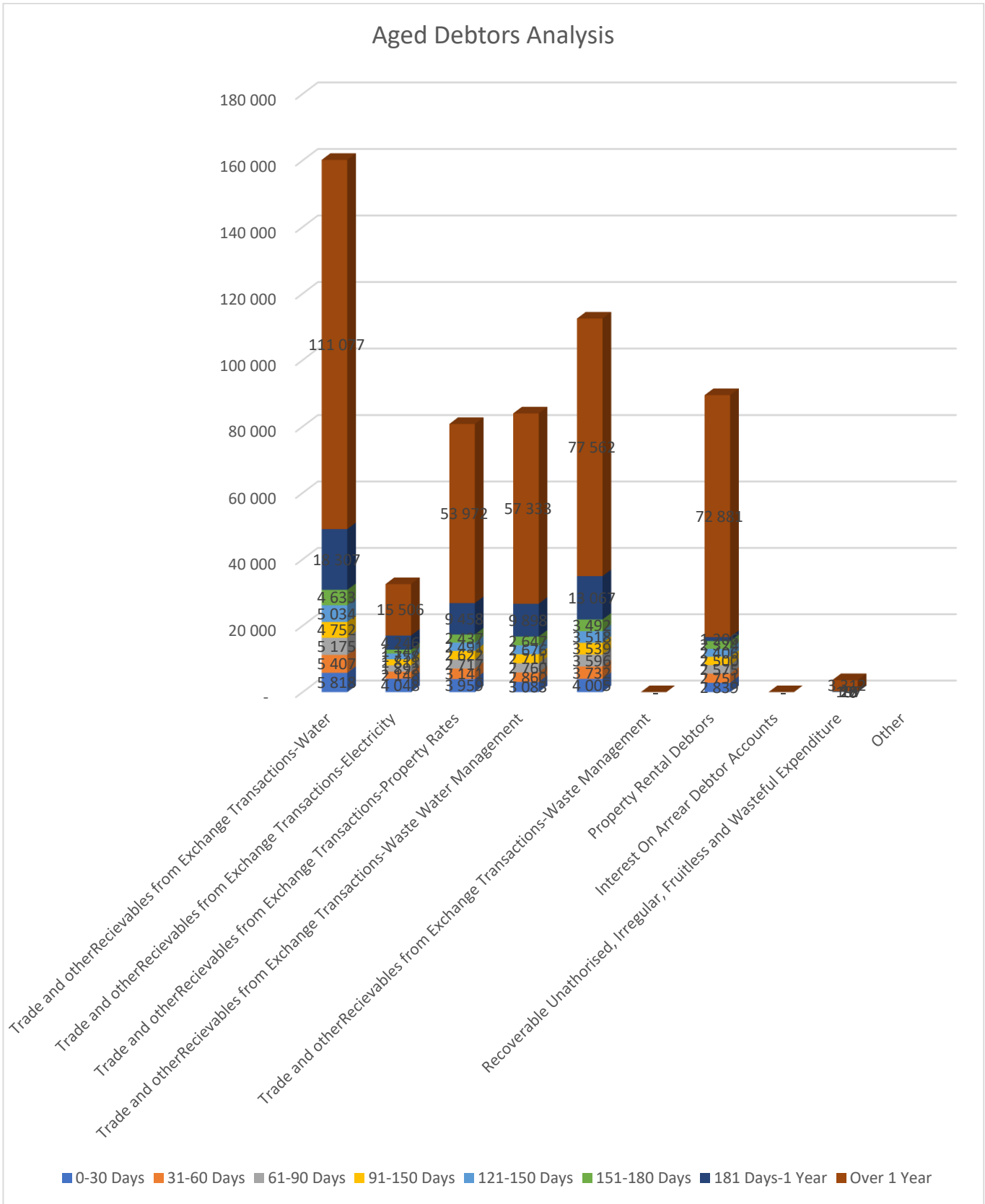
2.10 IN-YEAR BUDGET SUMMARY-SUPPORTING DOCUMENTATION

2.10.1 MONTHLY BUDGET STATEMENT: AGE DEBTORS -SUPPORTING TABLE SC3

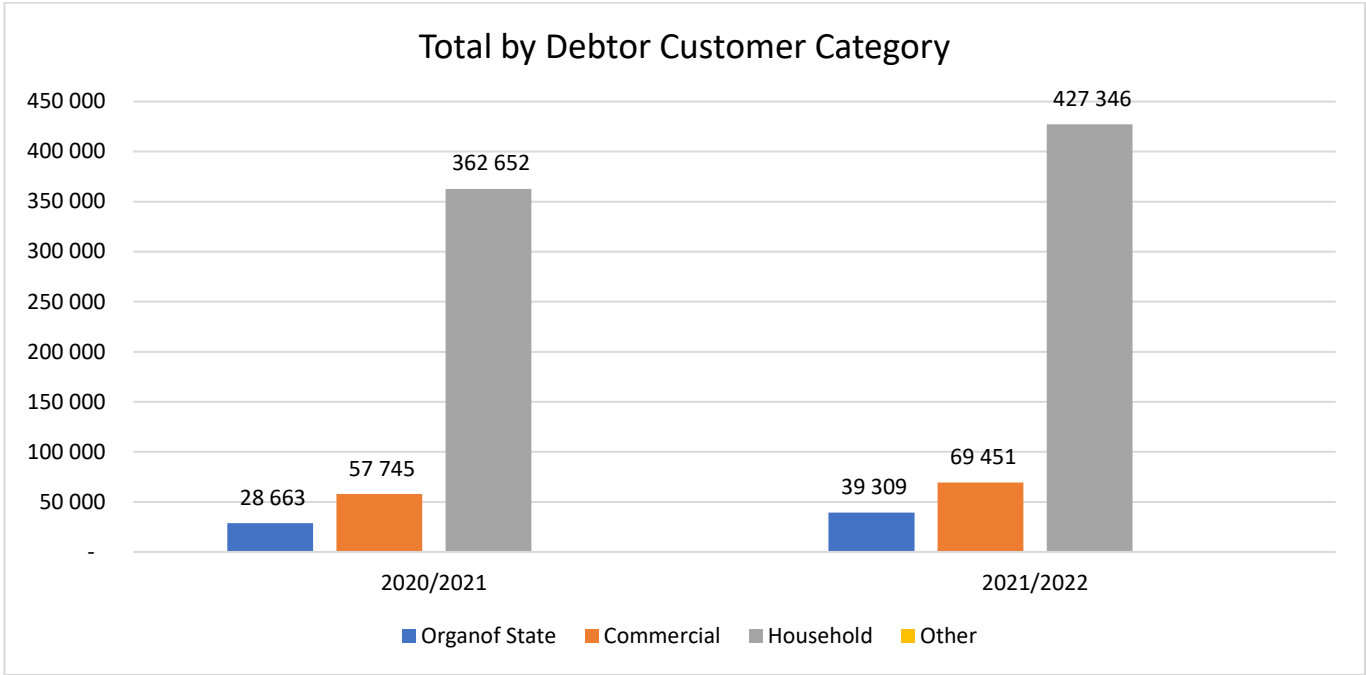
FS191 Setsoto - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December													
Description		Budget Year 2021/22											
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6 069	5 477	4 549	3 891	3 917	3 841	19 130	101 186	148 059	131 964		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 877	3 210	2 477	1 180	1 150	773	3 842	14 639	32 149	21 584		
Receivables from Non-exchange Transactions - Property Rates	1400	4 203	3 110	2 727	2 581	2 516	2 487	11 338	51 561	80 524	70 483		
Receivables from Exchange Transactions - Waste Water Management	1500	3 327	3 084	2 142	2 116	2 090	2 075	10 175	51 394	76 402	67 849		
Receivables from Exchange Transactions - Waste Management	1600	4 351	4 038	3 109	2 706	2 687	2 680	13 229	69 892	102 693	91 194		

FS191 Setsoto - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December													
Description	Budget Year 2021/22												
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	2 539	2 447	2 366	2 649	2 581	2 513	11 598	65 971	92 664	85 312		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	36	18	19	14	24	14	215	3 276	3 616	3 542		
Total By Income Source	2000	25 403	21 385	17 390	15 137	14 963	14 383	69 527	357 918	536 106	471 929	-	-
2020/21 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 730	3 225	2 184	1 938	1 829	1 712	6 962	18 728	39 309	31 170		
Commercial	2300	4 662	2 283	3 083	1 540	1 626	1 362	7 278	47 617	69 451	59 423		
Households	2400	18 011	15 877	12 123	11 659	11 509	11 308	55 287	291 572	427 346	381 335		
Other	2500	-	-	-	-	-	-	-	-	-	-		
Total By Customer Group	2600	25 403	21 385	17 390	15 137	14 963	14 383	69 527	357 918	536 106	471 929	-	-

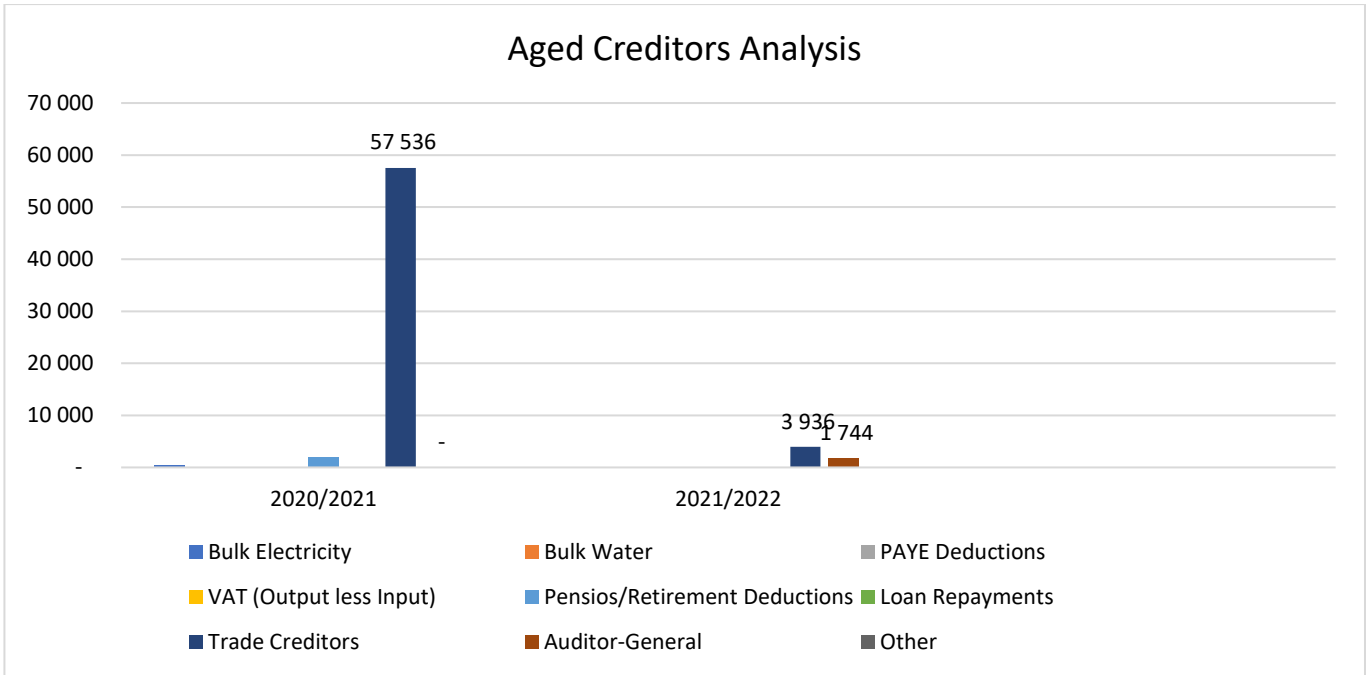
2.10.2 DEBTORS AGED ANALYSIS BY CUSTOMER GROUP-CHART 1



2.10.3 YEAR ON YEAR DEBTOR AGE ANALYSIS-CHART 2



2.10.4 AGED CREDITORS ANALYSIS-CHART 3



2.11 INVESTMENT PORTFOLIO ANALYSIS

2.11.1 MONTHLY BUDGET STATEMENT: INVESTMENT PORTFOLIO-SUPPORTING TABLE SC5

FS191 Setsoto - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FNB Call 62049046205		M	Call	Yes	Variable	4	0	n/a	30/06/2022	1 375	4	(1 360)	141	161
FNB 62151783563		M	Call	Yes	Variable	5	0	n/a	30/06/2022	732	11	(210)	925	1 458
FNB 62310540465		M	Call	Yes	Variable	5	0	n/a	30/06/2022	24 872	64	(24 898)		39
STD Bank 48445851001		M	Call	Yes	Variable	4.325	0	n/a	30/06/2022		232	(22 232)	22 000	-
STD Bank 48445851002		M	Call	Yes	Variable	4.325	0	n/a	30/06/2022	10 221	216	(10 437)		-
STD Bank 48445851003		M	Call	Yes	Variable	4.325	0	n/a	30/06/2022	6 310	80	(3 000)		3 390
STD Bank 48445851004		M	Call	Yes	Variable	4.325	0	n/a	30/06/2022		551	(30 551)	30 000	-
STD Bank 48445851005		M	Call	Yes	Variable	4.325	0	n/a	30/06/2022		453		24 000	24 453
STD Bank 48445851006		M	Call	Yes	Variable	4.325	0	n/a	30/06/2022		18	(5 018)	5 000	-
STD Bank 48445851007		M	Call	Yes	Variable	4.325	0	n/a	30/06/2022		205	(15 205)	15 000	-
ABSA Cert 2040624204		Y	Fixed	Yes	Variable	4.325	0	n/a	20/06/2024	38				38
Sanlam Cert 04312364		Y	Fixed	Yes	Variable	5	0	n/a	22/07/2026	667				667
Sanlam Pol 11054541X		Y	Fixed	Yes	Variable	4	0	n/a	20/06/2029	506				506
Sanlam Pol 12219777X		Y	Fixed	Yes	Variable	4	0	n/a	27/05/2027	223				223
Sanlam Shares 271463		Y	Fixed	Yes	Variable	5	0	n/a	03/05/2023	884				884
FS Coop 41767		Y	Fixed	Yes	Variable	4	0	n/a	03/02/2025	689				689
FS Coop 43470		Y	Fixed	Yes	Variable	4	0	n/a	02/02/2025	609				609
TOTAL INVESTMENTS AND INTEREST	2									47 126		(112 911)	97 066	33 116

2.12 COUNCILLOR AND EMPLOYEE BENEFITS

2.12.1 MONTHLY BUDGET STATEMENT: COUNCILLOR AND EMPLOYEE BENEFITS-SUPPORTING TABLE SC8

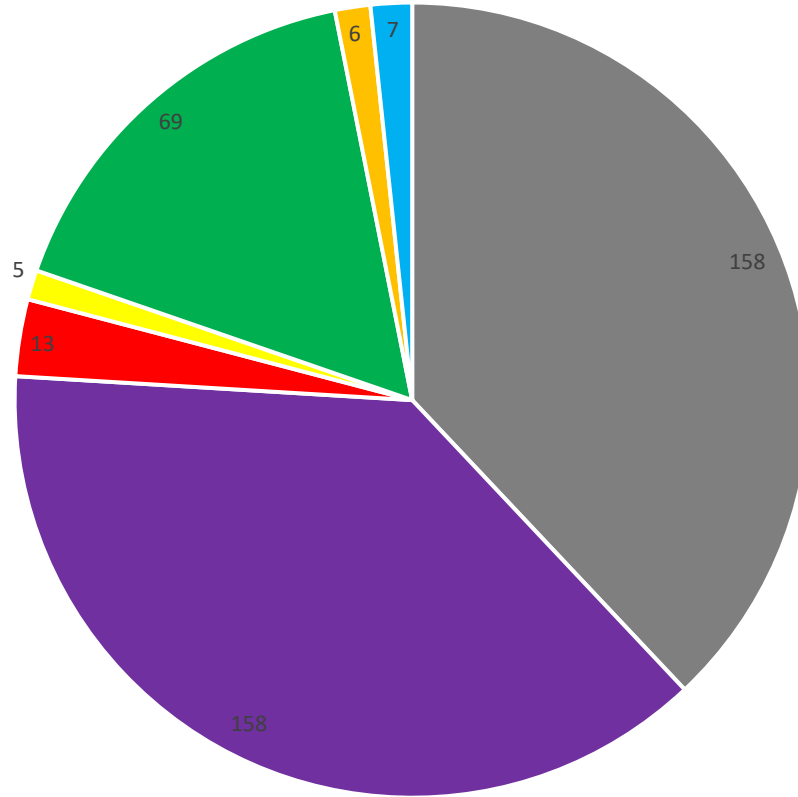
FS191 Setsoto - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
-	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 967	11 246	-	858	4 563	5 623	(1 060)	-19%	11 246
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		1 973	1 508	-	115	930	754	176	23%	1 508
Cell phone Allowance		1 439	1 601	-	122	690	800	(110)	-14%	1 601
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		16 379	14 355	-	1 095	6 184	7 178	(994)	-14%	14 355
% increase	4		-12.4%							-12.4%
Senior Managers of the Municipality 3										
Basic Salaries and Wages		22 625	28 356	-	1 942	11 805	14 178	(2 373)	-17%	28 356
Pension and UIF Contributions		15 595	20 846	-	1 274	7 690	10 423	(2 733)	-26%	20 846
Medical Aid Contributions		4 267	4 861	-	359	2 138	2 431	(293)	-12%	4 861
Overtime		10 375	12 158	-	2 012	5 840	6 079	(238)	-4%	12 158
Performance Bonus		14 282	15 179	-	1 136	8 001	7 589	411	5%	15 179
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cell phone Allowance		2 565	482	-	105	633	241	392	163%	482
Housing Allowances		8 954	10 632	-	812	4 720	5 316	(596)	-11%	10 632
Other benefits and allowances		3 848	-	-	162	1 073	-	1 073	#DIV/0!	-
Payments in lieu of leave		1 289	1 071	-	43	408	536	(127)	-24%	1 071
Long service awards		11 725	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	222 425	250 302	-	19 122	107 034	125 151	(18 117)	-14%	250 302
Sub Total - Senior Managers of Municipality										
			12.5%							12.5%
% increase	4									
Total Parent Municipality		235 393	264 657	-	20 217	113 218	132 329	(19 111)	-14%	264 657
			12.4%							12.4%
Unpaid salary, allowances & benefits in arrears:										
Other Municipal Staff										
Basic Salaries and Wages		126 900	156 717	-	11 276	64 725	78 358	(13 633)	-17%	156 717
Pension and UIF Contributions		22 625	28 356	-	1 942	11 805	14 178	(2 373)	-17%	28 356
Medical Aid Contributions		15 595	20 846	-	1 274	7 690	10 423	(2 733)	-26%	20 846

FS191 Setsoto - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
-	1	A	B	C						D
Overtime		4 267	4 861	-	359	2 138	2 431	(293)	-12%	4 861
Performance Bonus		10 375	12 158	-	2 012	5 840	6 079	(238)	-4%	12 158
Motor Vehicle Allowance		14 282	15 179	-	1 136	8 001	7 589	411	5%	15 179
Cell phone Allowance		-	-	-	-	-	-	-		-
Housing Allowances		2 565	482	-	105	633	241	392	163%	482
Other benefits and allowances		8 954	10 632	-	812	4 720	5 316	(596)	-11%	10 632
Payments in lieu of leave		3 848	-	-	162	1 073	-	1 073	#DIV/0!	-
Long service awards		1 289	1 071	-	43	408	536	(127)	-24%	1 071
Post-retirement benefit obligations	2	11 725	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		222 425	250 302	-	19 122	107 034	125 151	(18 117)	-14%	250 302
% increase	4		12.5%							12.5%
Total Parent Municipality		235 393	264 657	-	20 217	113 218	132 329	(19 111)	-14%	264 657
			12.4%							12.4%
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		235 393	264 657	-	20 217	113 218	132 329	(19 111)	-14%	264 657
% increase	4		12.4%							12.4%
TOTAL MANAGERS AND STAFF		222 425	250 302	-	19 122	107 034	125 151	(18 117)	-14%	250 302

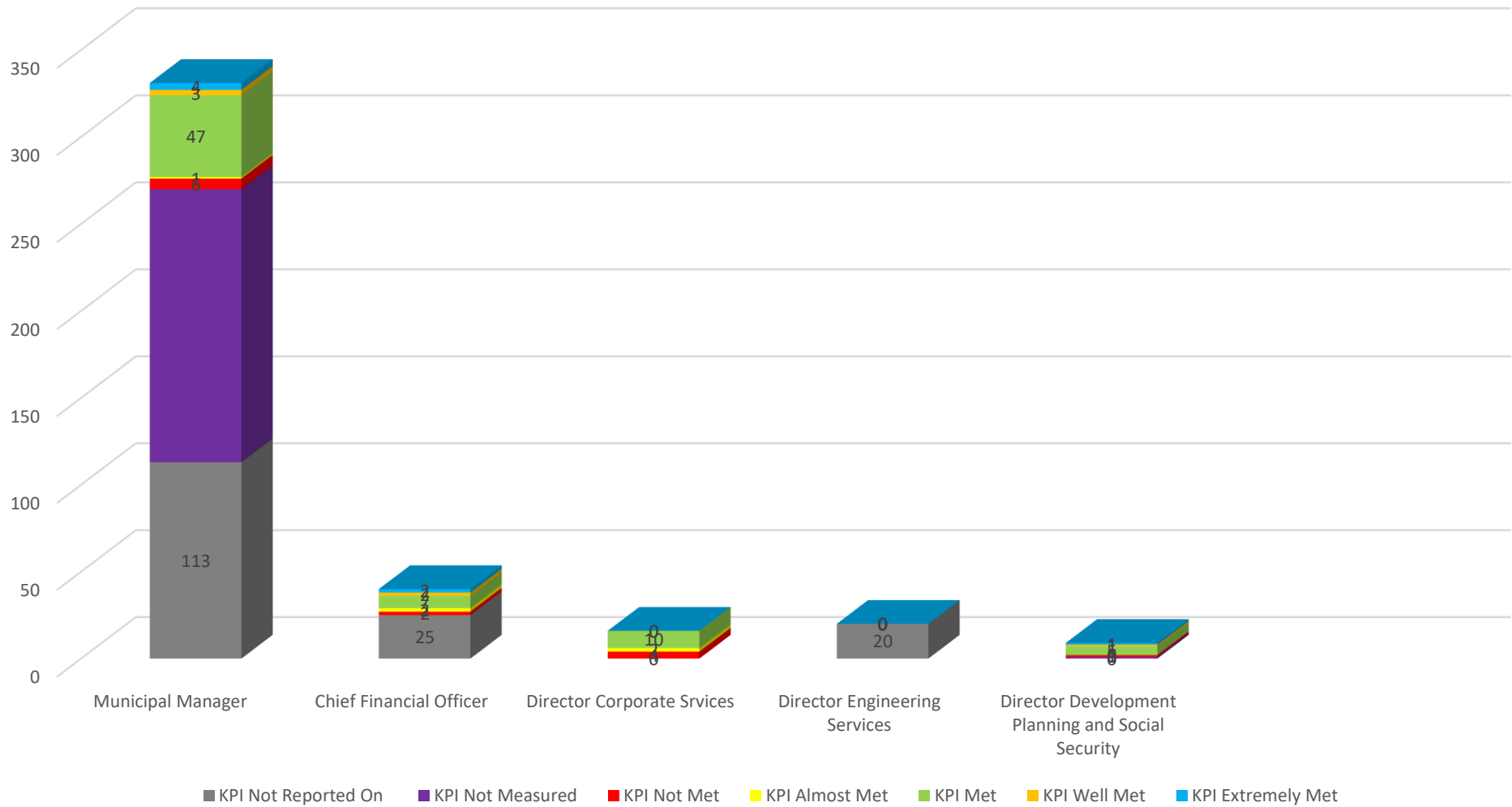
PART III
NON-FINANCIAL PERFORMANCE INFORMATION

3.1 TOP-LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN



■ KPI Not Reported On ■ KPI Not Measured ■ KPI Not Met ■ KPI Almost Met ■ KPI Met ■ KPI Well Met ■ KPI Extremely Met

Senior Manager's Performance



3.2 EXPLANATORY GRAPH

	Municipal Manager	Chief Financial Officer	Director Corporate Services	Director Engineering Services	Director Development Planning and Social Security
KPI Not Reported	113	25	0	20	0
KPI Not Measured	157	0	0	0	1
KPI Not Met	6	2	4	0	1
KPI Almost Met	1	2	2	0	0
KPI Met	47	7	10	0	5
KPI Well Met	3	2	0	0	1
KPI Extremely Met	4	2	0	0	1
Total	331	40	16	20	9

The above graph indicates the following per senior manager:

- The Office of the Municipal Manager achieved 54 of the 331 targets for the period under review, of the 54 targets, 3 were well met and 4 were extremely met. 113 targets were not reported on, which could lead to the performance information not being reported accurately and the validity thereof could not be verified. 157 targets were not due for reporting, 6 targets were not met and 1 target was almost met.
- Chief Financial Officer's Scorecard shows that 11 targets were achieved of the 40 targets for the period under review, of the 11, two were well met and 2 were extremely met. 25 targets were not reported on due to the fact that the Performance Agreement of the Chief Financial Officer is not consistent with the approved Service Delivery and Budget Implementation Plan 2021/2022. 2 targets were not met and 1 target was almost met.
- Director Corporate Services scorecard identifies that 10 targets were met, 4 targets were not met, and 2 targets were almost met.
- Acting Director Engineering Services scorecard could not provide any information as all 20 targets were not reported on. This could be ascribed possibly to the fact that there is no permanent Director appointed for the past few months.
- Director Development Planning and Social Security scorecard provides that 7 targets were achieved, of these 7 targets, 5 were met, 1 was well met and 1 was extremely met. Two targets were not met. The Performance Agreement of the Director is also not consistent with the approved Service Delivery and Budget Implementation Plan.

3.4 MUNICIPAL MANAGER

National Development Plan Chapters						An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship							
National Outcomes						Economic Infrastructure							
Back To Basic Principles						Basic Services							
Free State Growth And Development Strategies						Effective and Efficient Governance and Administration							
Predetermined Objectives						Supporting the delivery of municipal services to the right quality and standards							
Strategic Goal						To provide strategic leadership to the strategic operational activities of the municipality							
Key Performance Area						Basic Services							
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to electricity	Reports from electricity division	Target	Percentage	94%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.2	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to refuse removal	Reports from waste management division	Target	Percentage	91%	91%	91%		91%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.3	Supporting the delivery of municipal services to the right quality and standards	Number of sport facilities utilised	Reports from local economic development, tourism, sport and recreational division, job cards	Target	Number	New Indicator	5	5		5		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand	Number	5 946 842	5 946 842		5 946 842			
Activity 1.4	Supporting the delivery of municipal services to the right quality and standards	Number of community halls utilised	Reports, job cards	Target	Number	New Indicator	8	8		8		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.5	Supporting the delivery of municipal services to the right quality and standards	Percentage of fire incidents attended to within the required time	Reports, job cards	Target	Number	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.6	Supporting the delivery of municipal services to the right quality and standards	Kilometres of road surface graded	Reports, job cards	Target	Kilometres	New Indicator	40	10		20		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.7	Supporting the delivery of municipal services to the right quality and standards	Percentage reported potholes complaints resolved within standard municipal response time	Reports, job cards	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.8	Supporting the delivery of municipal services to the right quality and standards	Kilometres of new municipal road lanes built	Reports, job cards	Target	Kilometres	New Indicator	40	10		20		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.9	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to basic sanitation	Reports from water and sanitation-operations and maintenance division	Target	Percentage	74.40%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.10	Supporting the delivery of municipal services to the right quality and standards	Percentage of callouts responded to within 24 hours for sanitation	Complaints register, reports and job cards	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.11	Supporting the delivery of municipal services to the right quality and standards	Percentage green drop compliance	Reports from water and sanitation-bulk services division	Target	Percentage	New Indicator	0%	30%		30%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.12	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to basic water supply	Reports from water and sanitation-operations and maintenance division	Target	Percentage	80.46%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.13	Supporting the delivery of municipal services to the right quality and standards	Percentage of callouts responded to within 24 hours for water	Reports from water and sanitation-operations and maintenance division	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.14	Supporting the delivery of municipal services to the right quality and standards	Percentage of callouts on unplanned water services interruption responded to within 24 hours	Complaints register, reports and job cards	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.15	Supporting the delivery of municipal services to the right quality and standards	Percentage blue drop compliance	Report from water and sanitation-bulk water services division	Target	Percentage	New Indicator	1	1		1		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.16	Supporting the delivery of municipal services to the right quality and standards	Percentage of electricity losses	Reports from electricity division	Target	Percentage	12.50%	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.17	Supporting the delivery of municipal services to the right quality and standards	Percentage of water losses	Reports from water and sanitation-operations and maintenance services divisions	Target	Percentage	32.38%	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.18	Supporting the delivery of municipal services to the right quality and standards	Percentage of total water connections metered	Reports from water and sanitation-operations and maintenance services divisions	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Total						18	18	18					
Total Budget							107 043 156	107 043 156		107 043 156			

National Development Plan Chapters			3. Infrastructure is poorly located, inadequate and under-maintained										
National Outcomes			3. All people in South Africa										
Back To Basic Principles			2. Supporting the delivery of municipal services to the high standards										
Free State Growth And Development Strategies			Local Economic Development										
Predetermined Objectives			Creating a conducive environment for local economic development										
Strategic Goal			Providing effective community services and promotion of local economy										
Key Performance Area			Local Economic Development										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Creating a conducive environment for local economic development	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	Procurement reports from supply chain management division, expenditure reports from expenditure management division and C-Schedules	Target	Percentage	0%	5%	5%		5%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		225 125	225 125		225 125			
Activity 1.2	Creating a conducive environment for local economic development	Percentage of total municipal budget capex expenditure spent on contracted services physically residing within the municipal area	Procurement reports from supply chain management division, expenditure reports from expenditure management division and C-Schedules	Target	Percentage	0%	30%	30%		30%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		225 125	225 125		225 125			
Activity 1.3	Creating a conducive environment for local economic development	Number of work opportunities created through public employment programmes, including extended public works programmes, community works programmes, and other related employment programmes	Extended Public Works Programmes Reports, Community Works Programmes Reports and other related employment programmes reports	Target	Number	1 473	1 500	375		750		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		225 125	225 125		225 125			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.4	Creating a conducive environment for local economic development	Percentage of the municipality's operating budget spent on indigent relief for free basic services	Revenue Management reports and C-Schedules	Target	Percentage	2%	2%	2%		2%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		225 125	225 125		225 125			
Activity 1.5	Creating a conducive environment for local economic development	Percentage of business license applications and permits processed and approved within the required timeframe	Business application forms and reports	Target	Percentage	180%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		225 125	225 125		225 125			
Activity 1.6	Creating a conducive environment for local economic development	Average number of days from point of advertising to the letter of award per 80/202 procurement process	Advertisements and appointment letters	Target	Day	New Indicator	90	90		90		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		225 125	225 125		225 125			
Activity 1.7	Creating a conducive environment for local economic development	Percentage of municipal payments made to service providers who submitted complete forms within 30 days of invoice submission	Creditor's Reconciliation Register	Target	Percentage	44%	65%	65%		65%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Total						7	7	7		7			
Total Budget							1 801 000	1 801 000		1 801 000			

National Development Plan Chapters								9. South Africa remains a divided society					
National Outcomes								9. A responsive, accountable, effective, and efficient local government system					
Back To Basic Principles								5. Building institutional resilience and administrative capability					
Free State Growth And Development Strategies								6. Good Governance					
Predetermined Objectives								Building institutional resilience and administrative capability					
Strategic Goal													
Key Performance Area								Institutional Capacity					
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Building institutional resilience and administrative capability	Percentage skills development levy against the municipal operating expenditure	Workplace Skills Plan Report and C-Schedule	Target	Percentage	0.08%	1%	1%		1%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		492 570	492 570		492 570			
Activity 1.2	Building institutional resilience and administrative capability	Number of days taken to fill vacant posts	Advertisements and appointment letters	Target	Days	251	60	60		60		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		492 570	492 570		492 570			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.3	Building institutional resilience and administrative capability	Percentage of vacant posts filled within three months	Advertisements and appointment letters	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		492 570	492 570		492 570			
Total						3	3	3		3			
Total Budget							1 970 280	1 970 280		1 970 280			

National Development Plan Chapters							5. The economy is unstable (resource intensive)						
National Outcomes							9. A responsive, accountable, effective, and efficient local government system						
Back To Basic Principles							4. Ensuring sound financial management and accounting						
Free State Growth And Development Strategies							6. Good Governance						
Predetermined Objectives							Ensuring sound financial management and accounting						
Key Performance Area							Financial Management						
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Ensuring sound financial management and accounting	Percentage capital expenditure to total expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	20%	20%		20%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.2	Ensuring sound financial management and accounting	Percentage of impairment of property, plant, and equipment, investment property and intangible assets (carrying value)	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.3	Ensuring sound financial management and accounting	Repairs and maintenance as a percentage of property, plant, and equipment, investment property and intangible assets (carrying value)	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	8%	8%		8%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.4	Ensuring sound financial management and accounting	Percentage collection rate	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	43%	65%	65%	45%	65%	52%	The percentage has not been captured correctly as the target is to reach 65% by the end of the fourth quarter [i.e., June 2022]. The target is not SMART considering a planned increase of 22% in a period of less than a month.	The percentage / targets will be corrected when the adjusted SDBIP is prepared post the Mid-Year Assessment and approval of the Annual Adjusted Budget
				Budget	Rand			905 550		905 550			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.5	Ensuring sound financial management and accounting	Bad debt written off as a percentage of bad debt provision	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	100%	100%	905 550		905 550		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.6	Ensuring sound financial management and accounting	Number of days required to receive payment from consumers for bills/invoices issued to them for services	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Days	New Indicator	45%	45%		45%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.7	Ensuring sound financial management and accounting	Period in months within which the municipality will be able to meet at least its monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue, during the month	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Months	New Indicator	3	3		3		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.8	Ensuring sound financial management and accounting	Range within which the municipality is able to payback it's short-term liabilities (Debt and Payables) with short-term assets (Cash, inventory and receivables)	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Rand	New Indicator	2:1	2:1		2:1		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget				905 550		905 550			
Activity 1.9	Ensuring sound financial management and accounting	Capital costs (Interest paid and Redemption) as a percentage to total operating expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	8%	8%		8%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.10	Ensuring sound financial management and accounting	Extend of total borrowing in percentage, to which other reserves, which are required to be cash-backed by cash reserves	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	45%	45%		45%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.11	Ensuring sound financial management and accounting	Percentage operating surpluses generated	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.12	Ensuring sound financial management and accounting	Percentage electricity surplus generated	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Percentage Rand	New Indicator	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.13	Ensuring sound financial management and accounting	Percentage water surplus generated	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Percentage Rand	New Indicator	15%	15%		15%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.14	Ensuring sound financial management and accounting	Percentage refuse surplus generated	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Percentage Rand	New Indicator	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.16	Ensuring sound financial management and accounting	Percentage in actual growth in the revenue base of the municipality brought by an increase in consumer base rather than in tariff increase	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Percentage Rand	New Indicator	5%	5%		5%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.17	Ensuring sound financial management and accounting	Percentage revenue growth	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Percentage Rand	New Indicator	6%	6%		6%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.18	Ensuring sound financial management and accounting	Percentage revenue growth (excluding capital grants)	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Percentage Rand	New Indicator	6%	6%		6%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.19	Ensuring sound financial management and accounting	Number of days taken to pay creditors	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Days Rand	44	45	45		45		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.20	Ensuring sound financial management and accounting	Percentage of irregular, fruitless, and wasteful and unauthorised expenditure disclosed	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Percentage Rand	New Indicator	0%	0%	1	0%	0%	None, target was only applicable in the 1st quarter	Ensure that actual target reported on is consistent with unit of measure
Activity 1.21	Ensuring sound financial management and accounting	Percentage employee cost to total operating expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target Budget	Percentage Rand	42%	33%	33%		33%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.22	Ensuring sound financial management and accounting	Percentage contracted services expenditure to total operating expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	2%	2%	1%	2%	2%	None. Target achieved	Continue monitoring
				Budget	Rand			905 550		905 550			
Activity 1.23	Ensuring sound financial management and accounting	Percentage of internally generated funds for capital expenditure to total operating expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	0%	20%	20%		20%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.24	Ensuring sound financial management and accounting	Percentage own source revenue to total operating revenue	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	55%	55%		55%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.25	Ensuring sound financial management and accounting	Percentage capital expenditure spent	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.26	Ensuring sound financial management and accounting	Percentage operating expenditure incurred	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.27	Ensuring sound financial management and accounting	Percentage operating revenue sourced	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.28	Ensuring sound financial management and accounting	Percentage of the municipality's budget spent on free basic services to indigent households	Indigent Register Report and C-Schedule	Target	Percentage	0%	100%	20%	48%	38%	105%	None. Target achieved	
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.29	Ensuring sound financial management and accounting	Percentage spending on the approved budget	C-Schedule-Table C4 Financial Performance _Revenue and Expenditure	Target	Percentage	100%	75%	18%	16%	40%	33%	There is a difference of about 7% between planned target versus actual target [which is clearly trivial] considering that the plan is spend in line with the prevailing revenue collection levels	The spending is satisfactory considering that NT and PT have indicated that our budget is not funded, and the municipality needs to scale down on non-core services.
				Budget			2 486 395	2 486 395		2 486 395			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.30	Ensuring sound financial management and accounting	Percentage payment rate	Collection Rate Register	Target	Percentage	55%	65%	33%		38%		Duplication	To be removed during Adjustment Service Delivery and Budget Implementation Plan process in March 2022
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.31	Ensuring sound financial management and accounting	Number of GRAP compliant Annual Financial Statements compiled and submitted	Annual Financial Statements	Target	Number	1	1	1	1	0	0	None, target was only applicable in the 1st quarter	
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.32	Ensuring sound financial management and accounting	Number of Unallocated Deposit Policy developed	Approved Policy and Council Resolution	Target	Number	1	1	1	1	0	0	None, target was only applicable in the 1st quarter	
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.33	Ensuring sound financial management and accounting	Number of Expenditure Reduction Strategies developed (reviewed)	Approved Expenditure Reduction Strategy and Council Resolution	Target	Number	0	1	0	0	0	0	None, target was only applicable in the 1st quarter	
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.34	Ensuring sound financial management and accounting	Number of Revenue Enhancement Strategies reviewed	Approved Revenue Enhancement Strategy and Council Reduction	Target	Number	0	1	1	1	0	0	None, target was only applicable in the 1st quarter	Continue monitoring
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.35	Ensuring sound financial management and accounting	Number of policies developed on treatment of UIF (including SOPs)	Approved Policy and Council Resolution	Target	Number	0	1	1	1	0	0	None, target was only applicable in the 1st quarter	Continue monitoring
				Budget			2 486 395	2 486 395		2 486 395			
Total Number of targets						35	35	35		35			
Total Budget								43 435 460		43 435 460			

National Development Plan Chapters							8. Corruption levels are high (9)						
National Outcomes							9. A responsive, accountable, effective, and efficient local government system						
Back To Basic Principles							Good Governance, transparency, and accountability						
Free State Growth And Development Strategies							6. Good Governance						
Predetermined Objectives							Promoting good governance, transparency, and accountability						
Key Performance Area							Good Governance, transparency, and accountability						
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Promoting good governance, transparency, and accountability	Percentage of skills development Levy recovered	Workplace Skills Plan Report and C-Schedule	Target	Percentage	0.77%	1%	1%		1%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.2	Promoting good governance, transparency, and accountability	Percentage of repeat audit findings addressed and finalised	Audit Action Plan, Request for Information responses, Communication Findings responses, Annual Financial Statements and Annual Report	Target	Percentage	0%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.3	Promoting good governance, transparency, and accountability	Percentage of councillors who have declared their financial interests	Signed Declaration of Interests Forms	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.4	Promoting good governance, transparency, and accountability	Percentage of administrative staff who have declared their financial interest	Signed Declaration of Interests Forms	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.5	Promoting good governance, transparency, and accountability	Percentage of agenda items deferred to next meeting	Council Resolutions, Council Meetings Notices, and Attendance Registers	Target	Percentage	New Indicator	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.6	Promoting good governance, transparency, and accountability	Number of Public Accounts Committee meetings held	Municipal Public Accounts Committee Meeting Notices, Attendance Registers, and Reports	Target	Number	New Indicator	19	3		3		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.7	Promoting good governance, transparency, and accountability	Percentage of active suspensions finalised within three months	Charge Sheet and Suspension Letter	Target	Percentage	95%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.8	Promoting good governance, transparency, and accountability	Percentage of quarterly salary bill of officials suspended for a period of more than three months	Charge Sheet and Suspension Letter	Target	Percentage	95%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.9	Promoting good governance, transparency, and accountability	Number of Strategic Risks Register updated and mitigated	Updated Strategic Risks Register	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			363 383		363 383			
Activity 1.10	Promoting good governance, transparency, and accountability	Number of Operational Risks Register updated and mitigated	Updated Operational Risks Register	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			363 383		363 383			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.11	Promoting good governance, transparency, and accountability	Number of Appraisal Reports concluded	Invitations, Attendance Registers, Reports and Council Resolutions	Target	Number	0	9	9	0	9	0	Target Not Met	Ensure adherence to legislation and policies
				Budget	Rand			363 383		363 383			
Total						11	11	11		11			
Total Budget								3 997 213		3 997 213			
Division		Internal Audit Unit											
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.12	Promoting good governance, transparency, and accountability	Number of the reviewed and approved Internal Audit Unit Charter	Internal Audit Unit Charter	Target	Number	1	1	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			47 892,00	47 892,00	0	0		
Activity 1.13	Promoting good governance, transparency, and accountability	Number of the reviewed and approved Audit and Performance Audit Committee Charter	Audit and Performance Audit Committee Charter	Target	Number	1	1	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			47 892,00	47 892,00	0	0		
Activity 1.14	Promoting good governance, transparency, and accountability	Number of approved Internal Audit Strategic Plan	Internal Audit Strategic Plan	Target	Number	1	1	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			51 185.71	51 185.71	83 897.00	99 675.00		
Activity 1.15	Promoting good governance, transparency, and accountability	Number of approved Coverage Plan	Coverage Plan	Target	Number	1	1	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			47 892,00	47 892,00	72 354.00	89 453.00		
Activity 1.16	Promoting good governance, transparency, and accountability	Number of covering letters on quarterly plans drafted	Covering letters - Quarterly Plan issued	Target	Number	47	42	11	0	10	22	Target Well Met	Continue monitoring
				Budget	Rand			83 897.00	0.00	51 441.00	51 987.00		
Activity 1.17	Promoting good governance, transparency, and accountability	Number of progress report in implementation of Coverage Plan	Coverage Plan Progress Report	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			72 354,00	72 354,00	56 000.00	0		
Activity 1.18	Promoting good governance, transparency, and accountability	Number of Internal Audit Procedural Manual reviewed and approved	Internal Audit Procedural Manual	Target	Number	1	1	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			47 892,00	47 892,00	141 372.81	159 787.00		
Activity 1.19	Promoting good governance, transparency, and accountability	Percentage of Attendance Registers; Leave and Overtime processed	Administration Register	Target	Percentage	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget				51 441,48	39 942.00	75 689.00	88 321.00		
Activity 1.20	Promoting good governance, transparency, and accountability	Number of reviewed Quality Assurance and Improvement Programme	Quality Assurance and Improvement Programme	Target	Number	1	1	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			56 000,00	56 000,00	52 576.00	52 567.00		
Activity 1.21	Promoting good governance, transparency, and accountability	Number of quarterly audit reports compiled and submitted	Internal Audit Quarterly Reports	Target		44	42	6	3	12	12	Target Almost Met	Ensure that measures are put in place to achieve targets within required timeframe
				Budget				141 372,81	92 372,81	78 654.00	89 065.00		

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.22	Promoting good governance, transparency, and accountability	Number of follow-up audit reports	Follow up report	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			67 345.00	67 345.00	52 675.00	0		
Activity 1.23	Promoting good governance, transparency, and accountability	Number of internal assessment reports	Assessment Form	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			52 567,00	52 567,00	52 675.00	67 943.00		
Activity 1.24	Promoting good governance, transparency, and accountability	Number of Quality Assurance Reports compiled and submitted to Audit and Performance Audit Committee.	CAE Quarterly Report	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			78 540,47	78 540,47	125 001.00	99 657.00		
Activity 1.25	Promoting good governance, transparency, and accountability	Number of quality assurance reports submitted on action plan.	Assurance report - Action plan	Target	Number	1	2	1	0	0	0	Target Met	Continue monitoring
				Budget	Rand			52 567,00	52 567,00	98 876.00	97 897.00		
Activity 1.26	Promoting good governance, transparency, and accountability	Number of resolution registers compiled and submitted to Audit and Performance Audit Committee.	APAC Resolution Register	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			52 567,00	52 567,00	52 675.00	67 943.00		
Activity 1.27	Promoting good governance, transparency, and accountability	Number of Audit and Performance Audit Committee reports submitted to council	APAC Report, Item to Council & Council Resolution	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			125 001,00	99 657.00	125 001.00	99 657.00		
Activity 1.28	Promoting good governance, transparency, and accountability	Number of audit steering meetings coordinated	Invitation, Agenda & Copies of Minutes	Target	Number	12	6	1	3	5	10	Target Extremely Met	Continue monitoring
				Budget	Rand			52 567,00	87 453.00	98 876.00	97 897.00		
Activity 1.29	Promoting good governance, transparency, and accountability	Number of operational risk registers updated	Internal Audit Risk Register	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			52 567,00	52 567,00	52 675.00	78 943.00		
Activity 1.30	Promoting good governance, transparency, and accountability	Number of Internal Audit Findings Control Registers compiled	Internal Audit Findings Issued Register	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget				52 567,00	52 567,00	52 675.00	78 943.00		
Total Number of Targets						19	19	19	19	19	19		
Total Budget								1 173 204,00	1 047 811.00	1 046 560.81	1 054 238.00		

Programme			Risk Management										
Key Performance Area			Good Governance, transparency, and accountability										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.31	Promoting good governance, transparency, and accountability	Number of risk assessments conducted per year		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand								
Activity 1.32	Promoting good governance, transparency, and accountability	Number of Risk Management Policies approved		Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand								
Activity 1.33	Promoting good governance, transparency, and accountability	Number of Risk Management Committee held		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand								
				Budget	Rand								
Activity 1.34	Promoting good governance, transparency, and accountability	Number of Risk Management Charter approved		Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand								
Activity 1.35	Promoting good governance, transparency, and accountability	Number of Awareness campaigns on fraud prevention		Target	Number	4	4	1	0	1	0	Target Not Met	Ensure that target are achieved as planned
				Budget	Rand								
Activity 1.36	Promoting good governance, transparency, and accountability	Number of Risk Registers updated		Target	Number	4	4	4	1	1	1	Target Met	Continue monitoring
				Budget	Rand								
Total Number of Targets						6	6						
Total Budget													
Division			Information Communication Technologies, Communication and Customer Relations Management										
Key Performance Area			Good Governance, Transparency and Accountability										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.37	Promoting good governance, transparency, and accountability	Number of Information Communication Technology Steering Committee meeting held		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.38	Promoting good governance, transparency, and accountability	Number of security reports produced		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.39	Promoting good governance, transparency, and accountability	Number of email internet maintenance reports produced		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.40	Promoting good governance, transparency, and accountability	Number of Information Communication Technology Policy reviewed		Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.42	Promoting good governance, transparency, and accountability	Number of CIBECS licenses renewed		Target	Number	200	200	0	0	0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.42	Promoting good governance, transparency, and accountability	Number of MICROSOST volume licenses renewed		Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.43	Promoting good governance, transparency, and accountability	Number of Anti-malware and Anti-spyware licenses renewed		Target	Number	350	350	0	0	0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.44	Promoting good governance, transparency, and accountability	Number of System Center Configuration Manager licenses renewed		Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.45	Promoting good governance, transparency, and accountability	Number of Disaster Recovery test conducted on HRS-Server		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.46	Promoting good governance, transparency, and accountability	Number of Disaster Recovery test conducted on BARN-Server		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.47	Promoting good governance, transparency, and accountability	Number of Disaster Recovery test conducted on DCO1-Server		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.48	Promoting good governance, transparency, and accountability	Number of risk registers updated		Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.49	Promoting good governance, transparency, and accountability	Percentage of external and internal audit queries responded to and addressed within required timeframe		Target	Percentage	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget				91 183.07	75 210.37	91 183.07	39 895.17		
Activity 1.50	Promoting good governance, transparency, and accountability	Number of monthly updates of progress on Audit Action Plan		Target	Number	2	2	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			91 183.07	75 210.37	91 183.07	39 895.17		
Total Number of Targets						14	14						
Total Budget								1 276 562.98	1 052 945.18	1 276 562.98	558 532.38		

Programme		Communication Services											
Key Performance Area		Good governance, transparency, and accountability											
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.51	Promoting good governance, transparency, and accountability	Number of Communication Strategy developed and adopted	Council Resolution Approved Communication Strategy	Target	Number	1	1	0		0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand								
Activity 1.52	Promoting good governance, transparency, and accountability	Number of Scheduled Interviews	Interviews conducted as per the schedule	Target	Number	12	12	3	3	3	3	Target Met	Continue monitoring
				Budget	Rand								
Activity 1.53	Promoting good governance, transparency, and accountability	Number of Issued Media Statements	Media Statements issued	Target	Number	12	12	3	3	3	3	Target Met	Continue monitoring
				Budget	Rand								
Activity 1.54	Promoting good governance, transparency, and accountability	Percentage of issued announcements/notices	Announcements/ Notices issued	Target	Percentage	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget	Rand								
Activity 1.55	Promoting good governance, transparency, and accountability	Percentage of received media enquiries	Media Enquiries submitted and responded to	Target	Percentage	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget	Rand								
Activity 1.56	Promoting good governance, transparency, and accountability	Number of themed awareness campaigns	Invitations Attendance Registers Minutes Reports	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand								
Activity 1.57	Promoting good governance, transparency, and accountability	Percentage of Website Uploads	Document upload screenshot	Target	Percentage	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget	Rand								
Activity 1.58	Promoting good governance, transparency, and accountability	Percentage of Facebook Uploads	Document upload screenshot	Target	Percentage	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget	Rand								
Activity 1.59	Promoting good governance, transparency, and accountability	Number of Communication Policy developed and adopted	Council Resolution Approved Communication Policy	Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are met within required timeframe
				Budget	Rand								
Total Number of Targets						9	9	7		7			
Total Budget													

National Development Plan Chapters							8. Corruption levels are high (9)						
National Outcomes							9. A responsive, accountable, effective and efficient local government system						
Back To Basic Principles							Public Participation						
Free State Growth And Development Strategies							6. Good Governance						
Predetermined Objectives							Putting people first						
Strategic Goal							Public Participation						
Key Performance Area							Public Participation						
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Putting people first	Percentage of ward committees with six or more ward committee members, excluding ward councillors	Ward Committee Reports, Meeting Notices and Attendance Registers	Target	Percentage	0%	100%	100%	0	100%	0	Target Not Met	Establishment of new Ward Committees by 28 February 2022
				Budget	Rand			547 575		547 575			
Activity 1.2	Putting people first	Percentage of official complaints responded to through the municipal complaints management systems	Complaints register, reports and job cards	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			547 575		547 575			
Total						2	2	2		2			
Total Budget								1 095 150		1 095 150			
Division			Integrated Development Plan and Performance Management										
Key Performance Area			Public Participation										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline Indicator	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.3	Putting people first	Number of Integrated Development Planning Process Plan developed and adopted	Council Resolution Adopted IDP Review Process Plan 2021/2022	Target	Number	1	1	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			106 496		106 496			
Activity 1.4	Putting people first	Number annual reports developed, submitted to AGSA, and tabled to council for approval	Draft Annual Report 2020/2021	Target	Number	1	1	0		0		Target Met	Continue monitoring
				Budget	Rand			106 496		106 496			
Activity 1.5	Putting people first	Number of quarterly performance reports (Section 52(d)) developed and submitted to council	Council Resolution Section 52(d) Reports	Target	Number	4	4	1	0	1	1	Target Not Met	Ensure that departments submit reports as required for review and quality assurance
				Budget	Rand			106 496		106 496			
Activity 1.6	Putting people first	Number of Performance Management Systems Handbook reviewed and approved	Approved PMS Policy Manual Handbook	Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are achieved within required time
				Budget	Rand			106 496		106 496			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline Indicator	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.7	Putting people first	Number of draft Integrated Development Plan document developed, reviewed, and approved	Council Resolution Adopted Draft IDP 2022/2023	Target	Number	1	1	0		0		Target Not Measured	Ensure that targets are achieved within required time
				Budget	Rand			106 496		106 496			
Activity 1.8	Putting people first	Number of Integrated Development Plan document developed, reviewed, and approved	Council Resolution Approved IDP 2022/2023	Target	Percentage	1	1	0		0		Target Not Measured	Ensure that targets are achieved within required time
				Budget	Rand			106 496		106 496			
Activity 1.9	Putting people first	Number of employee appraisals conducted	Invitations Minutes Attendance Registers Council Resolutions Reports	Target	Number	4	4	1	0	1	0	Target Not Met	Ensure that reports are submitted in time and the necessary reviews are done as required by law
				Budget	Rand			106 496		106 496			
Activity 1.10	Sound Financial Management	Number of Mid-year Budget and Performance Assessment Reports (Section 72 Reports) developed and tabled to council	Council Resolution Mid-year Budget and Performance Assessment Report	Target	Number	1	1	0		0		Target Not Measured	Ensure that targets are achieved within required time
				Budget	Rand			106 496		106 496			
Activity 1.11	Putting people first	Number of Service Delivery and Budget Implementation Plan developed and approved by the Executive Mayor	Approved Institutional SDBIP 2021/2022	Target	Number	2	1	1	1	0	0	Target Met	Continue monitoring
				Budget	Rand			106 496		106 496			
Activity 1.12	Putting people first	Number of Adjusted Service Delivery and Budget Implementation Plan developed and approved by council	Council Resolution Approved Adjusted SDBIP 2021/2022	Target	Number	1	1	1		0		Target Not Measured	Ensure that targets are achieved within required time
				Budget	Rand			106 496		106 496			
Activity 1.13	Putting people first	Number of Risk Registers developed and submitted	Quarterly Risk Registers submitted to Risk Management Committee	Target	Number	1	1	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			106 496		106 496			
Activity 1.4	Putting people first	Number of progress report on the implementation of Audit Action Plan	Quarterly Progress Reports on Audit Action Plans submitted to APAC	Target	Number	4	4	1	1	0	0	Target Not Measured	Ensure that targets are achieved within required time
				Budget	Rand			106 496		106 496			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline Indicator	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.15	Putting people first	Percentage internal and external audit queries responded to and addressed	Responses to internal and external audit queries	Target	Percentage	100%	100%	100%	1005	100%	100%	Target Met	Continue monitoring
				Budget	Rand			106 496		106 496			
Total						13	13	1 384 448		1 384 448			
Programme			Office of the Executive Mayor										
Key Performance Area			Public Participation										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline Indicator	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.16	Putting people first	Number of HIV/AIDS programmes implemented	Invitations Attendance Registers Minutes Reports	Target	Number	4	4	1	0	1	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.17	Putting people first	Number of programmes for people living with disabilities implemented	Invitations Attendance Registers Minutes Reports	Target	Number	1	1	0	0	0	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.18	Putting people first	Number of gender programmes implemented	Invitations Attendance Registers Minutes Reports	Target	Number	4	4	0	0	1	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.19	Putting people first	Number of programmes for orphanage and vulnerable children implemented	Invitations Attendance Registers Minutes Reports	Target	Number	8	8	2	0	2	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.20	Putting people first	Number of programmes for senior citizens implemented	Invitations Attendance Registers Minutes Reports	Target	Number	8	8	2	0	2	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.21	Putting people first	Number of youth programmes implemented	Invitations Attendance Registers Minutes Reports	Target	Number	20	20	5	0	5	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.22	Putting people first	Number of Motlapula games held	Club Invitations Registration Form Attendance Registers Reports	Target	Number	1	1	1	0	0	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.23	Putting people first	Number of Mayoral Cups held	Club Invitations Registration Form Attendance Registers Reports	Target	Number	1	1	1	0	0	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.24	Putting people first	Number of Mayoral Imbizos held	Invitations Attendance Registers Minutes Reports	Target	Number	8	8	2	0	2	0	Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Total Number of Targets						9	9	7		6			
Total Budget								556 785		556 785			

Programme			Office of the Speaker										
Key Performance Area			Public Participation										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline Indicator	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.25	Putting people first	Number of visits of farms by the Speaker.	Invitations Attendance Registers Minutes Reports	Target	Number	2	2	1		1		Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.26	Putting people first	Number functional ward committees which quorate.	Invitations Attendance Registers Minutes Reports	Target	Number	17	17	17		17		Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand								
Activity 1.27	Putting people first	Number of ward committee community meeting led by a ward councillor	Invitations Attendance Registers Minutes Reports	Target	Number	17	17	17		17		Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.28	Putting people first	Number of ward committee trainings	Invitations Attendance Registers Minutes Reports Modules	Target	Number	2	2	1		1		Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.29	Putting people first	Number of stakeholder's forum meetings held	Invitations Attendance Registers Minutes Reports	Target	Number	0	4	1		1		Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.30	Putting people first	Number of reports of the Speaker to Council meetings.	Council Resolution Ward Committee Reports	Target	Number	4	4	1		1		Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Activity 1.31	Putting people first	Number of ward committee's reports to Council meetings.	Council Resolution Ward Committee Reports	Target	Number	4	4	1		1		Target Not Reported	Ensure that targets are achieved within required time
				Budget	Rand			61 865		61 865			
Total Number of Targets						7	7	8		8			
Total Budget								494 920		494 920			

3.5 CHIEF FINANCIAL OFFICER

National Development Plan Chapters						5. The economy is unstable (resource intensive)							
National Outcomes						9. A responsive, accountable, effective, and efficient local government system							
Back To Basic Principles						4. Ensuring sound financial management and accounting							
Free State Growth And Development Strategies						6. Good Governance							
Predetermined Objectives						Ensuring sound financial management and accounting							
Key Performance Area						Financial Management							
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Ensuring sound financial management and accounting	Percentage capital expenditure to total expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	20%	20%		20%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.2	Ensuring sound financial management and accounting	Percentage of impairment of property, plant, and equipment, investment property and intangible assets (carrying value)	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.3	Ensuring sound financial management and accounting	Repairs and maintenance as a percentage of property, plant, and equipment, investment property and intangible assets (carrying value)	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	8%	8%		8%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.4	Ensuring sound financial management and accounting	Percentage collection rate	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	43%	65%	65%	45%	65%	52%	The percentage has not been captured correctly as the target is to reach 65% by the end of the fourth quarter [i.e., June 2022]. The target is not SMART considering a planned increase of 22% in a period of less than a month.	The percentage / targets will be corrected when the adjusted SDBIP is prepared post the Mid-Year Assessment and approval of the Annual Adjusted Budget
				Budget	Rand			905 550		905 550			
Activity 1.5	Ensuring sound financial management and accounting	Bad debt written off as a percentage of bad debt provision	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
Activity 1.6	Ensuring sound financial management and accounting	Number of days required to receive payment from consumers for bills/invoices issued to them for services	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Days	New Indicator	45%	45%		45%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.7	Ensuring sound financial management and accounting	Period in months within which the municipality will be able to meet at least its monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue, during the month	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Months	New Indicator	3	3		3		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.8	Ensuring sound financial management and accounting	Range within which the municipality is able to payback it's short-term liabilities (Debt and Payables) with short-term assets (Cash, inventory and receivables)	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Rand	New Indicator	2:1	2:1		2:1		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget				905 550		905 550			
Activity 1.9	Ensuring sound financial management and accounting	Capital costs (Interest paid and Redemption) as a percentage to total operating expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	8%	8%		8%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.10	Ensuring sound financial management and accounting	Extend of total borrowing in percentage, to which other reserves, which are required to be cash-backed by cash reserves	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	45%	45%		45%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.11	Ensuring sound financial management and accounting	Percentage operating surpluses generated	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.12	Ensuring sound financial management and accounting	Percentage electricity surplus generated	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.13	Ensuring sound financial management and accounting	Percentage water surplus generated	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	15%	15%		15%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.14	Ensuring sound financial management and accounting	Percentage refuse surplus generated	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	0%	0%		0%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.16	Ensuring sound financial management and accounting	Percentage in actual growth in the revenue base of the municipality brought by an increase in consumer base rather than in tariff increase	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	5%	5%		5%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.17	Ensuring sound financial management and accounting	Percentage revenue growth	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	6%	6%		6%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.18	Ensuring sound financial management and accounting	Percentage revenue growth (excluding capital grants)	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	6%	6%		6%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.19	Ensuring sound financial management and accounting	Number of days taken to pay creditors	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Days	44	45	45		45		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.20	Ensuring sound financial management and accounting	Percentage of irregular, fruitless, and wasteful and unauthorised expenditure disclosed	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	0%	0%	1	0%	0%	None, target was only applicable in the 1st quarter	Ensure that actual target reported on is consistent with unit of measure
				Budget	Rand			905 550		905 550			
Activity 1.21	Ensuring sound financial management and accounting	Percentage employee cost to total operating expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	42%	33%	33%		33%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.22	Ensuring sound financial management and accounting	Percentage contracted services expenditure to total operating expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	2%	2%	1%	2%	2%	None. Target achieved	Continue monitoring
				Budget	Rand			905 550		905 550			
Activity 123	Ensuring sound financial management and accounting	Percentage of internally generated funds for capital expenditure to total operating expenditure	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	0%	20%	20%		20%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.24	Ensuring sound financial management and accounting	Percentage own source revenue to total operating revenue	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	New Indicator	55%	905 550	55%	905 550	55%	Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.25	Ensuring sound financial management and accounting	Percentage capital expenditure spent	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.26	Ensuring sound financial management and accounting	Percentage operating expenditure incurred	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.27	Ensuring sound financial management and accounting	Percentage operating revenue sourced	C-Schedule: SC8-Performance Indicators and Benchmarks	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			905 550		905 550			
Activity 1.28	Ensuring sound financial management and accounting	Percentage of the municipality's budget spent on free basic services to indigent households	Indigent Register Report and C-Schedule	Target	Percentage	0%	100%	20%	48%	38%	105%	None Target achieved	
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.29	Ensuring sound financial management and accounting	Percentage spending on the approved budget	C-Schedule-Table C4 Financial Performance _Revenue and Expenditure	Target	Percentage	100%	75%	18%	16%	40%	33%	There is a difference of about 7% between planned target versus actual target [which is clearly trivial] considering that the plan is spend in line with the prevailing revenue collection levels	The spending is satisfactory considering that NT and PT have indicated that our budget is not funded, and the municipality needs to scale down on non-core services.
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.30	Ensuring sound financial management and accounting	Percentage payment rate	Collection Rate Register	Target	Percentage	55%	65%	33%		38%		Duplication	To be removed during Adjustment Service Delivery and Budget Implementation Plan process in March 2022
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.31	Ensuring sound financial management and accounting	Number of GRAP compliant Annual Financial Statements compiled and submitted	Annual Financial Statements	Target	Number	1	1	1	1	0	0	None, target was only applicable in the 1st quarter	
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.32	Ensuring sound financial management and accounting	Number of Unallocated Deposit Policy developed	Approved Policy and Council Resolution	Target	Number	1	1	1	1	0	0	None, target was only applicable in the 1st quarter	
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.33	Ensuring sound financial management and accounting	Number of Expenditure Reduction Strategies developed (reviewed)	Approved Expenditure Reduction Strategy and Council Resolution	Target	Number	0	1	0	0	0	0	None, target was only applicable in the 1st quarter	
				Budget			2 486 395	2 486 395		2 486 395			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.34	Ensuring sound financial management and accounting	Number of Revenue Enhancement Strategies reviewed	Approved Revenue Enhancement Strategy and Council Reduction	Target	Number	0	1	1	1	0	0	None, target was only applicable in the 1st quarter	Continue monitoring
				Budget			2 486 395	2 486 395		2 486 395			
Activity 1.35	Ensuring sound financial management and accounting	Number of policies developed on treatment of UIF (including SOPs)	Approved Policy and Council Resolution	Target	Number	0	1	1	1	0	0	None, target was only applicable in the 1st quarter	Continue monitoring
				Budget			2 486 395	2 486 395		2 486 395			
Total				Number of targets		35	35	35		35			
				Total Budget				43 435 460		43 435 460			

National Development Plan Chapters				8. Corruption levels are high (9)									
National Outcomes				9. A responsive, accountable, effective, and efficient local government system									
Back To Basic Principles				Good Governance, transparency, and accountability									
Free State Growth And Development Strategies				6. Good Governance									
Predetermined Objectives				Promoting good governance, transparency, and accountability									
Key Performance Area				Good Governance, transparency, and accountability									
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Promoting good governance, transparency, and accountability	Percentage external communication of audit findings responded to and addressed within timeframe	Request for information responses, communication findings responses, annual financial statements and annual report	Target	Percentage	100.00%	95%	95%	100%	95%	98%	None, target was applicable to the 2020-21 audit cycle	
				Budget	Rand			2 486 395		2 486 395			
Activity 1.2	Promoting good governance, transparency, and accountability	Percentage external audit requests for information responded to and addressed within timeframe	Request for information responses, communication findings responses, annual financial statements, and annual report	Target	Percentage	100%	100%	100%	65%	100%	82%	The magnitude / volume of the request for information become high in the Quarter 2 as the Auditor General of South Africa was running behind schedule and such was now negatively affecting the municipality	None, target was applicable to the 2020-21 audit cycle
				Budget	Rand			2 486 395		2 486 395			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.3	Promoting good governance, transparency, and accountability	Percentage internal communication of audit findings responded to and addressed within timeframe	Request for information responses, communication findings responses, annual financial statements, and annual report	Target	Percentage	100%	100%	100%	77%	100%	33%	Priority was given to Auditor General of South Africa findings given the magnitude of the findings issued October and November 2021. This was purely to avoid the municipality regressing on its audit opinion as received from AGSA for 2019/20 financial year	None, target was applicable to the 2020-21 audit cycle
				Budget	Rand			2 486 395		2 486 395			
Activity 1.4	Promoting good governance, transparency, and accountability	Number of risk registers developed, updated and reported on	Updated Risk Register	Target	Number	4	4	4	1	4	1	The target has been incorrectly captured in in Quarter 1 [i.e., target is 4 instead of 1], as the target is 4 Register during the course of the financial year [1 per quarter]	None, target achieved the error in capturing will be corrected during the adjustment period
				Budget	Rand			2 486 395		2 486 395			
Activity 1.5	Promoting good governance, transparency, and accountability	Number of Appraisal Reports concluded	Invitations, attendance registers, reports, and council resolutions	Target	Number	0	4	1	0	1	0	Target Not Reported On	Senior Manager to ensure that immediate subordinates' performance is reviewed and appraised.
				Budget	Rand			2 486 395		2 486 395			
Total						5	5	5		5			
Total Budget								12 431 975		12 431 975			

INDICATORS REPORTED BUT NOT ON THE APPROVED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Activity 1.6	Ensuring sound financial management and accounting	Number of departmental meetings held	Minutes / Audio File / Attendance Register of the meeting	Target	Number	0	4	1	0	1	1	Target achieved	Continue monitoring
				Budget			2 486 395	2 486 395	0	2 486 395			

3.6 DIRECTOR CORPORATE SERVICES

National Development Plan Chapters		9. South Africa remains a divided society											
National Outcomes		9. A responsive, accountable, effective, and efficient local government system											
Back To Basic Principles		5. Building institutional resilience and administrative capability											
Free State Growth And Development Strategies		6. Good Governance											
Predetermined Objectives		Building institutional resilience and administrative capability											
Strategic Goal													
Key Performance Area		Institutional Capacity											
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reason for Variance	Measures to improve underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Building institutional resilience and administrative capability	Percentage of municipal budget allocated to skills development	C-Schedule	Target	Percentage	1%	1%	1%	0%	1%	0.02%	Target not met due to financial constrains to attend training programmes	Try to acquire additional funding from Sector of Education and Training Authorities during window period
					Budget	Rand	1%	1%	625 755.00	0.00	625 755.00		
Activity 1.2	Building institutional resilience and administrative capability	Staff vacancy rate	Resignation Letter of DES, Item to Council and Advertisement of the post	Target	Days	100%	100%	100%	80%	100%	80%	Resignation of Director Engineering Services - 4 of 5 Senior Management Positions filled	The position was advertised but shortlisting has not yet been done
					Budget	Rand		239 469.60	59 867.40	57 021.30	59 867.40		
Activity 1.3	Building institutional resilience and administrative capability	Average time taken by the municipality to make an appointment	No. of days counted from 15 February 2021 to 30 September 2021	Target	No	0.94	60	60	159	60	223	Resignation of Director Engineering Services	The post has been advertised but has not yet been filled due to political changes within the institution
					Budget	Rand		469.60	59 867.40	57 021.30	59 867.40		
Activity 1.4	Building institutional resilience and administrative capability	Percentage towards awareness made on Health and safety Programmes at the workplace	Health and Safety Programmes	Target	Percentage	100%	100%	100%	100%	100%	100%	Target met	Continue monitoring
					Budget	Rand		469.60	59 867.40	57 021.30	59 867.40		
Activity 1.5	Building institutional resilience and administrative capability	Percentage of the effectiveness on the Human Resource Administration	POE from Human Resource Management	Target	Percentage	100%	100%	100%	80%	100%	80%	Target partially met	Policies could not be reviewed due to non-sitting of Section 80 Committees due to Political challenges, Review of policies to be prioritised in the next quarter
					Budget	Rand		8 424 136.20	2 106 034.05	1 764 874.97	2 106 034.05		

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reason for Variance	Measures to improve underperformance
								Target	Actual	Target	Actual		
Activity 1.6	Building institutional resilience and administrative capability	Percentage of the effectiveness on the Legal Services Contract Management	POE from Legal Services and Contract Management	Target	Percentage	100%	100%	100%	100%	100%	100%	The Legal Division could not settle any matter during the first quarter. The matters/claims received are still being investigated by respective Department. We have received the feedback, the matter/s will be settle.	The target will only be achieved once the investigations are completed and there are no grounds for justification in favour of the municipality
				Budget	Rand		7 035 100.20	1 758 775.05	891 591.06	1 758 775.05	834 817.30		
Activity 1.7	Building institutional resilience and administrative capability	Percentages of the effectiveness on the Human Resources	POE from Human Resource Development	Target	Percentage	20%	100%	100%	0%	100%	0%	Target met	Continue monitoring
				Budget	Rand		5 685 124.20	1 421 281.05	1 270 021.97	1 421 281.05	1 396 606.49		
Activity 1.8	Building institutional resilience and administrative capability	Percentages of the effectiveness on the Payroll Administration	POE from Payroll Administration	Target	Percentage	100%	100%	100%	100%	100%	100%	Target met	Continue monitoring
				Budget	Rand		3 392 585.40	848 146.35	724 026.11	848 146.35	781 037.81		
Activity 1.9	Building institutional resilience and administrative capability	Percentages of the effectiveness on the Administration and Support Services	POE from Administration and Support Services	Target	Percentage	100%	100%	100%	60%	100%	40%	Target partially achieved- no reports were tabled to Section 80 Committees as no meetings were held as well as no Mayoral Committee Meetings were held, also a needs analysis on Telephones will only be completed mid-January 2022	Continue monitoring
				Budget	Rand		8 928 908.40	2 232 227.10	1 454 888.44	2 232 227.10	1 829 504.92		
Number of targets						9	9	9	3	9	3		
Total Budget							35 237 929.45	9 435 237.36	6 527 360.18	9 435 237.36	6 869 638.82		

National Development Plan Chapters		8. Corruption levels are high (9)											
National Outcomes		9. A responsive, accountable, effective, and efficient local government system											
Back To Basic Principles		Good Governance, transparency, and accountability											
Free State Growth And Development Strategies		6. Good Governance											
Predetermined Objectives		Promoting good governance, transparency, and accountability											
Strategic Goal													
Key Performance Area		Good Governance, transparency, and accountability											
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reason for Variance	Measures to improve underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Promoting good governance, transparency, and accountability	Number of Strategic Risks Register updated and mitigated	Updated Strategic Risks Register	Target	Number	1	1	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			59 867.40	57 021.30	59 867.40	59 867.40		
Activity 1.2	Promoting good governance, transparency, and accountability	Number of Operational Risks Register updated and mitigated	Updated Operational Risks Register	Target	Number	1	1	1	1	1	1	Target Met	Continue monitoring
				Budget	Rand			59 867.40	57 021.30	59 867.40	59 867.40		

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reason for Variance	Measures to improve underperformance
								Target	Actual	Target	Actual		
Activity 1.3	Promoting good governance, transparency, and accountability	Number of Appraisal Reports concluded	Invitations, Attendance Registers, Reports and Council Resolutions	Target	Number	1	1	1	1	1	0	Target Not Met No Appraisal Report, minutes, invitations and attendance registers in the POE to validate the achievement	Ensure that all the necessary documentation is contained in the POE to substantiate the validity and accuracy of the reported performance information
				Budget	Rand			59 867.40	57 021.30	59 867.40	219 514		
Activity 1.4	Promoting good governance, transparency, and accountability	Percentage of external communication of audit findings responded to and addressed within timeframe	Communication findings issued and responses, Annual Financial Statements and Annual Report	Target	Number	100%	100%	100%	100%	100%	30%	Target Met	Continue monitoring
				Budget	Rand			59 867.40	57 021.30	59 867.40	63 662.83		
Activity 1.5	Promoting good governance, transparency, and accountability	Percentage of external request for information responded to and addressed within timeframe	Requests for information issued and responses, Annual Financial Statements and Annual Report	Target	Number	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget	Rand			59 867.40	57 021.30	59 867.40	63 662.83		
Activity 1.6	Promoting good governance, transparency, and accountability	Percentage of internal communication of audit findings responded to and addressed within timeframe	Communication findings issued and responses, Annual Financial Statements and Annual Report	Target	Number	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget	Rand			59 867.40	57 021.30	59 867.40	63 662.83		
Activity 1.7	Promoting good governance, transparency, and accountability	Percentage of internal request for information responded to and addressed within timeframe	Requests for information issued and responses, Annual Financial Statements and Annual Report	Target	Number	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
				Budget	Rand			59 867.40	57 021.30	59 867.40	63 662.83		
Number of targets						7	7	7	6	7			
Total Budget								419 072	399 149	419 072	593 900		

3.7 DIRECTOR ENGINEERING SERVICES

National Development Plan Chapters							An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship						
National Outcomes							Economic Infrastructure						
Back To Basic Principles							Effective and Efficient Governance and Administration						
Free State Growth And Development Strategies							Basic Services						
Predetermined Objectives							To Provide Strategic Leadership To The Strategic Operational Activities Of The Municipality						
Key Performance Area							Basic Services						
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to electricity	Reports from electricity division	Target	Percentage	94%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.2	Supporting the delivery of municipal services to the right quality and standards	Kilometres of road surface graded	Reports, job cards	Target	Kilometres	New Indicator	40	10		20		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.3	Supporting the delivery of municipal services to the right quality and standards	Percentage reported potholes complaints resolved within standard municipal response time	Reports, job cards	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.4	Supporting the delivery of municipal services to the right quality and standards	Kilometres of new municipal road lanes built	Reports, job cards	Target	Kilometres	New Indicator	40	10		20		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.5	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to basic sanitation	Reports from water and sanitation-operations and maintenance division	Target	Percentage	74.40%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.6	Supporting the delivery of municipal services to the right quality and standards	Percentage of callouts responded to within 24 hours for sanitation	Complaints register, reports and job cards	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.7	Supporting the delivery of municipal services to the right quality and standards	Percentage green drop compliance	Reports from water and sanitation-bulk services division	Target	Percentage	New Indicator	0%	30%		30%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.8	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to basic water supply	Reports from water and sanitation-operations and maintenance division	Target	Percentage	80.46%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.9	Supporting the delivery of municipal services to the right quality and standards	Percentage of callouts responded to within 24 hours for water	Reports from water and sanitation-operations and maintenance division	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.10	Supporting the delivery of municipal services to the right quality and standards	Percentage of callouts on unplanned water services interruption responded to within 24 hours	Complaints register, reports and job cards	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.11	Supporting the delivery of municipal services to the right quality and standards	Percentage blue drop compliance	Report from water and sanitation-bulk water services division	Target	Percentage	New Indicator	70%	70%		70%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.12	Supporting the delivery of municipal services to the right quality and standards	Percentage of electricity losses	Reports from electricity division	Target	Percentage	12.50%	12%	12%		12%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.13	Supporting the delivery of municipal services to the right quality and standards	Percentage of water losses	Reports from water and sanitation-operations and maintenance services divisions	Target	Percentage	32.38%	30%	30%		30%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.14	Supporting the delivery of municipal services to the right quality and standards	Percentage of total water connections metered	Reports from water and sanitation-operations and maintenance services divisions	Target	Percentage	New Indicator	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		5 946 842	5 946 842		5 946 842			
Activity 1.15	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with subsidized housing	Provincial Government Reports	Target	Percentage	45%	70%	70%		70%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		3 402 382	3 402 382		3 402 382			
Activity 1.16	Supporting the delivery of municipal services to the right quality and standards	Percentage of formal sites serviced	Reports from planning human settlement division	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		3 402 382	3 402 382		3 402 382			
Activity 1.17	Supporting the delivery of municipal services to the right quality and standards	Percentage of backlogs on title deed on subsidized stands and unit	Provincial Government Reports	Target	Percentage	5%	20%	5%		10%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		3 402 382	3 402 382		3 402 382			
Activity 1.18	Supporting the delivery of municipal services to the right quality and standards	Percentage roads infrastructure network maintained	Reports from planning roads and stormwater division	Target	Percentage	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		3 402 382	3 402 382		3 402 382			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.19	Supporting the delivery of municipal services to the right quality and standards	Percentage stormwater infrastructure network maintained	Reports from planning roads and stormwater division	Target	Percentage	5%	20%	5%		10%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand		3 402 382	3 402 382		3 402 382			
Total						19	19	19		19			
Total Budget							100 267 698	100 267 698		100 267 698			

National Development Plan Chapters							8. Corruption levels are high (9)						
National Outcomes							9. A responsive, accountable, effective, and efficient local government system						
Back To Basic Principles							Good Governance, transparency, and accountability						
Free State Growth And Development Strategies							6. Good Governance						
Predetermined Objectives							Promoting good governance, transparency, and accountability						
Strategic Goal													
Key Performance Area							Good Governance, transparency, and accountability						
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Promoting good governance, transparency, and accountability	Number of Strategic Risks Register updated and mitigated	Updated Strategic Risks Register	Target	Number	4	4	4		4		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.2	Promoting good governance, transparency, and accountability	Number of Operational Risks Register updated and mitigated	Updated Operational Risks Register	Target	Number	4	4	4		4		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			363 383		363 383			
Activity 1.3	Promoting good governance, transparency, and accountability	Percentage of external communication of audit findings responded to and addressed within timeframe	Communication findings issued and responses, Annual Financial Statements and Annual Report	Target	Number	100%	95%	95%		95%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			3 402 382		3 402 382			
Activity 1.4	Promoting good governance, transparency, and accountability	Percentage of external request for information responded to and addressed within timeframe	Requests for information issued and responses, Annual Financial Statements and Annual Report	Target	Number	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			3 402 382		3 402 382			
Activity 1.5	Promoting good governance, transparency, and accountability	Percentage of internal communication of audit findings responded to and addressed within timeframe	Communication findings issued and responses, Annual Financial Statements and Annual Report	Target	Number	100%	95%	95%		95%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			3 402 382		3 402 382			
Activity 1.6	Promoting good governance, transparency, and accountability	Percentage of internal request for information responded to and addressed within timeframe	Requests for information issued and responses, Annual Financial Statements and Annual Report	Target	Number	100%	100%	100%		100%		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			3 402 382		3 402 382			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reasons for the variance	Measures taken to address underperformance
								Target	Actual	Target	Actual		
Activity 1.7	Promoting good governance, transparency, and accountability	Number of Appraisal Reports concluded	Invitations, Attendance Registers, Reports and Council Resolutions	Target	Number	4	4	4		4		Target Not Reported On	Ensure that all targets contained in the approved performance agreement and service delivery and budget implementation plan are reported as required by legislation
				Budget	Rand			3 402 382		3 402 382			
Total						7	7	7		7			
Total Budget								17 738 676		17 738 676			

3.8 DIRECTOR DEVELOPMENT PLANNING AND SOCIAL SECURITY

NATIONAL OUTCOMES			An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship										
NATIONAL DEVELOPMENT PLAN CHAPTERS			Economic Infrastructure										
FREE STATE GROWTH AND DEVELOPMENT STRATEGIES			Effective and Efficient Governance and Administration										
IDP REFERENCE			Basic Services										
STRATEGIC GOAL			To provide strategic leadership to the strategic operational activities of the municipality										
KEY PERFORMANCE AREA (KPA)			Basic Services										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reason for Variance	Measures to improve underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to refuse removal	Reports from waste management division	Target	Percentage	91%	91%	91%	94%	91%	94%	Target Well Met	Continue monitoring
								Budget	Rand	4 832 593	4 832 593		
Activity 1.2	Supporting the delivery of municipal services to the right quality and standards	Number of Integrated Waste Management Plans developed, reviewed and approved	Approved Integrated Waste Management Plan and council resolution	Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are met within the required timeframe
								Budget	Rand	4 832 593	4 832 593		
Activity 1.3	Supporting the delivery of municipal services to the right quality and standards	Percentage of compliance with required attendance time for structural and veld firefighting incidents	Reports and pictures	Target	Percentage	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
								Budget	Rand	4 832 593	4 832 593		
Activity 1.4	Supporting the delivery of municipal services to the right quality and standards	Percentage of business licenses applications and permits processed	Business application forms	Target	Percentage	100%	100%	100%	100%	100%	100%	Target Met	Continue monitoring
								Budget	Rand	4 832 593	4 832 593		
Activity 1.5	Supporting the delivery of municipal services to the right quality and standards	Number of Disaster Management Plans developed, reviewed and approved	Approved Disaster Management Plan and council resolution	Target	Number	1	1	0	0	0	0	Target Not Measured	Ensure that targets are met within the required timeframe
								Budget	Rand	4 832 593	4 832 593		
Number of Targets						5	5	5	3	5	3		
Total Budget							28 995 558	28 995 558		28 995 558			

NATIONAL OUTCOMES			3. Infrastructure is poorly located, inadequate and under-maintained										
NATIONAL DEVELOPMENT PLAN CHAPTERS			3. All people in South Africa										
FREE STATE GROWTH AND DEVELOPMENT STRATEGIES			2. Supporting the delivery of municipal services to the high standards										
IDP REFERENCE			Local Economic Development										
STRATEGIC GOAL			Creating a conducive environment for local economic development										
KEY PERFORMANCE AREA (KPA)			Providing effective community services and promotion of local economy										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reason for Variance	Measures to improve underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Creating a conducive environment for local economic development	Number of Entrepreneurs capacitated/empowered through trainings, workshops, awareness campaigns, roadshows, funding, information sharing sessions and seminars conducted	Reports, attendance registers or list of SMME's assisted to obtain funding.			400	80	0	196	20	25	More beneficiaries were assisted especially with trainings.	Continue monitoring
								Budget	Rand	225 125	225 125		
Number of targets						1	1	1	1	1	1		
Total Budget							225 125	225 125		225 125			

NATIONAL OUTCOMES			8. Corruption levels are high (9)										
NATIONAL DEVELOPMENT PLAN CHAPTERS			9. A responsive, accountable, effective, and efficient local government system										
FREE STATE GROWTH AND DEVELOPMENT STRATEGIES			Good Governance, transparency, and accountability										
IDP REFERENCE			Good Governance, transparency, and accountability										
Predetermined Objective			Promoting good governance, transparency, and accountability										
STRATEGIC GOAL													
KEY PERFORMANCE AREA (KPA)			Good Governance, transparency, and accountability										
Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reason for Variance	Measures to improve underperformance
								Target	Actual	Target	Actual		
Activity 1.1	Promoting good governance, transparency, and accountability	Number of Strategic Risks Register updated and mitigated	Updated Strategic Risks Register	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
								Budget	Rand	4 832 593			
Activity 1.2	Promoting good governance, transparency, and accountability	Number of Operational Risks Register updated and mitigated	Updated Operational Risks Register	Target	Number	4	4	1	1	1	1	Target Met	Continue monitoring
								Budget	Rand	4 832 593			
Activity 1.3	Promoting good governance, transparency, and accountability	Percentage of external communication of audit findings responded to and addressed within timeframe	Communication of audit findings responses, annual financial statements, and annual report	Target	Percentage	100%	100%	100%	0%	100%	0%	Target Met	Continue monitoring
								Budget	Rand	4 832 593			

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1		Quarter 2		Reason for Variance	Measures to improve underperformance
								Target	Actual	Target	Actual		
Activity 1.4	Promoting good governance, transparency, and accountability	Percentage of external audit request for information responded to and addressed within timeframe	Requests for information responses, annual financial statements and annual report	Target	Percentage	100%	100%	100%	0%	100%	0%	Target Met	Continue monitoring
				Budget	Rand			4 832 593		4 832 593			
Activity 1.5	Promoting good governance, transparency, and accountability	Percentage of internal audit request for information responded to and addressed within timeframe	Request for information register and responses to information request register	Target	Percentage	100%	100%	100%	0%	100%	100%	Target Met	Continue monitoring
				Budget	Rand			4 832 593		4 832 593			
Activity 1.6	Promoting good governance, transparency, and accountability	Percentage of internal communication findings responded to and addressed within timeframe	Communication findings register and responses to communication findings register	Target	Percentage	100%	100%	100%	0%	100%	100%	Target Met	Continue monitoring
				Budget	Rand			4 832 593		4 832 593			
Activity 1.7	Promoting good governance, transparency, and accountability	Number of Appraisal Reports concluded	Invitations, Attendance Registers, Reports and Council Resolutions	Target	Number	4	4	1	0	1	0	Target Not Met	No reports, minutes, invites and attendance registers included in the POE File to determine the validity and accuracy of the reported performance information
				Budget	Rand			4 832 593		4 832 593			
Number of targets						11	11	11		11	5		
Total Budget								38 660 744		38 660 744			

3.9 RECOMMENDATION

3.9.1 MANAGEMENT

The above sets the mid-year performance of the municipality assessed by the Accounting Officer in the with the requirements of the MFMA and MBRR. The following needs to be observed / considered. Although the period under review falls within the global and national phenomena of the Covid-19 pandemic which has disrupted economies across the world, some of the root causes of our poor financial performance leading to deteriorating levels of services, predates the pandemic and have become systemic. The culture of nonpayment of services has taken root over a period and unless reversed will lead to permanent financial paralysis of the institution and threaten its continued existence as a going concern.

We need to improve on our internal capacity and processes not only to improve on our revenue collection efforts but to expand the revenue base. There are sectors of our society/community who are able and capable of paying and yet not enough has been done to make them pay for services. Civil servants other than municipal employees including state institutions not yet on our database. There is an urgent need to address our so-called technical losses on water and electricity which would require concerted efforts and a will of steel to make unpopular decisions. We need to drastically reduce the cost of doing business, typically doing more with less.

- 3.9.1.1 It is clear from the assessment that the adjustment budget is necessary and thus recommended by the Accounting Officer. In considering the adjustment budget, the current performance of the municipality until December 2021 needs to be considered such that both revenue and expenditure are aligned with the prevailing performances.
- 3.9.1.2 The budget needs to be reviewed to align and accommodate operating projects not originally provided for in the budget [but executed / implemented]. The adjustment budget needs to be compiled to rectify where votes have been under/overspent and to re-align projects or programmes from newly elected Councillors.
- 3.9.1.3 In reviewing / adjusting the annual budget, cognisance should be taken of the fact that the budget has been declared unfunded. As such, the adjustment on the expenditure should seek to reduce the current levels/allocations with the aim of achieving the required funding levels. In this regard, expenditure allocations should be towards service delivery initiatives, unforeseen and unavoidable expenditure. There should also be reduction on the current allocations on the non-core services.
- 3.9.1.4 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.
- 3.9.1.5 The revenue collections are low, and as per the guidance / recommendation from both PT and NT, the municipality will need to reduce its planned contribution towards capital expenditure, until such time the allocations are sustainable and/or cash backed
- 3.9.1.6 Explanations of variances and measures to correct are found in the narrative parts of the financial report but are not populated in the table SC1 as required by law, this shortcoming need to be rectified going forward, and should be done on all other main tables and supporting tables.

3.9.1.7 Directors need to align their Performance Agreements with the approved Service Delivery and Budget Implementation Plan and ensure that adherence to Technical Indicators is maintained to ensure uniform reporting processes.

3.9.1.8 Complete, valid, and accurate POEs should be submitted to enhance the usefulness and reliability of reported performance information

3.9.1.9 Directors to ensure that consistency between the planned performance information and the reported performance information

3.9.1.10 Directors to ensure that reports are submitted within the required timeframe at all times

3.9.1.11 Management to address the findings of the internal audit unit and to implement the recommendations of the Audit and Performance Audit Committee during the processes of Adjustment Budget and Revision of the Service Delivery and Budget Implementation Plan.

3.9.1.12

3.9.2 AUDIT AND PERFORMANCE AUDIT COMMITTEE

After the deliberation by the committee on the Chief Audit Executive Assurance Report, the committee resolved the following:

3.9.2.1 Action plan on Audit Report for financial year ended 30 June 2021

The committee resolved the following:

- Item be deferred to the next meeting

3.9.2.2 Assurance Report on Section 52(d) Report

The following resolutions were taken:

- Committee to submit their inputs by close of business on the 18 January 2022
- Management to develop a process plan on the compilation of the interim financial statement and to submit the process plan to the committee around the next committee meeting in February 2022 or March 2022

3.9.2.3 Second Quarter Section 52(d) Report – Financial Information

The following resolutions were taken by the committee:

- Based on Municipal Manager narration, management to provide the committee with a diagnostic that affirms the challenges the municipality is facing with revenue collection
- Management to provide a thorough analysis of what the root causes are that has attributed to the current financial position of the municipality and what measure are put in place to address these challenges.
- Inputs that the Municipal Manager has put forward on the Financial Performance Report for the period ending on the 31 December 2021, be included in the cover report to the Mid-Year Budget and performance Assessment Report to council and for council notification and resolution

- Management to convene and ensure that the revised report covers the areas the Municipal Manager has raised before the report is submitted to council for consideration
- Committee noted the report and requested management to consider the committee's inputs by not later the Wednesday, 19 January 2022
- The committee to report to council on the committee's assessment of the Section 52(d) in accordance with section 166 of the Municipal Finance Management Act, 56 of 2003.

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Ramakarane Rankhotho**, the municipal manager of **Setsoto Local Municipality**, hereby certify that –

- The Mid-year Budget and Performance Assessment Report for month of December 2022 of Setsoto Local Municipality has been prepared in accordance with the Municipal Finance Management Act, 56 of 2003, and regulations made under that Act.

RAMAKARANE RANKHOTHO
MUNICIPAL MANAGER
SETSOTO LOCAL MUNICIPALITY

Signature: _____

Date: _____

COUNTERSIGNERS

Reviewed by:

Quality assured by:

**MAKHELE M S
IDP MANAGER**

**LEBEKO D S
CHIEF AUDIT EXECUTIVE**

DATE

DATE

Approved by:

**RAMAKAREANE STR
MUNICIPAL MANAGER**

DATE

ANNEXURE A
FINANCIAL PERFORMANCE INFORMATION



SETSOTO LOCAL MUNICIPALITY

MID YEAR FINANCIAL REPORT

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

JULY 2021 – DECEMBER 2021

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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 thereof is to report on the financial state of affairs of the municipality as at the reporting date [December 2021].

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 affairs of the municipality within 30 days after the end of the quarter. The above mentioned 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 Section 72] and MBRR [Regulation 28].

Therefore, the purpose of the mid-year assessment is to assist the Accounting Officer to get to a conclusion that indicate if there is a need for an adjustment budget or not. This means the mid-year budget assessment report is not in anyway meant to provide the financial status of the municipality, although information pertaining to such may be entailed in this report.

2. Executive summary

The 2021/22 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 R576.3 million while the expenditure budget is R634.7 million [inclusive of the non-cash items which will be 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 where applicable]. Furthermore, the original budget was published in the municipality's website as required by various legislation.

2.1. Approved revenue budget

Having submitted the budget documents to Provincial and National Treasuries, there was an assessment done on the adopted budget. In this regard, PT and NT concluded that the annual budget of the municipality is not funded. In this regard, the municipality was expected to develop a Funding Plan and have the plan adopted by Council.

The Funding Plan was part of the budget related documents submitted to Council in June 2021 and further submitted separately for a separate resolution in December 2021. An unfunded budget simply means that the budgeted is not funded in line with the prescripts of section 18 of the MFMA. This means the planned expenditure exceeds the budgeted revenue [collection rates], thus resulting into a budget deficit.

Key to this challenge would be for the municipality to scale down on non-core expenditure items until such time the budget is funded. Safe to say, the adjustment budget for the 2021/22 financial year is necessary and thus recommended.

2.2. Approved expenditure budget

There is pressure on the expenditure line items, the salaries of the municipality are above the norm when comparing the percentage of employee related costs with the total operating expenditure. The percentage falls far out of the norm when excluding the non-cash items from the operating budget.

In this case, due care should be exercised when considering filling of the vacant posts, including those that have been budgeted. This should be undertaken without compromising service delivery as human resource remains the critical component for achieving sustainable service delivery.

The Eskom accounts [both bulk and Free Basic Service] have been a challenge for the municipality to honour such accounts when they become due. In this case, the Eskom accounts were settled at least during July, December and March when the municipality receives Equitable Share. A payment plan agreement has been concluded between the municipality and Eskom, indicating how the bulk account will be serviced.

2.3. Implementation of the annual budget

In line with the prescripts of the MFMA, the municipality developed a Service Delivery and Budget Implementation Plan [SDBIP]. This is the document aimed at implementing both the approved IDP and Annual Budget. SDBIP was subsequently approved by the Executive Mayor in line with Section 53 (1) (c) (ii).

Therefore, the in-year reporting for 'Mid-Year Assessment' [July 2021 – December 2021] is hereby 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

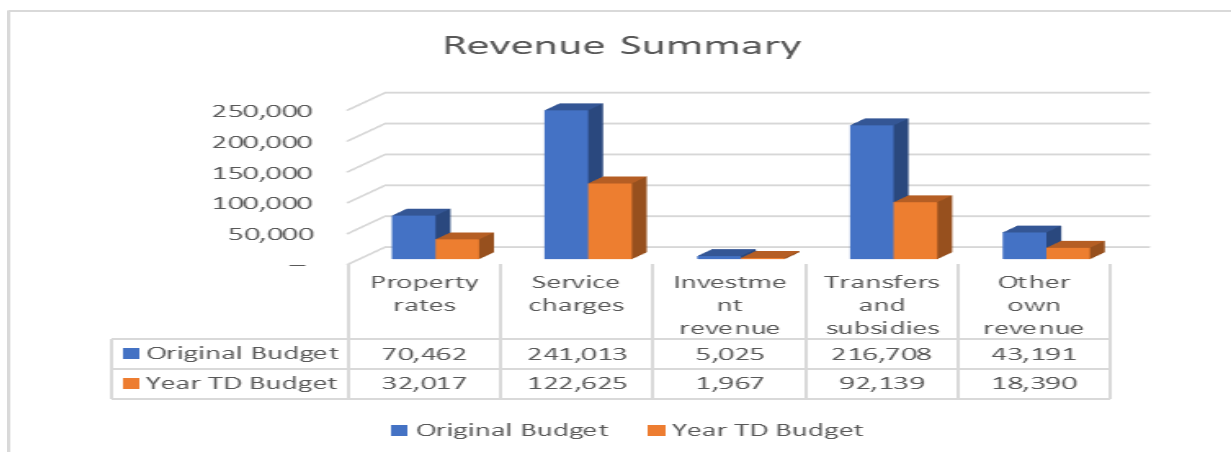
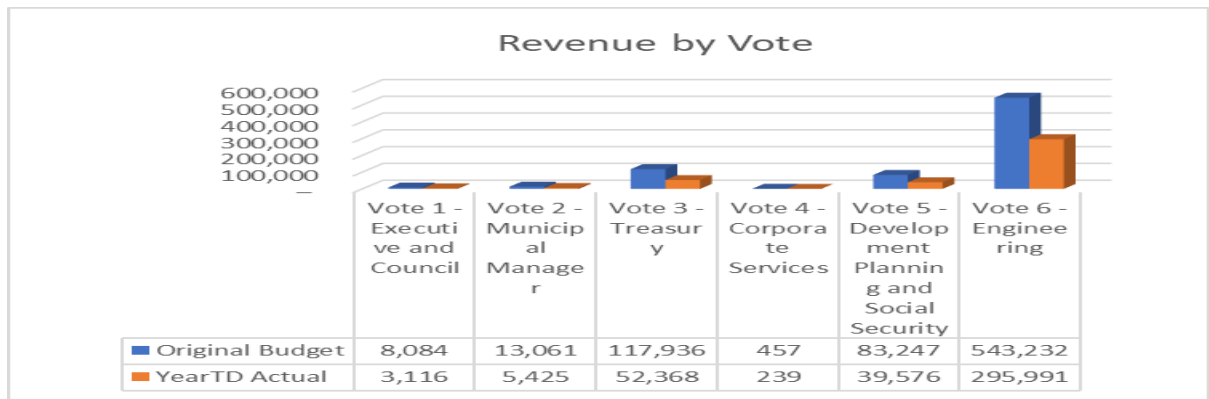
The table below indicates the municipality budgeted revenue of [R576.3 million] for the current year. Major part of the revenue is derived from non-exchange transaction / revenue, mainly, operational grants and property rates revenue.

Operational grants [Equitable Share; Finance Management Grant and Expanded Public Works Program] are budgeted at R216.7 million while Property rates revenue is budgeted at R70.4 million.

The other major revenue source is from the trading service such as electricity revenue [R90.9 million]; water revenue [R64.5 million]; refuse revenue [R48.2 million] and sanitation revenue [R37.1 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 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	70,462	-	5,396	32,017	35,231	(3,214)	-9%	70,462
Service charges - electricity revenue	90,967	-	5,720	46,902	45,484	1,418	3%	90,967
Service charges - water revenue	64,591	-	5,538	33,139	32,295	844	3%	64,591
Service charges - sanitation revenue	37,170	-	3,132	18,545	18,585	(40)	0%	37,170
Service charges - refuse revenue	48,285	-	4,045	24,039	24,143	(104)	0%	48,285
Rental of facilities and equipment	76	-	4	36	38	(2)	-5%	76
Interest earned - external investments	5,025	-	389	1,967	2,513	(545)	-22%	5,025
Interest earned - outstanding debtors	39,697	-	2,844	15,842	19,849	(4,007)	-20%	39,697
Dividends received	50	-	-	55	50	5	11%	50
Fines, penalties and forfeits	195	-	3	168	98	70	72%	195
Licences and permits	75	-	2	14	38	(23)	-62%	75
Agency services	-	-	-	-	-	-	-	-
Transfers and subsidies	216,708	-	-	92,139	162,881	(70,742)	-43%	216,708
Other revenue	3,098	-	265	2,043	1,549	494	32%	3,098
Gains	-	-	16	231	-	231	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)	576,399	-	27,354	267,138	342,752	(75,614)	-22%	576,399



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 month at R27.3 million [bringing the year to date actuals to R267.1 million]. Therefore, a negative variance of 22% [R75.6 million] is realised when comparing the 'year to date actual: R267.1 million' versus 'year to date budget: R342.7 million'. The variance is mainly attributed to the Equitable Share allocation where the municipality received an amount less than what was planned. In terms of the transfer schedule, R70.8 million was scheduled for transfer in December 2021 but the municipality only received R37.8 million. Approximately R32.8 million was offset from the Equitable Share for the unspent conditional grants that were not returned to the National Revenue Fund. In this regard, a reconciliation is being prepared so as to balance back to the planned transfer of Equitable Share.

3.1. Property rates [-9%]

As indicated in the preceding part of the report, Property Rates revenue is budgeted at R70.4 million. For the reporting month, R5.3 million was realised [thereby resulting into a year-to-date amount of R32 million. Accordingly, there is an unfavorable variance of 9% for the period. This difference can be attributed to the fact that consumers are not paying for their property rates account, especially in instances where they know they are not planning on selling / disposing-of their properties [to which they will need tax clearance from the municipality].

3.2. Service charges: electricity [3%]

As indicated in the preceding part of the report that Electricity revenue is budgeted at R90.9 million. The reporting month performance is at R5.7 million resulting into a year-to-date amount of R46.9 million. Thus, service charges electricity has a favorable variance of 3% 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, subsidises 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 municipality has also concluded a payment arrangement with Eskom during December 2021 in terms of how the bulk account will be serviced.

3.3. Service charges: water [3%]

Water services revenue is budgeted at R64.5 million for the current year. The actual performance for the reporting month is R5.5 million [bringing the year-to-date amount to R33.1 million]. Accordingly, water revenue has a favorable variance of R844 thousand (3%) against the year-to-date target.

Despite this performance, note should be taken that there are policy decision that needs to be taken to sustain the municipality. Amongst others, the flat-rate billing that is charged in the townships needs to be reviewed. The technical and non-technical losses on water are at a high level, at around R12.1 million as at 30 June 2021.

On the current flat-rate households are levied in effect for 9 kiloliters on the flat-rate. Engineering Services should consider submitting a business Plan to RBIG to seek funding to install prepaid water meters where the flat-rate applies.

FLAT RATE WATER BILLING IN THE TOWNSHIP				
THRESHOLD	QUANTITY KL	TARIFF	AMOUNT [VAT EXCL.]	AMOUNT [VAT INCL.]
00 - 6	6	5.41	32.46	37.33
6.1 - 10	3	6.37	19.11	21.98
TOTALS	9		51.57	59.31

3.4. Service charges: sanitation [0%]

Service charges for sanitation revenue are budgeted at R37.1 million. The reporting month performance is at R3.1 million, thereby bringing the year-to-date actuals to R18.5 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 R48.2 million. The reporting month performance is at R4.0 million, thereby bringing the year-to-date actuals to R24.0 million. Accordingly, there is a variance of 0% when compared to the year-to-date budget.

3.6. Rental of facilities and equipment [-5%]

The rental of facilities and equipment budget is budgeted at R76 thousand. The rental of facilities performance is at 5% lower than the budget year to date. It should be noted that since the declaration of COVID 19 pandemic income received from rentals of facilities was negatively affected because facilities such as stadiums, parks, etc. are no longer be used to the optimal. However there has been an improvement from the 1st quarter where it was standing at -15%. This means the anticipated revenue will need to reduced in order to ensure a realistic anticipated performance.

3.7. Interest: external investments [-22%]

Interest from external investments has been budgeted at R5 million. Performance for the reporting month is R389 thousand bringing the year to date actual to R1.9 million. When comparing the year to date actual [R1.9 million] with year-to-date budget [R2.5 million] an unfavorable variance of R546 thousand [22%] is realised. Though the variance is huge it does not need to be adjusted considering that towards the end of December 2021 new investments were made.

It should be noted that returns on investment depend on the amount invested 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 [-20%]

Interest earned-outstanding debtors has been budgeted at R39.6 million. The year-to-date performance has an unfavorable variance of R4 million [20%] for the period. This performance could be attributed to the general culture [existing amongst consumers] of non-payment of municipal services. The writing-off of bad debt during June 2021 attributed to the decrease in interest charged against outstanding debt. This needs to be adjusted downwards during the adjustment budget processes.

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 published in the government 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 published in the government gazette and allocated to the municipality is Equitable Share for an amount of R212.3 million.

This grant is also meant to assist the municipality with subsidising the registered Indigent Households.

The table below shows that an amount of R126.4 million has been received to date, a balance of R53.0 million will be received in March 2022. Accordingly, Water Service Infrastructure Grant [WSIG] and Regional Bulk Infrastructure Grant [RBIG] had balances of R5.7 million and R40.5 million respectively unspent from the previous financial year [2020/21] an application for roll-over was submitted to National Treasury. Unfortunately, the application was partially approved and the amount of R32.8 million had to be off set from the Equitable Share allocation. This means the amount offset from the Equitable Share should be recouped from the unspent portion of the conditional grants which was not paid back to the National Revenue Fund.

GRANT	DORA ALLOCATION	OFFSET TO PAY UNSPENT GRANT	YTD RECEIPTS	FUTURE RECEIPTS	YTD EXPENDITURE	YTD NET BALANCE	% SPENT
UNCONDITIONAL							
Equitable Share	R 212,318,000	R 32,779,000	R 126,459,000	R 53,080,000	R 126,459,000	R -	100%
Total	R 212,318,000	R 32,779,000	R 126,459,000	R 53,080,000	R 126,459,000	R -	100%

4.2. Conditional grants

GRANT	DORA ALLOCATION	APPROVED ROLL OVER	YTD RECEIPTS	FUTURE RECEIPTS	YTD EXPENDITURE	YTD NET BALANCE	% SPENT
CONDITIONAL							
EPWP	R 1,989,000	R -	R 1,393,000	R 596,000	R 1,457,855	R -64,855	105%
FMG	R 2,100,000	R -	R 2,100,000	R -	R 1,241,516	R 858,484	59%
INEG	R 2,000,000		R 2,000,000	R -	R -	R 2,000,000	0%
MIG	R 49,792,000	R -	R 35,851,000	R 13,941,000	R 19,977,321	R 15,873,679	56%
RBIG BULK WATER SUPPLY	R 110,000,000	R -	R 70,300,000	R 39,700,000	R 31,718,258	R 38,581,742	45%
RBIG (ROLL OVER)	R -	R 13,500,560	R -	R -	R -	R 13,500,560	0%
WSIG	R 27,825,000	R -	R 21,425,000	R 6,400,000	R 16,946,724	R 4,478,276	79%
TOTAL	R 193,706,000	R 13,500,560	R 133,069,000	R 60,637,000	R 71,341,674	R 75,227,886	54%

Conditional grants that are gazetted and allocated to the municipality amounts to R193.7 million. The details per each grant are indicated in the table above. Year to date receipts of conditional grants amount to R133.1 million, and an average of 54% [R71.3 million] has been spent to date. Processes need to be speeded-up to appoint Service Providers where the said projects have not been commenced e.g. INEG grant and RBIG Roll over.

5. Outstanding debtors

FS191 Setsoto - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December										
Description	Budget Year 2021/22									
	R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	5,818	5,407	5,175	5,034	4,752	4,633	18,307	111,077	160,203	143,803
Trade and Other Receivables from Exchange Transactions - Electricity	4,048	2,148	1,892	1,811	1,758	1,147	4,246	15,506	32,556	24,468
Receivables from Non-exchange Transactions - Property Rates	3,959	3,141	2,717	2,622	2,491	2,437	9,458	53,972	80,797	70,980
Receivables from Exchange Transactions - Waste Water Management	3,083	2,860	2,760	2,711	2,676	2,647	9,898	57,333	83,968	75,265
Receivables from Exchange Transactions - Waste Management	4,005	3,732	3,596	3,539	3,518	3,492	13,067	77,562	112,511	101,178
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	2,839	2,751	2,575	2,500	2,406	2,324	12,026	72,881	100,302	92,137
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	20	20	18	15	20	17	197	3,312	3,619	3,561
Total By Income Source	23,772	20,059	18,733	18,232	17,621	16,697	67,199	391,643	573,956	511,392
Debtors Age Analysis By Customer Group										
Organs of State	2,152	2,094	2,208	2,442	2,394	1,903	6,544	19,621	39,358	32,904
Commercial	4,345	2,556	1,898	1,718	1,517	1,391	6,576	50,377	70,378	61,579
Households	17,275	15,409	14,627	14,072	13,710	13,403	54,079	321,645	464,220	416,909
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	23,772	20,059	18,733	18,232	17,621	16,697	67,199	391,643	573,956	511,392

The table above outlines the age analysis of the outstanding debtors into two categories which are by income source and customer group. The total outstanding debtors is R573.9 million and the total over 90 days is R511.3 million representing 89% of total outstanding debtors.

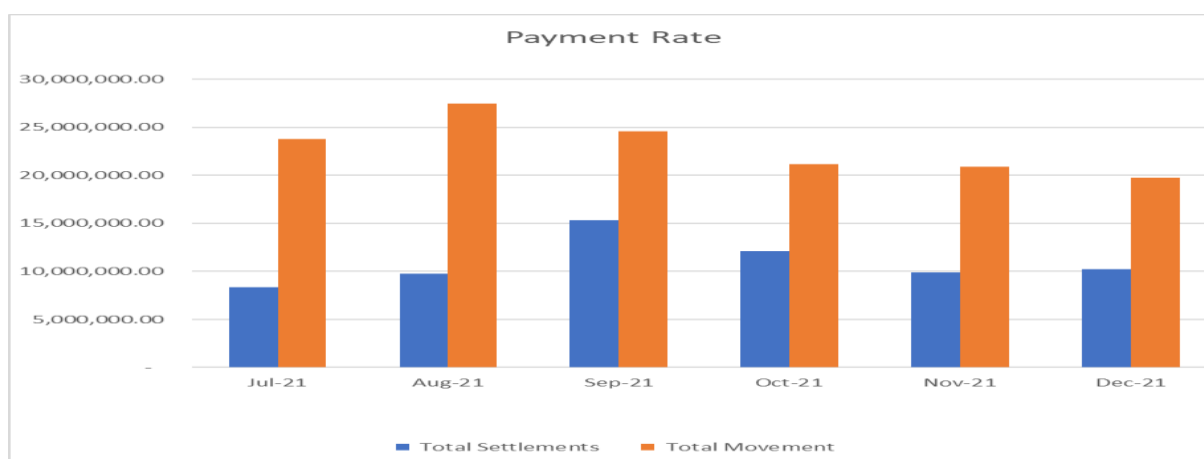
In terms of the income source, the 'water service' has the highest outstanding debt of R160.2 million (28%) followed by waste management debtor accounts with the balance of R112.5 million (20%).

The customer group that has the highest outstanding debt is the households with the balance of R464.2 million (81%) followed by commercial with the balance of R70.3 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 in order to register as indigents. However, there is also a historical trend [culture] 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-21	8,338,069.24	23,796,203.48	22,969,819.24	-781,271.19	1,607,655.43	-	35%
Aug-21	9,794,116.59	27,465,224.80	28,081,151.47	-667,945.00	1,020.23	50,998.10	36%
Sep-21	15,324,326.53	24,600,038.90	27,194,561.51	-187,331.77	43,720.31	-2,450,911.15	62%
Oct-21	12,106,081.97	21,145,381.58	27,118,937.77	-1,053,110.50	352,954.48	-5,273,400.17	57%
Nov-21	9,900,956.83	20,896,536.30	26,357,968.03	-364,737.47	73,939.93	-5,170,634.19	47%
Dec-21	10,252,573.96	19,785,065.15	26,083,633.42	-1,089,340.66	26,853.64	-5,236,081.25	52%
Total	65,716,125.12	137,688,450.21	157,806,071.44	-4,143,736.59	2,106,144.02	-18,080,028.66	48%



The municipality has appointed a panel of debt collectors/litigators who are assisting the municipality with debt collection. Both the municipality [on its own] and the debt collectors will be taking stringent actions during the last 6 month of the current financial year to ensure that consumers pay for the services they receive from the municipality.

Summonses will be issued in the townships where consumers fail to either register as Indigent Households [earning less than the threshold of R3 820.00 per month] or to make formal arrangement to settle the arrears debt. On the table below the ward payment rate of the last 6 months are depicted. Worst performing ward are:

WARD NUMBER	PAYMENT RATE
13	5%
14	6%
2 & 12	9%
8 & 11	10%
16	12%

17	18%
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WARD PAYMENT RATE FOR THE 2020/21 AND 2021/22

Ward	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Average % for 2020/21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Average % for 2021/22
WARD 1	41%	42%	58%	52%	48%	65%	119%	67%	49%	105%	64%	78%	66%	54%	45%	80%	91%	56%	52%	63%
WARD2	8%	8%	7%	2%	12%	13%	2%	12%	2%	15%	9%	8%	8%	2%	8%	18%	9%	3%	13%	9%
WARD 3	18%	37%	46%	28%	36%	24%	20%	28%	9%	42%	39%	71%	33%	23%	23%	90%	322%	164%	112%	122%
WARD 4	46%	45%	82%	49%	61%	39%	54%	51%	21%	252%	57%	279%	86%	49%	35%	88%	99%	61%	53%	64%
WARD 5	16%	18%	15%	1%	28%	28%	1%	27%	2%	32%	18%	16%	17%	2%	3%	28%	12%	2%	250%	50%
WARD 6	25%	50%	142%	52%	55%	50%	59%	56%	44%	58%	62%	81%	61%	41%	40%	59%	51%	49%	90%	55%
WARD 7	19%	19%	19%	6%	41%	27%	8%	31%	5%	38%	24%	24%	22%	12%	8%	36%	39%	23%	36%	26%
WARD 8	5%	4%	7%	4%	6%	5%	7%	5%	5%	6%	7%	8%	6%	7%	6%	8%	20%	10%	8%	10%
WARD 9	63%	54%	66%	56%	65%	72%	72%	75%	52%	110%	73%	104%	72%	50%	56%	78%	64%	63%	73%	64%
WARD 10	46%	42%	37%	59%	57%	90%	58%	150%	58%	135%	77%	72%	73%	41%	66%	74%	57%	46%	56%	57%
WARD 11	8%	10%	8%	4%	12%	10%	8%	6%	2%	17%	9%	9%	9%	4%	7%	9%	6%	7%	24%	10%
WARD 12	9%	9%	8%	2%	16%	16%	2%	15%	2%	16%	10%	9%	10%	1%	2%	23%	7%	7%	13%	9%
WARD 13	6%	7%	7%	6%	4%	5%	4%	3%	5%	4%	5%	4%	5%	1%	3%	7%	6%	5%	8%	5%
WARD 14	3%	3%	3%	3%	7%	3%	3%	5%	3%	8%	6%	10%	5%	3%	5%	5%	6%	9%	5%	6%
WARD 15	65%	67%	76%	93%	75%	84%	78%	88%	60%	107%	88%	90%	81%	71%	77%	109%	93%	81%	69%	83%
WARD 16	12%	11%	13%	3%	22%	22%	5%	21%	3%	23%	15%	14%	14%	4%	2%	26%	16%	4%	20%	12%
WARD 17	11%	11%	11%	3%	19%	22%	4%	24%	3%	20%	14%	11%	13%	4%	1%	49%	11%	4%	39%	18%
Total	35%	39%	48%	42%	47%	49%	49%	53%	33%	74%	51%	61%	48%	36%	36%	62%	57%	47%	52%	48%

As part of the debt collection efforts by the municipality, 50% of prepaid purchases on accounts with arrear service of 90 days and older are deducted. This has resulted in additional R1.2 million for the six months under review. The amount collected per month is indicated below:

MONTH	AMOUNT COLLECTED
July 2021	R305 837.39
August 2021	R182 174.98
September 2021	R150 883.93
October 2021	R201 636.53
November 2021	R165 663.99
December 2021	173 647.18
TOTAL	R1 179 844.00

Income from prepaid sales has a positive effect on the daily cashflow as purchases are paid into the Municipality's bank account daily. The table below indicates the amounts that have been received for the prepaid electricity:

MONTH	AMOUNT COLLECTED
July 2021	R5 829 317.21
August 2021	R4 394 192.06
September 2021	R3 499 687.63
October 2021	R4 189 855.24
November 2021	R3 963 611.98
December 2021	R4 020 492.50
TOTAL	R25 897 492.50

Discussions with Eskom on the possibility to use their distribution network to collect on municipal arrears in their Licensed area [townships] is receiving attention from both parties [Eskom to act as Collecting Agent for the municipality]. Eskom is still discussing the request of the municipality with the Eskom's legal department.

The Indigent Registration for the reporting period did not reach the target. This could be attributed to Covid-19 and the local government elections. Sessions will be held with all Ward Councilors to ensure that all parties understand the process and that the maximum number of indigent households receive the subsidy. With higher indigent registration figures the debt book will be reduced [through the write-off].

6. Operating expenditure analysis

The municipality budgeted for operating expenditure budget of R634.7 million for the 2021/22 financial year. Included in this amount is non-cash items [Debt impairment of R60 million and Depreciation/asset impairment of R120.8 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 33%. 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 six months of the financial year also contributes immensely on the under spending.

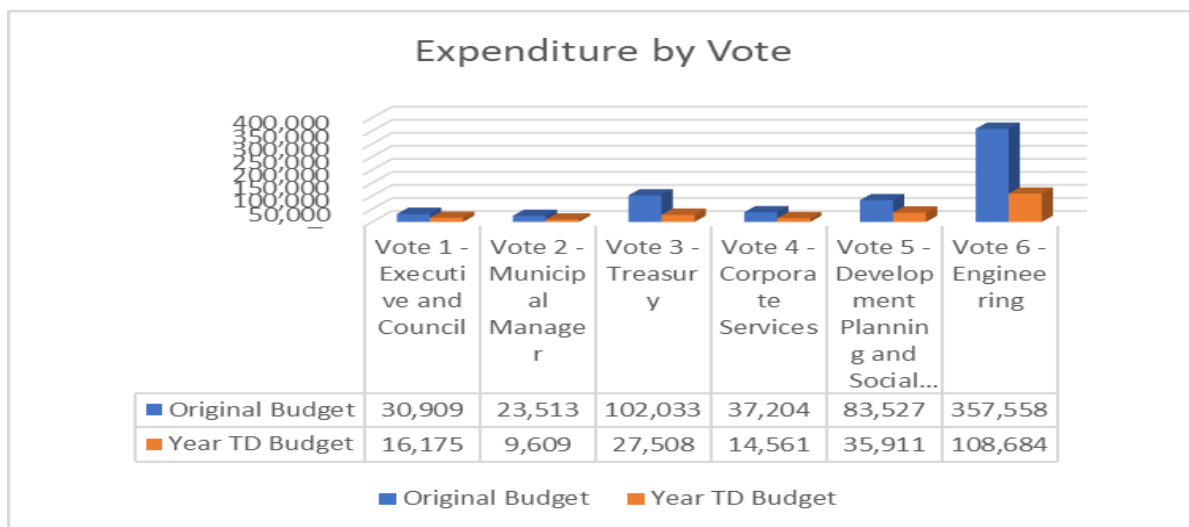
Furthermore, with National and Provincial Treasuries having declared the municipal budget to be unfunded, it only makes financial sense for the expenditure levels to be reduced so that it becomes easy to reduce the budget deficit when the adjustment budget is prepared.

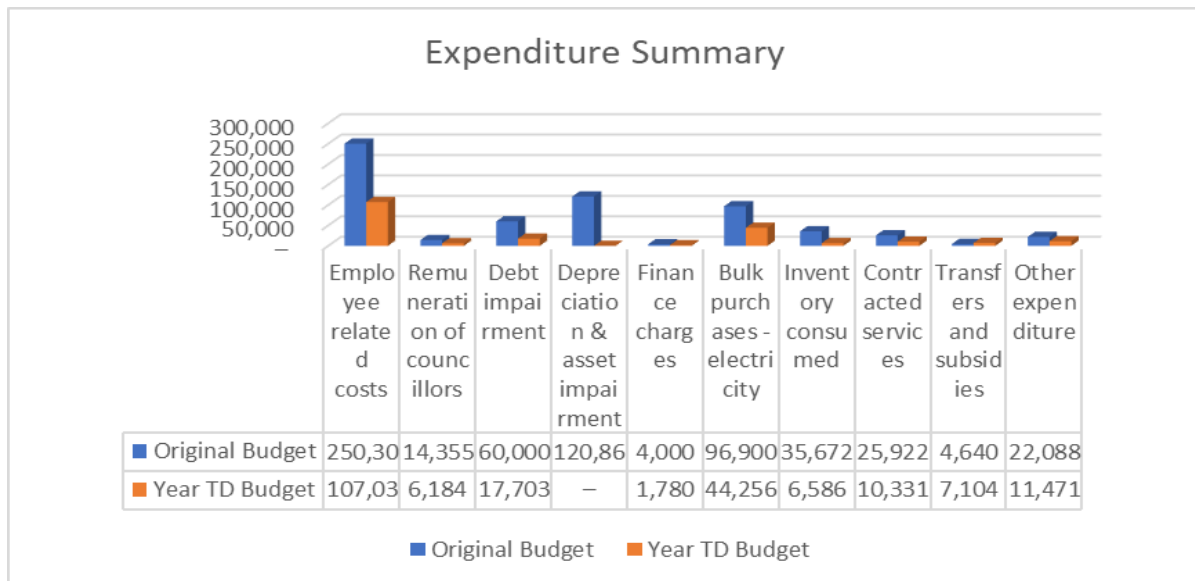
FS191 Setsoto - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Budget Year 2021/22							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
Expenditure By Type								
Employee related costs	250,302	-	19,122	107,034	125,151	(18,117)	-14%	250,302
Remuneration of councillors	14,355	-	1,095	6,184	7,178	(994)	-14%	14,355
Debt impairment	60,000	-	1,578	17,703	30,000	(12,297)	-41%	60,000
Depreciation & asset impairment	120,865	-	-	-	60,433	(60,433)	-100%	120,865
Finance charges	4,000	-	859	1,780	2,000	(220)	-11%	4,000
Bulk purchases - electricity	96,900	-	6,478	44,256	48,450	(4,194)	-9%	96,900
Inventory consumed	35,672	-	774	6,586	17,836	(11,250)	-63%	35,672
Contracted services	25,922	-	1,422	10,331	12,961	(2,630)	-20%	25,922
Transfers and subsidies	4,640	-	1,789	7,104	2,320	4,784	206%	4,640
Other expenditure	22,088	-	2,521	11,471	11,044	427	4%	22,088
Losses	-	-	-	-	-	-	-	-
Total Expenditure	634,745	-	35,639	212,449	317,372	(104,923)	-33%	634,745

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

Vote Description	Budget Year 2021/22					Full Year Forecast
	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands						
Expenditure by Vote						
Vote 1 - Executive and Council	30,909	16,175	15,454	720	4.7%	30,909
Vote 2 - Municipal Manager	23,513	9,609	11,757	(2,148)	-18.3%	23,513
Vote 3 - Treasury	102,033	27,508	51,017	(23,508)	-46.1%	102,033
Vote 4 - Corporate Services	37,204	14,561	18,602	(4,040)	-21.7%	37,204
Vote 5 - Development Planning and Social Security	83,527	35,911	41,764	(5,852)	-14.0%	83,527
Vote 6 - Engineering	357,558	108,684	178,779	(70,095)	-39.2%	357,558
Total Expenditure by Vote	634,745	212,449	317,372	(104,923)	-33.1%	634,745





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. Furthermore, the accrual accounting concept should be maintained in this case.

6.1. Employee related costs [-14%]

The employee related costs are budgeted at R250.3 million and the year-to-date expenditure is R107.0 million. The spending is below the average with a variance of 14% [R18.1 million]. This could be attributed to the fact that there are vacant positions that have been budgeted and not filled yet as well as that post-retirement contributions are only accounted on yearly basis.

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. 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. The bloated staff structure is currently under review and need to be finalised as soon as possible to curb the employee related cost and to maintain the going concern.

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

Summary of Employee Remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							%	
Other Municipal Staff								
Basic Salaries and Wages	148,620	-	10,400	61,398	74,310	(13,633)	-17%	148,620
Pension and UIF Contributions	28,356	-	1,942	11,805	14,178	(2,373)	-17%	28,356
Medical Aid Contributions	20,846	-	1,274	7,690	10,423	(2,733)	-26%	20,846
Overtime	4,861	-	359	2,138	2,431	(293)	-12%	4,861
Performance Bonus	12,158	-	2,012	5,840	6,079	(238)	-4%	12,158
Mobor Vehicle Allowance	15,179	-	1,136	8,001	7,589	411	5%	15,179
Cellphone Allowance	619	-	115	459	310	-		619
Housing Allowances	482	-	105	633	241	392	163%	482
Other benefits and allowances	10,632	-	812	4,720	5,316	(596)	-11%	10,632
Payments in lieu of leave	-	-	162	1,073	-	1,073	#DIV/0!	-
Long service awards	1,071	-	43	408	536	(127)	-24%	1,071
Sub Total - Other Municipal Staff	242,825	-	18,361	104,165	121,412	(18,117)	-15%	242,825

6.2. Remuneration of Councillors [-14%]

Councillors' remuneration and allowances are budgeted at R14.3 million and the year-to-date spending is R6.1 million which is below the average by 14% when compared to the budget year to date. The budget needs to be adjusted downwards, considering that it is unlikely that the upper limits of Councillors can be increased with 14% for the current year.

6.3. Bulk purchases [-9%]

Bulk purchases on electricity services are budgeted at R96.9 million. The year-to-date performance is at R44.2 million [which translate to 9% or R4.2 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]. Thus, during May and June 2022, the percentage maybe be reduced because of the high consumption during this winter months.
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 date. 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 [-11%]

A provision of R4 million has been made for Finance Charges and the year-to-date amount is R1.7 million [thus a saving of R220 thousand 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 that was not settled on time.
3. Outstanding creditors which were also partially paid up on receipt of Equitable Share.

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. Inventory Consumed (-63%)

A budget allocation of R35.6 million has been made for inventory consumed. The actual year to date performance is at R17.8 million [thus a saving of 63% 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

Vote Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							%	
Capital Expenditure - Functional Classification								
<i>Governance and administration</i>	2,047	-	17	144	1,024	(880)	-86%	2,047
<i>Community and public safety</i>	1,980	-	-	115	990	(875)	-88%	1,980
<i>Economic and environmental services</i>	135	-	-	17	68	(51)	-75%	135
<i>Trading services</i>	200,439	-	17,218	65,111	100,220	(35,109)	-35%	267,065
Total Capital Expenditure - Functional Classification	204,601	-	17,236	65,387	102,301	(36,914)	-36%	271,228

The capital expenditure for the financial year was budgeted at R204 million and R65.3 million has been spent up to the date of reporting. The roll-over application in respect of unspent grant funding for the 2020/2021 financial year was partially approved.

8. Condition of service delivery assets

This section highlights and gives an overview of the condition of assets the municipality has for the purpose of rendering the services to the community.

8.1. Water and wastewater assets

Most of the water services assets are potable water distribution network. The water network has aged and constantly needs to be refurbished. There are constant burst pipes, especially during the winter months thereby leading to water losses and the need for valve management. Wastewater treatment plants are being refurbished. However, the challenge remains constant vandalism and theft of equipment in such facilities. There are still some backlogs as far as having full waterborne sanitation system within the municipal area.

8.2. Service delivery vehicle:

There is constant breaking down of municipality's fleet impacted negatively on achieving service delivery targets. There is constant leaks and dysfunctional jetting and suction system of the Suction / Jetting trucks tanks.

8.3. Roads and stormwater:

Our roads are in bad conditions with lots of potholes. Stormwater channels also not in good state. Maintenance plans are being developed and while sourcing the funds for the implementation of the plans.

8.4. Electricity

Municipality is facing more cases of cable theft in some remote area. The state of the electricity infrastructure is better in some areas and bad in other areas as well. However, the service is still being provided in a sustainable manner.

9. Outstanding Creditors

Description	Budget Year 2021/22								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	2,269	128	0	881	658				3,936
Auditor General		1,744							1,744
Other									-
Total By Customer Type	2,269	1,871	0	881	658	-	-	-	5,680

The total outstanding creditors is R5.6 million, R3.4 million [60%] is owed for more than 30 days which is in contravention with section 65 (e) of the MFMA. With the

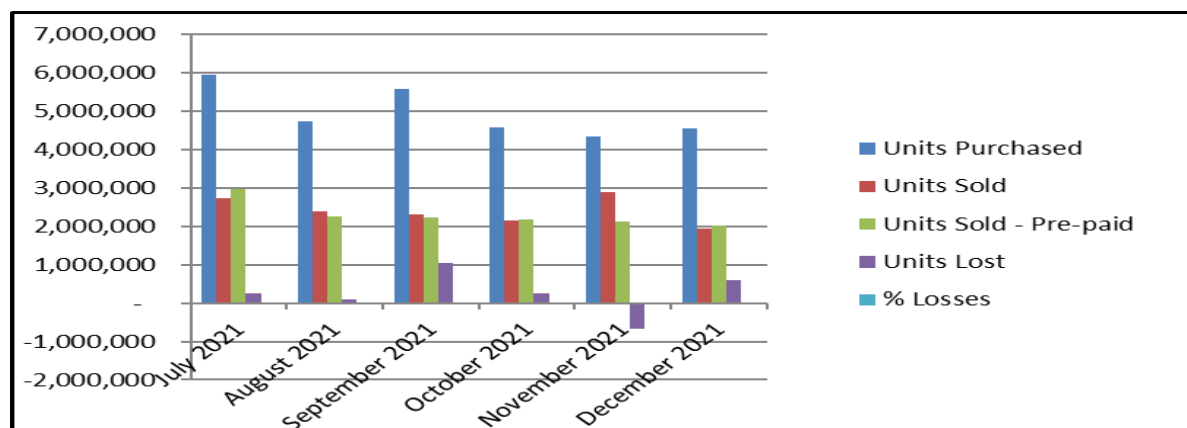
current financial constraints, the municipality cannot pay its' creditors when due. However, the balance declined enormously when compared to previous periods.

To enable Setsoto Municipality to pay creditors within 30 days the current cashflow challenge need to be turned around. Currently there are a cost containment and revenue enhancement strategy in place to this effect, but the positive effect thereof is a timeous process.

10. Electricity losses

ELECTRICITY						
Period	Units Purchased	Units Sold	Units Sold - Pre-paid	Units Lost	% Losses	Previous Year
July 2021	5 960 135	2 744 384	2 963 407	252 344	4%	15%
August 2021	4 732 349	2 393 777	2 247 752	90 820	2%	13%
September 2021	5 586 119	2 318 144	2 229 215	1 038 760	19%	21%
October 2021	4 584 929	2 143 448	2 184 785	256 696	6%	-5%
November 2021	4 337 300	2 891 606	2 125 536	-679 842	-16%	12%
December 2021	4 562 100	1 952 405	2 012 323	597 372	13%	6%
Total	29 762 932	14 443 764	13 763 018	1 556 150	5%	10%

Percentage electricity losses account to an average of 5% 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.

After the handover of the Prepaid Meters, as per the Revenue Enhancement Strategy an audit of all electricity meters [CT meters and prepaid meters] should be done to ensure that all meters are legally connected to the Distribution Network.

11. Water losses

WATER						
Period	Units Purified	Units Sold	Flat Rate Units	Units Lost	% Losses	Previous Year
July 2021	778,753	202,101	219,589	357,063	46%	23%
August 2021	898,601	206,972	221,925	469,704	52%	32%
September 2021	679,516	241,348	222,229	215,939	32%	47%
October 2021	748,775	230,907	222,260	295,608	39%	-19%
November 2021	695,556	207,340	223,252	264,964	38%	28%
December 2021	662,479	204,564	223,415	234,500	35%	23%
Total	4,463,680	1,293,232	1,332,670	1,837,778	41%	22%

Percentage water losses account to an average of 41% 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. Water losses remains high and the necessary steps needs to be put in place to reduce the losses as much as possible.

All water leaks and possible diversions into stormwater pipes should be attended to. Prepaid water meters should be installed in the areas with historic low payment rates or where the flat rate currently applies. As per the Revenue Enhancement Strategy an Audit of all water meters should be done by Engineering Services in the areas where water is billed on consumption. Where meters are not found or broken, new meters must be installed.

12. 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.

12.1. DBSA loan

The details of DBSA loans are provided underneath.

Loan Acc. No.	Institution	Average Interest rate	Maturity date	Balance 2021/07/01	Interest for the period	Redeemed / written off during the period	Balance 2021/12/31
	LONG-TERM LOANS						
101389	DBSA	11.36%	2024/12/31	2,657,155.99	152,166.95	318,693.38	2,338,462.61
	Total Long-term loans			2,657,155.99	152,166.95	318,693.38	2,338,462.61

The DBSA loan has a balance of R2.3 million and its instalment is paid bi-annual in December and June and the maturity date is 31 December 2024.

12.2. Absa loan

Loan Acc. No.	Institution	Average Interest rate	Maturity date	Balance 2021/07/01	Interest for the period	Redeemed / written off during the period	Balance 2021/12/31
89515381	ABSA	10.00%	2022/06/01	217,661.50	8,720.37	106,104.21	111,557.29
89514989	ABSA	10.00%	2022/06/01	157,181.97	6,297.33	76,622.13	80,559.84
89515861	ABSA	10.00%	2022/06/01	121,486.01	4,867.21	59,221.13	62,264.88
89516256	ABSA	10.00%	2022/06/01	327,121.48	13,105.75	159,463.13	167,658.35
89516272	ABSA	10.00%	2022/06/01	327,121.48	13,105.75	159,463.13	167,658.35
89645110	ABSA	10.00%	2022/07/01	623,956.45	25,506.31	279,571.31	344,385.14
89644009	ABSA	10.00%	2022/07/01	283,048.26	11,570.54	126,823.12	156,225.14
89644076	ABSA	10.00%	2022/07/01	283,048.26	11,570.54	126,823.12	156,225.14
89516795	ABSA	10.00%	2022/06/01	14,931.51	598.22	7,278.76	7,652.75
89516779	ABSA	10.00%	2022/06/01	14,931.51	598.22	7,278.76	7,652.75
89897519	ABSA	10.00%	2022/09/01	452,792.50	19,099.19	174,340.21	278,452.29
89882457	ABSA	10.00%	2022/09/01	1,011,432.63	42,663.13	389,435.15	621,997.48
89862260	ABSA	10.00%	2022/09/01	453,038.22	19,109.56	174,434.72	278,603.50
89645145	ABSA	10.00%	2022/08/01	666,763.69	9,076.89	92,241.91	574,521.78
	TOTAL			4,954,515.47	185,889.01	1,939,100.79	3,015,414.68

ABSA is paid monthly on the 1st business day of the month, interest paid to date amounted to R185 thousand and redemption is R1.9 million and that brings the closing balance to R3 million. The maturity date for ABSA loans account is 1 August 2022.

12.3. Wesbank loan

Loan Acc. No.	Institution	Average Interest rate	Maturity date	Balance 2020/07/01	Interest for the period	Redeemed / written off during the period	Balance 2021/12/31
85265501996	WESBANK	12.25%	2022/08/01	219,224.31	11,990.01	106,234.83	112,989.48
85265478490	WESBANK	12.25%	2022/09/01	408,079.39	22,957.17	155,747.85	252,331.54
85264693609	WESBANK	12.25%	2022/08/01	1,370,303.03	71,005.04	523,054.58	847,248.45
85264694308	WESBANK	12.25%	2022/08/01	1,370,303.03	71,005.04	523,054.58	847,248.45
85266334384	WESBANK	12.25%	2022/09/01	512,816.80	28,849.31	195,722.11	317,094.69
85266283448	WESBANK	12.25%	2022/09/01	512,816.80	28,849.31	195,722.11	317,094.69
85266284159	WESBANK	12.25%	2022/09/01	258,206.21	14,525.78	98,547.10	159,659.11
85265374058	WESBANK	12.25%	2022/09/01	408,079.39	22,957.17	155,747.85	252,331.54
	TOTAL			5,059,828.96	272,138.83	1,953,831.01	3,105,997.95

WESBANK is paid quarterly, interest paid to date amount to R272 thousand and redemption is R1.9 bringing the closing balance to R3.1 million. These loans are expected to be paid up by September 2022.

13. Investments

FS191 Setsoto - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Period of Investment	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	Yrs/Months								
First National Ba	Monthly	Call	Yes	Variable	26,979	76	(26,468)	1,066	1,653
Standard Bank	Monthly	Call	Yes	Variable	16,531	1,791	(86,443)	147,000	78,879
ABSA Bank	Yearly	Fixed	Yes	Variable	37	-	-		37
Sanlam	Yearly	Fixed	Yes	Variable	2,280	-	-		2,280
EFS Co-op	Yearly	Fixed	Yes	Variable	1,298	-	-		1,298
TOTAL					47,125	1,867	(112,911)	148,066	84,147

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.

For the period under reporting [quarter 2], interest accumulated from investments amount to R1.9 million, additional investments made amounts to R148 million, and withdrawals made amount R112.9 million. The closing balance of investments is R84.1 million. Please take note that Sanlam, ABSA and OVK are updated once per year in June.

14. Cash and cash equivalents

CASH AND CASH EQUIVALENTS AS AT 30 DECEMBER 2021		
DESCRIPTION	CLOSING BALANCE	INTEREST-TO DATE
MONEY MARKET (Account Number: 62151783563)	R 1 457 519.51	R 10 823.91
BUSINESS CALL (Account Number: 62049046205)	R 156 823.63	R 4 181.43
MIG-INVESTMENT (Account Number: 62310540465)	R 38 385.42	R 64 228.63
STANDARD BANK (Account Number: 48445851001)	R -	R 232 431.40
STANDARD BANK (Account Number: 48445851002)	R -	R 216 245.99
STANDARD BANK (Account Number: 48445851003)	R 3 390 166.78	R 79 912.17
STANDARD BANK (Account Number: 48445851004)	R -	R 550 957.97
STANDARD BANK (Account Number: 48445851005)	R 24 453 078.63	R 453 078.63
STANDARD BANK (Account Number: 48445851006)	R -	R 18 232.05
STANDARD BANK (Account Number: 48445851007)	R -	R 204 707.73
STANDARD BANK (Account Number: 48445851008)	R 10 000 000.00	
STANDARD BANK (Account Number: 48445851009)	R 20 036 308.22	R 36 308.22
STANDARD BANK (Account Number: 48445851010)	R 10 000 000.00	R -
STANDARD BANK (Account Number: 48445851011)	R 11 000 000.00	R -
PRIMARY BANK (Account Number: 62048092647)	R 3 485 631.36	R 132 321.41
TOTAL	R 84 017 913.55	R 2 003 429.54

The total cash and cash equivalents have a positive balance of R84 million, included in that balance is the primary bank account with a positive balance of R3.4 million. Caution needs to be taken that for the period under reporting conditional grant unspent balance is R75.2 million as indicated earlier in paragraph number 4.2. This translate that 89% of the cash in the bank is tied to conditional grants.

The cash flow remains under pressure and needs to be manage adequately to meet the obligations for the second half of the financial year. Council might be in a position not to pay salaries and electricity bill during May and June 2022.

The above suggests that the municipality's cash flow is still a concern. 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.

15. Conclusion

The above sets the mid-year performance of the municipality assessed by the Accounting Officer in the with the requirements of the MFMA and MBRR. The following needs to be observed / considered:

Although the period under review falls within the global and national phenomena of the Covid-19 pandemic which has disrupted economies across the world, some of the root causes of our poor financial performance leading to deteriorating levels of services, predates the pandemic and have become systemic. The culture of nonpayment of services has taken root over a period and unless reversed will lead to permanent financial paralysis of the institution and threaten its continued existence as a going concern.

We need to improve on our internal capacity and processes not only to improve on our revenue collection efforts but to expand the revenue base. There are sectors of our society/community who are able and capable of paying and yet not enough has been done to make them pay for services. Civil servants other than municipal employees including state institutions not yet on our database.

There is an urgent need to address our so-called technical losses on water and electricity which would require concerted efforts and a will of steel to make unpopular decisions. We need to drastically reduce the cost of doing business, typically doing more with less.

1. It is clear from the assessment that the adjustment budget is necessary and thus recommended by the Accounting Officer. In considering the adjustment budget, the current performance of the municipality until December 2021 needs to be considered such that both revenue and expenditure are aligned with the prevailing performances.
2. The budget needs to be reviewed to align and accommodate operating projects not originally provided for in the budget [but executed / implemented]. The adjustment budget needs to be compiled to rectify where votes have been under/overspent and to re-align projects or programmes from newly elected Councillors.

3. In reviewing / adjusting the annual budget, cognisance should be taken of the fact that the budget has been declared unfunded. As such, the adjustment on the expenditure should seek to reduce the current levels/allocations with the aim of achieving the required funding levels. In this regard, expenditure allocations should be towards service delivery initiatives, unforeseen and unavoidable expenditure. There should also be reduction on the current allocations on the non-core services.
4. 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.
5. The revenue collections are low, and as per the guidance / recommendation from both PT and NT, the municipality will need to reduce its planned contribution towards capital expenditure, until such time the allocations are sustainable and/or cash backed.

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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	66 418	70 462	-	5 396	32 017	35 231	(3 214)	-9%	70 462
Service charges	218 662	241 013	-	18 435	122 625	120 507	2 118	2%	241 013
Investment revenue	1 850	5 025	-	389	1 967	2 513	(545)	-22%	5 025
Transfers and subsidies	243 876	216 708	-	-	92 139	162 881	(70 742)	-43%	216 708
Other own revenue	17 203	43 191	-	3 134	18 390	21 621	(3 231)	-15%	43 191
Total Revenue (excluding capital transfers and contributions)	548 009	576 399	-	27 354	267 138	342 752	(75 614)	-22%	576 399
Employee costs	222 425	250 302	-	19 122	107 034	125 151	(18 117)	-14%	250 302
Remuneration of Councillors	12 967	14 355	-	1 095	6 184	7 178	(994)	-14%	14 355
Depreciation & asset impairment	394 456	120 865	-	-	-	60 433	(60 433)	-100%	120 865
Finance charges	5 579	4 000	-	859	1 780	2 000	(220)	-11%	4 000
Inventory consumed and bulk purchases	94 540	132 572	-	7 252	50 842	66 286	(15 444)	-23%	132 572
Transfers and subsidies	30 601	4 640	-	1 789	7 104	2 320	4 784	206%	4 640
Other expenditure	172 966	108 010	-	5 522	39 505	54 005	(14 500)	-27%	108 010
Total Expenditure	933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33%	634 745
Surplus/(Deficit)	(385 525)	(58 345)	-	(8 286)	54 689	25 380	29 309	115%	(58 345)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	158 588	189 617	-	8 679	129 576	105 992	23 584	22%	189 617
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)	8 076	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(218 861)	131 272	-	393	184 265	131 372	52 893	40%	131 272
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(218 861)	131 272	-	393	184 265	131 372	52 893	40%	131 272
Capital expenditure & funds sources									
Capital expenditure	221 687	204 601	-	17 236	65 387	204 601	(139 215)	-68%	204 601
Capital transfers recognised	172 053	189 617	-	17 218	58 485	94 809	(36 324)	-38%	189 617
Borrowing	(2)	7 950	-	-	47	3 975	(3 928)	-99%	7 950
Internally generated funds	140	1 765	-	-	6 595	882	5 713	647%	1 765
Total sources of capital funds	172 192	199 332	-	17 218	65 128	99 666	(34 538)	-35%	199 332
Financial position									
Total current assets	405 919	(73 330)	-	-	481 156	-	-	-	(73 330)
Total non current assets	2 699 067	204 601	-	-	2 763 640	-	-	-	204 601
Total current liabilities	258 870	-	-	-	214 201	-	-	-	-
Total non current liabilities	83 068	-	-	-	83 068	-	-	-	-
Community wealth/Equity	2 429 041	-	-	-	2 763 261	-	-	-	-
Cash flows									
Net cash from (used) operating	530 383	635 777	-	(35 372)	182 937	489 591	306 654	63%	2 167 809
Net cash from (used) investing	(181 502)	(199 332)	-	(18 875)	(79 562)	(99 666)	(20 104)	20%	(204 601)
Net cash from (used) financing	(3 920)	-	-	(364)	(2 100)	-	2 100	#DIV/0!	-
Cash/cash equivalents at the month/year end	344 960	436 445	-	-	146 800	389 925	243 125	62%	2 008 734
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	23 771	20 058	18 732	18 232	17 621	16 698	67 200	391 642	573 956
Creditors Age Analysis									
Total Creditors	4 141	1 877	881	29	-	1	-	828	7 757

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

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		214 957	140 874	-	8 780	61 949	76 599	(14 650)	-19%	140 874
Executive and council		119 211	21 070	-	0	8 527	15 622	(7 095)	-45%	21 070
Finance and administration		95 747	119 805	-	8 780	53 422	60 977	(7 555)	-12%	119 805
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		(7 429)	407	-	131	1 134	203	931	458%	407
Community and social services		1 264	30	-	99	646	15	631	4208%	30
Sport and recreation		3	15	-	1	9	8	1	17%	15
Public safety		1 233	335	-	15	245	168	78	46%	335
Housing		(9 928)	26	-	16	234	13	220	1663%	26
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		172 790	154 312	-	2	90 886	83 116	7 771	9%	154 312
Planning and development		147 359	110 075	-	2	71 890	50 038	21 853	44%	110 075
Road transport		25 431	44 237	-	0	18 996	33 078	(14 082)	-43%	44 237
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		334 355	470 424	-	27 120	242 745	288 826	(46 082)	-16%	470 424
Energy sources		111 003	126 008	-	5 720	62 668	72 264	(9 596)	-13%	126 008
Water management		105 359	184 525	-	14 223	106 477	118 008	(11 530)	-10%	184 525
Waste water management		60 463	78 437	-	3 132	35 740	49 535	(13 795)	-28%	78 437
Waste management		57 531	81 455	-	4 045	37 860	49 020	(11 160)	-23%	81 455
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	714 673	766 016	-	36 033	396 714	448 744	(52 030)	-12%	766 016
Expenditure - Functional										
<i>Governance and administration</i>		176 914	211 582	-	14 499	74 050	105 791	(31 741)	-30%	211 582
Executive and council		51 781	38 977	-	3 712	20 222	19 489	733	4%	38 977
Finance and administration		120 969	167 776	-	10 338	51 614	83 888	(32 274)	-38%	167 776
Internal audit		4 164	4 829	-	449	2 214	2 414	(200)	-8%	4 829
<i>Community and public safety</i>		47 824	44 357	-	3 133	17 869	22 179	(4 310)	-19%	44 357
Community and social services		5 424	6 644	-	534	2 970	3 322	(352)	-11%	6 644
Sport and recreation		10 360	10 644	-	931	5 175	5 322	(147)	-3%	10 644
Public safety		12 260	11 174	-	860	4 324	5 587	(1 263)	-23%	11 174
Housing		19 780	15 896	-	807	5 400	7 948	(2 548)	-32%	15 896
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		412 051	147 444	-	2 619	16 432	73 722	(57 290)	-78%	147 444
Planning and development		6 758	9 007	-	574	3 489	4 503	(1 014)	-23%	9 007
Road transport		405 292	138 437	-	2 045	12 943	69 219	(56 275)	-81%	138 437
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		296 745	231 362	-	15 387	104 099	115 681	(11 582)	-10%	231 362
Energy sources		95 464	115 008	-	7 499	50 121	57 504	(7 383)	-13%	115 008
Water management		96 092	54 601	-	3 354	24 242	27 301	(3 059)	-11%	54 601
Waste water management		53 414	29 146	-	2 094	13 520	14 573	(1 053)	-7%	29 146
Waste management		51 775	32 606	-	2 441	16 216	16 303	(87)	-1%	32 606
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33%	634 745
Surplus/ (Deficit) for the year		(218 861)	131 272	-	393	184 265	131 372	52 893	40%	131 272

FS191 Setsoto - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2020/21				Budget Year 2021/22				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Executive and Council	1	101 127	8 084	-	0	3 116	5 883	(2 766)	-47.0%	8 084
Vote 2 - Municipal Manager		26 230	13 061	-	2	5 425	9 777	(4 352)	-44.5%	13 061
Vote 3 - Treasury		99 817	117 936	-	8 662	52 368	60 043	(7 675)	-12.8%	117 936
Vote 4 - Corporate Services		458	457	-	7	239	229	10	4.6%	457
Vote 5 - Development Planning and Social Security		55 502	83 247	-	4 271	39 576	49 916	(10 340)	-20.7%	83 247
Vote 6 - Engineering		431 540	543 232	-	23 091	295 991	322 898	(26 907)	-8.3%	543 232
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		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	714 673	766 016	-	36 033	396 714	448 744	(52 030)	-11.6%	766 016
Expenditure by Vote										
Vote 1 - Executive and Council	1	43 885	30 909	-	2 897	16 175	15 454	720	4.7%	30 909
Vote 2 - Municipal Manager		19 085	23 513	-	1 748	9 609	11 757	(2 148)	-18.3%	23 513
Vote 3 - Treasury		50 134	102 033	-	5 705	27 508	51 017	(23 508)	-46.1%	102 033
Vote 4 - Corporate Services		43 885	37 204	-	2 788	14 561	18 602	(4 040)	-21.7%	37 204
Vote 5 - Development Planning and Social Security		101 118	83 527	-	6 229	35 911	41 764	(5 852)	-14.0%	83 527
Vote 6 - Engineering		675 427	357 558	-	16 273	108 684	178 779	(70 095)	-39.2%	357 558
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		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33.1%	634 745
Surplus/ (Deficit) for the year	2	(218 861)	131 272	-	393	184 265	131 372	52 893	40.3%	131 272

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

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		66 418	70 462	-	5 396	32 017	35 231	(3 214)	-9%	70 462
Service charges - electricity revenue		87 999	90 967	-	5 720	46 902	45 484	1 418	3%	90 967
Service charges - water revenue		60 995	64 591	-	5 538	33 139	32 295	844	3%	64 591
Service charges - sanitation revenue		35 033	37 170	-	3 132	18 545	18 585	(40)	0%	37 170
Service charges - refuse revenue		34 635	48 285	-	4 045	24 039	24 143	(104)	0%	48 285
Rental of facilities and equipment		59	76	-	4	36	38	(2)	-5%	76
Interest earned - external investments		1 850	5 025	-	389	1 967	2 513	(545)	-22%	5 025
Interest earned - outstanding debtors		28 914	39 697	-	2 844	15 842	19 849	(4 007)	-20%	39 697
Dividends received		47	50	-	-	55	50	5	11%	50
Fines, penalties and forfeits		1 105	195	-	3	168	98	70	72%	195
Licences and permits		70	75	-	2	14	38	(23)	-62%	75
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		243 876	216 708	-	-	92 139	162 881	(70 742)	-43%	216 708
Other revenue		5 739	3 098	-	265	2 043	1 549	494	32%	3 098
Gains		(18 732)	-	-	16	231	-	231	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		548 009	576 399	-	27 354	267 138	342 752	(75 614)	-22%	576 399
Expenditure By Type										
Employee related costs		222 425	250 302	-	19 122	107 034	125 151	(18 117)	-14%	250 302
Remuneration of councillors		12 967	14 355	-	1 095	6 184	7 178	(994)	-14%	14 355
Debt impairment		127 928	60 000	-	1 578	17 703	30 000	(12 297)	-41%	60 000
Depreciation & asset impairment		394 456	120 865	-	-	-	60 433	(60 433)	-100%	120 865
Finance charges		5 579	4 000	-	859	1 780	2 000	(220)	-11%	4 000
Bulk purchases - electricity		79 631	96 900	-	6 478	44 256	48 450	(4 194)	-9%	96 900
Inventory consumed		14 908	35 672	-	774	6 586	17 836	(11 250)	-63%	35 672
Contracted services		17 578	25 922	-	1 422	10 331	12 961	(2 630)	-20%	25 922
Transfers and subsidies		30 601	4 640	-	1 789	7 104	2 320	4 784	206%	4 640
Other expenditure		27 533	22 088	-	2 521	11 471	11 044	427	4%	22 088
Losses		(73)	-	-	-	-	-	-	-	-
Total Expenditure		933 534	634 745	-	35 639	212 449	317 372	(104 923)	-33%	634 745
Surplus/(Deficit)		(385 525)	(58 345)	-	(8 286)	54 689	25 380	29 309	0	(58 345)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		158 588	189 617	-	8 679	129 576	105 992	23 584	0	189 617
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		8 076	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(218 861)	131 272	-	393	184 265	131 372			131 272
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(218 861)	131 272	-	393	184 265	131 372			131 272
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(218 861)	131 272	-	393	184 265	131 372			131 272
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(218 861)	131 272	-	393	184 265	131 372			131 272

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

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	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		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		21	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		26	1 767	-	-	49	1 767	(1 718)	-97%	1 767
Vote 3 - Treasury		60	250	-	17	34	250	(216)	-86%	250
Vote 4 - Corporate Services		1 199	165	-	-	78	165	(87)	-53%	165
Vote 5 - Development Planning and Social Security		19 869	3 082	-	-	53	3 082	(3 029)	-98%	3 082
Vote 6 - Engineering		200 513	199 337	-	17 218	65 173	199 337	(134 164)	-67%	199 337
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		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	221 687	204 601	-	17 236	65 387	204 601	(139 215)	-68%	204 601
Total Capital Expenditure		221 687	204 601	-	17 236	65 387	204 601	(139 215)	-68%	204 601
Capital Expenditure - Functional Classification										
Governance and administration		3 248	2 047	-	17	144	1 024	(880)	-86%	2 047
Executive and council		47	32	-	-	32	16	16	99%	32
Finance and administration		3 201	2 015	-	17	112	1 008	(896)	-89%	2 015
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		16 609	1 980	-	-	115	990	(875)	-88%	1 980
Community and social services		-	-	-	-	35	-	35	#DIV/0!	-
Sport and recreation		16 601	800	-	-	17	400	(383)	-96%	800
Public safety		8	1 000	-	-	1	500	(499)	-100%	1 000
Housing		-	180	-	-	62	90	(28)	-31%	180
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		10 521	135	-	-	17	68	(51)	-75%	135
Planning and development		-	135	-	-	17	68	(51)	-75%	135
Road transport		10 521	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		191 309	200 439	-	17 218	65 111	100 220	(35 109)	-35%	267 065
Energy sources		18 561	11 240	-	-	6 610	5 620	990	18%	11 240
Water management		128 996	137 975	-	15 900	51 695	68 988	(17 292)	-25%	204 601
Waste water management		42 383	49 942	-	1 318	6 805	24 971	(18 166)	-73%	49 942
Waste management		1 368	1 282	-	-	-	641	(641)	-100%	1 282
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	221 687	204 601	-	17 236	65 387	102 301	(36 914)	-36%	271 228
Funded by:										
National Government		172 053	189 617	-	17 218	58 485	94 809	(36 324)	-38%	189 617
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)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		172 053	189 617	-	17 218	58 485	94 809	(36 324)	-38%	189 617
Borrowing	6	(2)	7 950	-	-	47	3 975	(3 928)	-99%	7 950
Internally generated funds		140	1 765	-	-	6 595	882	5 713	647%	1 765
Total Capital Funding		172 192	199 332	-	17 218	65 128	99 666	(34 538)	-35%	199 332

FS191 Setsoto - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		2 015	(13 330)	-	15 505	(13 330)
Call investment deposits		43 510	-	-	29 500	-
Consumer debtors		256 915	(60 000)	-	325 520	(60 000)
Other debtors		100 676	-	-	106 059	-
Current portion of long-term receivables		189	-	-	189	-
Inventry		2 613	-	-	4 384	-
Total current assets		405 919	(73 330)	-	481 156	(73 330)
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		3 616	-	-	3 616	-
Investment property		83 725	-	-	83 725	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		2 539 627	203 001	-	2 604 200	203 001
Biological		-	-	-	-	-
Intangible		545	1 600	-	545	1 600
Other non-current assets		71 554	-	-	71 554	-
Total non current assets		2 699 067	204 601	-	2 763 640	204 601
TOTAL ASSETS		3 104 986	131 272	-	3 244 796	131 272
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		8 984	-	-	4 919	-
Consumer deposits		3 188	-	-	3 211	-
Trade and other payables		243 349	-	-	202 723	-
Provisions		3 348	-	-	3 348	-
Total current liabilities		258 870	-	-	214 201	-
Non current liabilities						
Borrowing		3 687	-	-	3 687	-
Provisions		79 381	-	-	79 381	-
Total non current liabilities		83 068	-	-	83 068	-
TOTAL LIABILITIES		341 938	-	-	297 269	-
NET ASSETS	2	2 763 048	131 272	-	2 947 527	131 272
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 429 041	-	-	2 763 261	-
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 429 041	-	-	2 763 261	-

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

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		126 121	70 462	-	4 838	95 020	35 231	59 789	170%	70 462
Service charges		105 958	155 678	-	7 358	59 307	77 839	(18 532)	-24%	155 678
Other revenue		3 956	3 612	-	200	2 446	1 806	640	35%	1 535 644
Transfers and Subsidies - Operational		207 807	216 408	-	5	91 973	162 731	(70 758)	-43%	216 408
Transfers and Subsidies - Capital		122 229	189 617	-	8 679	57 700	105 992	(48 292)	-46%	189 617
Interest		-	-	-	-	1 184	-	1 184	#DIV/0!	-
Dividends		-	-	-	-	-	105 992	(105 992)	-100%	-
Payments										
Suppliers and employees		(35 689)	-	-	(56 451)	(124 693)	-	124 693	#DIV/0!	-
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		530 383	635 777	-	(35 372)	182 937	489 591	306 654	63%	2 167 809
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		520	-	-	16	196	-	196	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(182 022)	(199 332)	-	(18 891)	(79 758)	(99 666)	(19 908)	20%	(204 601)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(181 502)	(199 332)	-	(18 875)	(79 562)	(99 666)	(20 104)	20%	(204 601)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		22	-	-	(3)	23	-	23	#DIV/0!	-
Payments										
Repayment of borrowing		(3 943)	-	-	(362)	(2 123)	-	2 123	#DIV/0!	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 920)	-	-	(364)	(2 100)	-	2 100	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		344 960	436 445	-	(54 611)	101 275	389 925			1 963 208
Cash/cash equivalents at beginning:		-	-	-	-	45 526	-	-	-	45 526
Cash/cash equivalents at month/year end:		344 960	436 445	-	-	146 800	389 925	-	-	2 008 734