



MOGALAKWENA MUNICIPALITY

**MID-YEAR BUDGET AND PERFORMANCE
ASSESSMENT REPORT [MFMA SECTION 72 REPORT]**

FINANCIAL ASSESSMENT

2022/23

TABLE OF CONTENTS

1. Introduction	3
2. Purpose of the report.....	3
3. Legislative Framework	3
3.1 The Municipal Finance Management Act.....	3
3.2. Thereafter, the mayor must, in terms of Section 54 (1) –	4
4. PART 1: MID- YEAR BUDGET AND PERFORMANCE ASSESSMENT	4
4.1. Mayor’s Report	4
4.2. Council resolution.....	4
5. Executive Summary.....	4
5.1. Statement of Financial Performance.....	7
5.1.1 Actual Revenue by Source.....	7
5.1.2 Actual Expenditure per type	9
5.2. In- year Budget Statement tables.....	11
5.2.1. Table C1 Budget Statement Summary for the Quarter ended 31 December 2022.	12
5.2.2. Table C2 Financial Performance (Functional Classification) for Quarter ended 31 December 2022.....	13
5.2.3. Table C3 Financial Performance (Revenue and Expenditure by Municipal Vote) for Quarter ended 31 December 2022.	14
5.2.4. Table C4 Financial Performance (Revenue and Expenditure) for Quarter ended 31 December 2022.....	15
5.2.5. Table C5 Capital Expenditure (Municipal Vote, Functional classification and funding) for Quarter ended 31 December 2022.	16
5.2.6. Table C6 Financial Position for Quarter ended 31 December 2022.....	17
5.2.7. Table C7 Cash Flow Statement for Quarter ended 31 December 2022.	18
6. PART 2: SUPPORTING DOCUMENTATIONS.....	19
6.1. Debtors Age Analysis	19
6.2. Creditors Age Analysis	20
6.3. Investment Portfolio analysis.....	21
6.4. Allocation and grant receipts and expenditure	21
6.5. Expenditure on Councillors and Employee benefits	24
6.6. Capital Budget performance analysis	25
7. Conclusion	25
8. PART 3: Service Delivery Performance Assessment	25

1. Introduction

In terms of Section 72(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), 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 and submit a report on such assessment to the Mayor of the Municipality, National Treasury and the relevant Provincial Treasury. The Mayor must in turn, comply with the provision of Section 54, which included submitting the report to Council by 31 January of each year.

2. Purpose of the report

To submit to the Mayor an assessment report on the Municipality's performance covering the period 1 July 2022 to 31 December 2022.

3. Legislative Framework

3.1 The Municipal Finance Management Act

The Municipal Finance Management Act-Number 56 of 2003, Section 72: Mid-Year Budget and Performance Assessment

- (1) The accounting officer of a municipality must by 25 January of each year;
 - (a) Assess the performance of the municipality during the first half of the financial year, taking into account;
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report, and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
 - (b) Submit a report on such assessment to;
 - (i) the mayor of the municipality;
 - (ii) the National Treasury ; and
 - (iii) the relevant provincial treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
- (3) The accounting officer must, as part of the review;
 - (a) make recommendations as to whether an adjustments budget is necessary; and
 - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

3.2. Thereafter, the mayor must, in terms of Section 54 (1) –

- (a) Consider the report
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that 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;
- (d) Issue any appropriate instructions to the Accounting Officer to ensure-
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the Council by 31 January of each year

4. PART 1: MID- YEAR BUDGET AND PERFORMANCE ASSESSMENT

The mid-year report and the supporting tables of Mogalakwena local municipality has been prepared in terms of the Local Government: Municipal Finance Management Act Number 56 of 2003: Municipal Budget and Reporting Regulations and Government Gazette 32141, 17 April 2009.

4.1. Mayor's Report

4.2. Council resolution

The Resolution will be submitted to both Provincial and National Treasuries once the Council has resolved.

5. Executive Summary

Section 72 of the Municipal Finance Management Act requires the Municipal Manager as the Accounting Officer of the municipality to submit a report to the Mayor of the municipality, the relevant Provincial Treasury and the National Treasury by the 25 January each year, reviewing the financial performance of the municipality for the first six months of the financial year.

As part of the review, Section 72(3) of the Municipal Finance Management Act provides that: The Accounting officer must make recommendations as to whether the Service Delivery Budget Implementation Plans and both the Operating and Capital budgets of the municipality need to be adjusted. The primary purpose is to review the targets and indicators, to conduct

an assessment of the progress made in spending the budget, project implementation for the first half of the financial year and to consider the adjustment to the 2022/2023 budget.

The report is divided into two parts. Part 1 refers to section 71 and 72 of the Municipal Finance Management Act relating to budget monitoring. The report provides consolidated analysis of the municipality's financial performance, cash flow and financial position as at the end of 31 December 2022. The analysis have a direct influence on the outcome of the adjustment budget process.

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<u>Financial Performance</u>									
Property rates	-	-	-	-	-	-	-		-
Service charges	477 626	592 075	592 075	43 153	252 456	296 037	(43 581)	-15%	592 075
Investment revenue	9 817	1 925	1 925	115	679	963	(284)	-30%	1 925
Transfers and subsidies	13 425	9 897	9 897	1 451	1 403	6 190	(4 787)	-77%	9 897
Other own revenue	568 916	612 223	612 223	121 161	365 529	441 518	(75 989)	-17%	612 223
Total Revenue (excluding capital transfers and contributions)	1 069 783	1 216 119	1 216 119	165 880	620 067	744 708	(124 641)	-17%	1 216 119
Employee costs	-	-	-	-	-	-	-		-
Remuneration of Councillors	362 615	402 653	402 597	29 531	183 832	201 297	(17 464)	-9%	402 597
Depreciation & asset impairment	424 760	127 926	127 926	-	68	63 963	(63 895)	-100%	127 926
Finance charges	285 994	99 461	99 461	-	-	49 730	(49 730)	-100%	99 461
Inventory consumed and bulk purchases	243 201	297 219	281 989	19 028	146 961	141 700	5 262	4%	281 989
Transfers and subsidies	215 124	159 780	170 339	28 268	93 892	96 826	(2 934)	-3%	170 339
Other expenditure	(2 005 642)	(2 106 174)	(2 090 887)	(220 242)	(974 306)	(1 183 391)	209 085	-18%	(2 090 887)
Total Expenditure	(473 948)	(1 019 134)	(1 008 575)	(143 414)	(549 552)	(629 876)	80 324	-13%	(1 008 575)
Capital expenditure	159 640	265 381	277 289	39 241	71 921	135 231	(63 311)	-47%	277 289

The total budgeted operating revenue is R1, 216 billion. The year to date actual as at 31 December 2022 amounted to R620 million which is less than the year to date budget of R744 million by R124 million (17%).

The total operating expenditure was budgeted at R1, 008 billion and the budgeted year to date as at 31 December 2022 amounted to R629 million. The year to date actual amounted to R549 million which is less than the year to date budgeted expenditure by R80 million.

The total capital budget provided for the 2022/23 financial year amounts to R277 million and the year to date budget as at 31 December 2022 amounted to R135 million. The year to date actual amounted to R71 million which is less than year to date budget by R63 million.

Revenue Summary

- Property rates to the amount of R46.6m was recognized at the end of December 2022 against a budget amount of R45.7m. The revenue is in line with the budgeted amount.
- Service charges for the first half of the financial year amounted to R 215.7m compared to the year to date budget of R260.0m. Revenue is below the anticipated amount.
- Revenue from investment income of R2.8m was recognized during the first six months against the budget amount of R2.1m resulting in a favourable variance of 30%.
- Revenue from operating grants to the amount of R323.5 million was recognized during the first six months against the budget of R409.6 million resulting in an unfavourable variance of R86.1 million (21%).
- Other revenue of R44.9 million was also recognized against the budget of R38.6 million resulting in a favourable variance of R6.2 million (16%).
- No revenue on Capital was recognized for the first six months of the financial year. This results in a mid-year unfavourable variance of R77.3 million (100%). The spending on capital items amounting to R71.9m still has to be recognised as revenue, as the conditions have been met of the respective grants.

Expenditure Summary

- Employee costs to the amount of R183.8m has been recognized against a year to date budget of R201.2m. The result thereof was a negative variance of R17.4m (9%).
- Remuneration for councillors for the first six month of R5.4m has been reported against the budget of R10.7m resulting in a negative variance of R5.3m (50%).
- Depreciation and asset impairment has not been recognised in the first half of the financial year. Therefore, a variance of 100% was recorded.
- The municipality has not incurred any financial charges at the end of December 2022. Therefore, resulting in a negative variance of 100%.
- Other operational costs to an amount of R130m were recognized during the first six months against the mid-year budget of R210m, which resulted in R80.2m variance.

Financial Position Summary

- The total current liabilities amounted to R588.4 million, whilst total current assets amounted to R326.9 million, representing a current ratio of 0.55: 1. The interpretation of the ratio suggests that the municipality will not be able to meet its immediate or current financial commitments, there is a need to raise more cash in order to be in a better financial position.

Cash Flow Summary

The municipality started the financial year 2022/2023 with a positive cash balance, and the year to date cash and cash equivalents balance as at 31 December 2022 amounts to R37.3 million which comprises of:

Primary account R18.4 Million

Current Investment R18.8 Million

5.1. Statement of Financial Performance

5.1.1 Actual Revenue by Source

The total operating revenue for month of December amounted to R 633.7 million. The substantial portion of the revenue realised during the month of December is the transfers and subsidies of R323.5 million which is 51% of revenue recognised. The municipality has however recognised less revenue than the year to date budgeted amount by R 122.5 million.

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		88 001	91 500	91 500	7 724	46 644	45 750	894	2%	91 500
Service charges - electricity revenue		277 255	337 415	337 415	24 758	145 036	168 707	(23 671)	-14%	337 415
Service charges - water revenue		92 096	142 649	142 649	8 952	50 577	71 325	(20 748)	-29%	142 649
Service charges - sanitation revenue		20 275	20 511	20 511	1 719	10 199	10 256	(56)	-1%	20 511
Service charges - refuse revenue		18 822	19 511	19 511	1 658	9 937	9 756	181	2%	19 511
Rental of facilities and equipment		9 817	1 925	1 925	115	679	963	(284)	-30%	1 925
Interest earned - external investments		3 192	3 180	3 180	214	2 842	2 184	658	30%	3 180
Interest earned - outstanding debtors		63 712	46 802	46 802	6 193	36 077	23 401	12 676	54%	46 802
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		808	3 803	3 803	212	444	2 536	(2 091)	-82%	3 803
Licences and permits		226	1 863	1 863	4	4	1 257	(1 253)	-100%	1 863
Agency services		13 425	9 897	9 897	1 451	1 403	6 190	(4 787)	-77%	9 897
Transfers and subsidies		498 344	552 377	552 377	114 429	323 502	409 625	(86 123)	-21%	552 377
Other revenue		2 633	4 198	4 198	109	2 660	2 516	144	6%	4 198
Gains		2 803	3 655	3 655	507	3 719	1 827	1 892	104%	3 655
Total Revenue (excluding capital transfers and contributions)		1 091 408	1 239 285	1 239 285	168 045	633 723	756 291	(122 568)	-16%	1 239 285

Variances and explanation of variances for Revenue by Source – 10% and above

DESCRIPTION	VARIANCE		EXPLANATION OF VARIANCE	REMEDIAL ACTION
	(R' 000)	(%)		
Service charges - electricity revenue	(23 671)	-14%	Electricity billed is less than the budgeted amount. This is as a result of the ongoing electricity cuts by Eskom and use of average estimate billing.	The municipality must limit the use of average estimate billing and ensure that meter reading is done timeously.
Service charges - water revenue	(20 748)	-29%	Constant electricity cuts have affected Lepelle Northern Water in pumping water to the municipality. Water losses as a result of dilapidated infrastructure and average estimate billing.	Limit the use of average estimate billing and ensure a provision is made in the adjustment budget for water infrastructure

DESCRIPTION	VARIANCE		EXPLANATION OF VARIANCE	REMEDIAL ACTION
	(R' 000)	(%)		
Rental of facilities and equipment	(284)	-30%	Rental recognised is lower than the budgeted amount. Outdated rental agreements and poor rental market.	The municipality must ensure that all the existing rental agreements are reviewed and correct rates are charged.
Interest earned - external investments	658	30%	The municipality has recognised more revenue than anticipated. Due to historic debts and cash flow difficulties, the budgeted amount on Investment income was kept low.	No action is required and no adjustment needs to be processed.
Interest earned - outstanding debtors	12 676	54%	Culture of non-payment by consumers in the municipality results in more interest charged on outstanding debtors.	The municipality to provide incentives for consumers who settle their outstanding debts.
Fines, penalties and forfeits	(2 091)	-82%	The municipality is not collecting enough on traffic fines issued. Few fines are issued and the amount charged get reduced through the court processes. This results in less collection for the municipality.	The municipality must deploy traffic officers to more spots and ensure that more fines are issued for law enforcement.
Licences and permits	(1 253)	-100%	Only R 4,163 of licences and permits has been recorded in the first half of the financial year on the financial system. There is a misclassification of transactions	Investigate recording of licences and permits revenue between the Revenue section in Budget and Treasury office and Licencing in the Traffic and Emergency office to properly account for licencing revenue.

DESCRIPTION	VARIANCE		EXPLANATION OF VARIANCE	REMEDIAL ACTION
	(R' 000)	(%)		
Agency services	(4 787)	-77%	Agency services and Licencing revenue are both misclassified.	Process a downward adjustment on the line items after a thorough investigation on both licencing and agency services revenue if necessary.
Transfers and subsidies	(86 123)	-21%	National Treasury has offset the disapproved roll over amount of conditional grants from the 2021/2022 financial year against equitable share transfer of December 2022.	Process journals to properly account for the unapproved roll overs to the relevant grants. Municipality has to improve in spending on grant funded projects in order to avoid applying for roll overs.
Gains	1 892	104%	Revenue on the line item is more than anticipated as the municipality held an auction during the financial year	No action required as the auction is not held often.

5.1.2 Actual Expenditure per type

Operating expenditure for month of December amounted to R92.2 million. Major contributors to the amount spent are Employee related costs R183.3 million, Bulk purchases – electricity R146.9 million and contracted services R93.8 million.

The municipality has recognised an amount of R470.7 million for the first six months of the financial year against a year to date budget of R637.8 million. This resulted in a negative variance of R167.0 million. It must be noted however that the municipality has not processed debt impairment and depreciation costs on a monthly basis. Therefore, the non-cash items are not included in the year to date expenditure.

The table below illustrates detailed analysis of the actual expenditure per type for the period ending 31 December 2022.

LIM367 Mogalakwena - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Expenditure By Type										
Employee related costs		362 615	402 653	402 597	29 531	183 832	201 297	(17 464)	-9%	402 597
Remuneration of councillors		15 493	21 493	21 493	851	5 421	10 747	(5 325)	-50%	21 493
Debt impairment		424 760	127 926	127 926	–	68	63 963	(63 895)	-100%	127 926
Depreciation & asset impairment		285 994	99 461	99 461	–	–	49 730	(49 730)	-100%	99 461
Finance charges		–	719	719	–	–	359	(359)	-100%	719
Bulk purchases - electricity		243 201	296 501	281 271	19 028	146 961	141 340	5 621	4%	281 271
Inventory consumed		13 475	46 062	46 062	2 786	4 369	23 628	(19 260)	-82%	46 062
Contracted services		215 124	159 780	170 339	28 268	93 892	96 826	(2 934)	-3%	170 339
Transfers and subsidies		135	616	616	22	35	308	(273)	-89%	616
Other expenditure		47 251	77 416	119 772	11 760	36 177	49 629	(13 453)	-27%	119 772
Losses		6 544	–	–	–	–	–	–		–
Total Expenditure		1 614 592	1 232 626	1 270 255	92 246	470 755	637 827	(167 071)	-26%	1 270 255

Variances and explanation of variances on Expenditure by type – 10% and above

DESCRIPTION	VARIANCE		EXPLANATION OF VARIANCE	REMEDIAL ACTION
	(R' 000)	(%)		
Remuneration of councillors	(5 325)	-50%	A reduction in remuneration of councillors was experienced in the first half of the financial year. There was a cut in travel claims.	Review the budgeted amount and adjust it down during the adjustments budget process.
Debt impairment	(63 895)	-100%	Debt impairment not processed in the first half of the financial year.	Develop measures and procedures to process debt impairment on a monthly basis in the next financial year.
Depreciation & asset impairment	(49 730)	-100%	Depreciation & asset impairment not processed in the first half of the financial year.	Review findings raised by the Auditor General during the last external audit and include measures in the audit action plan on processing depreciation quarterly and then subsequently on a monthly basis.

DESCRIPTION	VARIANCE		EXPLANATION OF VARIANCE	REMEDIAL ACTION
	(R' 000)	(%)		
Finance charges	(359)	-100%	No finance charges incurred.	No action is required as the expenditure would form part of fruitless and wasteful expenditure. The municipality strives to avoid such expenditure.
Inventory consumed	(19 260)	-82%	Inventory consumed includes water that the municipality has provided to the customers.	Consider implementation and accounting for water inventory as guided by GRAP 12.
Transfers and subsidies	(273)	-89%	The municipality incurred less expenditure than anticipated.	Review the budgeted amount and make necessary adjustments.
Other expenditure	(13 453)	-27%	Operational costs such as travel and subsistence, printing and publications, telephone costs and training have been curbed due to financial constraints.	Improve in cash collection in order to be able to cater for the day to day operating expenditure.

5.2. In- year Budget Statement tables

5.2.1. Table C1 Budget Statement Summary for the Quarter ended 31 December 2022.

LIM367 Mogalakwena - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	88 001	91 500	91 500	7 724	46 644	45 750	894	2%	91 500
Service charges	408 447	520 086	520 086	37 087	215 749	260 043	(44 294)	-17%	520 086
Investment revenue	3 192	3 180	3 180	214	2 842	2 184	658	30%	3 180
Transfers and subsidies	498 344	552 377	552 377	114 429	323 502	409 625	(86 123)	-21%	552 377
Other own revenue	93 424	72 142	72 142	8 591	44 986	38 689	6 297	16%	72 142
contributions)	1 091 408	1 239 285	1 239 285	168 045	633 723	756 291	(122 568)	-16%	1 239 285
Employee costs	362 615	402 653	402 597	29 531	183 832	201 297	(17 464)	-9%	402 597
Remuneration of Councillors	15 493	21 493	21 493	851	5 421	10 747	(5 325)	-50%	21 493
Depreciation & asset impairment	285 994	99 461	99 461	-	-	49 730	(49 730)	-100%	99 461
Finance charges	-	719	719	-	-	359	(359)	-100%	719
Inventory consumed and bulk purchases	256 676	342 562	327 332	21 814	151 330	164 968	(13 639)	-8%	327 332
Transfers and subsidies	135	616	616	22	35	308	(273)	-89%	616
Other expenditure	693 679	365 121	418 037	40 028	130 137	210 418	(80 282)	-38%	418 037
Total Expenditure	1 614 592	1 232 626	1 270 255	92 246	470 755	637 827	(167 071)	-26%	1 270 255
Surplus/(Deficit)	(523 184)	6 659	(30 970)	75 799	162 967	118 464	44 503	38%	(30 970)
Transfers and subsidies - capital (monetary allocations)	222 084	265 381	265 381	-	-	77 393	(77 393)	-100%	265 381
Surplus/(Deficit) after capital transfers & contributions	(301 100)	272 040	234 411	75 799	162 967	195 857	(32 890)	-17%	234 411
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(301 100)	272 040	234 411	75 799	162 967	195 857	(32 890)	-17%	234 411
Capital expenditure & funds sources									
Capital expenditure	159 640	265 381	277 289	39 241	71 921	135 231	(63 311)	-47%	277 289
Capital transfers recognised	189 413	265 381	270 589	36 280	68 960	133 942	(64 982)	-49%	270 589
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	(29 774)	-	6 700	2 961	2 961	1 289	1 671	130%	6 700
Total sources of capital funds	159 640	265 381	277 289	39 241	71 921	135 231	(63 311)	-47%	277 289
Financial position									
Total current assets	1 294 767	517 462	517 462		326 930				517 462
Total non current assets	4 603 448	6 357 313	6 369 221		4 675 369				6 369 221
Total current liabilities	586 643	279 289	279 289		588 413				279 289
Total non current liabilities	131 519	128 248	128 248		131 519				128 248
Community wealth/Equity	4 122 553	6 195 198	6 195 198		4 282 367				6 195 198
Cash flows									
Net cash from (used) operating	428 802	326 027	326 027	31 558	50 883	163 014	112 131	69%	326 027
Net cash from (used) investing	(193 657)	(249 225)	(261 726)	(39 241)	(68 284)	(114 726)	(46 442)	40%	(245 589)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	308 170	83 481	70 981	-	6 228	54 967	48 739	89%	104 068

5.2.2. Table C2 Financial Performance (Functional Classification) for Quarter ended 31 December 2022.

LIM367 Mogalakwena - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		610 249	659 476	659 476	125 080	390 596	464 023	(73 427)	-16%	659 476
Executive and council		487 147	539 725	539 725	114 775	327 864	403 462	(75 598)	-19%	539 725
Finance and administration		123 102	119 752	119 752	10 305	62 732	60 560	2 171	4%	119 752
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5 341	5 237	5 237	41	474	2 851	(2 377)	-83%	5 237
Community and social services		288	402	402	20	145	202	(57)	-28%	402
Sport and recreation		-	7	7	-	0	3	(3)	-87%	7
Public safety		4 891	4 659	4 659	8	246	2 562	(2 316)	-90%	4 659
Housing		163	168	168	14	83	84	(2)	-2%	168
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		178 225	196 235	196 235	1 599	2 096	58 685	(56 589)	-96%	196 235
Planning and development		7 834	10 089	10 089	64	530	5 033	(4 503)	-89%	10 089
Road transport		170 392	186 145	186 145	1 535	1 566	53 652	(52 086)	-97%	186 145
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		519 676	643 718	643 718	41 325	240 556	308 125	(67 569)	-22%	643 718
Energy sources		277 163	344 326	344 326	24 749	144 976	173 259	(28 282)	-16%	344 326
Water management		191 255	247 303	247 303	12 196	69 496	108 846	(39 350)	-36%	247 303
Waste water management		25 259	25 857	25 857	2 170	12 864	12 928	(64)	0%	25 857
Waste management		25 999	26 232	26 232	2 210	13 220	13 092	127	1%	26 232
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 313 491	1 504 666	1 504 666	168 045	633 723	833 684	(199 961)	-24%	1 504 666
Expenditure - Functional										
<i>Governance and administration</i>		663 698	359 547	401 313	27 963	128 446	196 176	(67 730)	-35%	401 313
Executive and council		494 228	205 134	200 371	4 807	37 704	101 182	(63 478)	-63%	200 371
Finance and administration		165 327	150 014	196 543	22 802	88 537	92 795	(4 258)	-5%	196 543
Internal audit		4 143	4 398	4 398	354	2 204	2 199	6	0%	4 398
<i>Community and public safety</i>		146 724	120 419	120 619	12 564	57 041	63 495	(6 455)	-10%	120 619
Community and social services		27 418	33 205	33 705	1 857	11 984	16 769	(4 784)	-29%	33 705
Sport and recreation		37 342	30 026	29 726	1 774	11 078	15 316	(4 238)	-28%	29 726
Public safety		70 369	56 044	56 044	8 868	33 567	30 839	2 728	9%	56 044
Housing		11 595	1 143	1 143	66	411	572	(161)	-28%	1 143
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		332 632	135 769	135 769	12 400	42 638	65 502	(22 864)	-35%	135 769
Planning and development		32 174	42 860	42 860	2 245	13 527	20 899	(7 372)	-35%	42 860
Road transport		300 458	92 909	92 909	10 154	29 111	44 603	(15 492)	-35%	92 909
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		470 313	615 461	611 124	39 224	241 982	311 938	(69 956)	-22%	611 124
Energy sources		297 516	363 578	359 478	25 963	178 086	181 108	(3 021)	-2%	359 478
Water management		116 684	175 134	175 134	8 916	37 047	91 347	(54 300)	-59%	175 134
Waste water management		17 155	18 566	18 566	1 011	5 801	10 491	(4 690)	-45%	18 566
Waste management		38 958	58 183	57 946	3 334	21 047	28 992	(7 945)	-27%	57 946
<i>Other</i>		1 224	1 431	1 431	96	649	715	(66)	-9%	1 431
Total Expenditure - Functional	3	1 614 592	1 232 626	1 270 255	92 246	470 755	637 827	(167 071)	-26%	1 270 255
Surplus/ (Deficit) for the year		(301 100)	272 040	234 411	75 799	162 967	195 857	(32 890)	-17%	234 411

5.2.3. Table C3 Financial Performance (Revenue and Expenditure by Municipal Vote) for Quarter ended 31 December 2022.

LIM367 Mogalakwena - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		487 147	539 725	539 725	114 775	327 864	403 462	(75 598)	-18.7%	539 725
Vote 02 - Corporate Support Services		11 561	5 572	5 572	627	4 424	2 786	1 638	58.8%	5 572
Vote 03 - Budget And Treasury		111 730	114 295	114 295	9 697	58 427	57 832	595	1.0%	114 295
Vote 04 - Planning And Development		141	220	220	10	90	110	(20)	-17.9%	220
Vote 05 - Technical Services		380 228	453 844	453 844	14 419	82 805	170 517	(87 712)	-51.4%	453 844
Vote 06 - Community Services		26 220	26 621	26 621	2 224	13 323	13 287	36	0.3%	26 621
Vote 07 - Traffic And Security		19 303	20 064	20 064	1 543	1 812	12 431	(10 619)	-85.4%	20 064
Vote 08 - Electrical Services		277 163	344 326	344 326	24 749	144 976	173 259	(28 282)	-16.3%	344 326
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 313 491	1 504 666	1 504 666	168 045	633 723	833 684	(199 961)	-24.0%	1 504 666
Expenditure by Vote	1									
Vote 01 - Executive & Council		505 417	217 355	212 292	5 745	43 211	107 217	(64 007)	-59.7%	212 292
Vote 02 - Corporate Support Services		64 132	61 906	77 501	11 215	36 695	37 482	(787)	-2.1%	77 501
Vote 03 - Budget And Treasury		114 101	85 693	117 427	11 138	49 330	54 346	(5 016)	-9.2%	117 427
Vote 04 - Planning And Development		21 481	29 379	29 379	1 913	11 280	14 689	(3 409)	-23.2%	29 379
Vote 05 - Technical Services		419 258	272 650	272 650	18 853	64 647	138 932	(74 284)	-53.5%	272 650
Vote 06 - Community Services		93 055	110 718	110 181	6 298	40 146	55 562	(15 416)	-27.7%	110 181
Vote 07 - Traffic And Security		99 631	91 348	91 348	11 122	47 360	48 490	(1 130)	-2.3%	91 348
Vote 08 - Electrical Services		297 516	363 578	359 478	25 963	178 086	181 108	(3 021)	-1.7%	359 478
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 614 592	1 232 626	1 270 255	92 246	470 755	637 827	(167 071)	-26.2%	1 270 255
Surplus/ (Deficit) for the year	2	(301 100)	272 040	234 411	75 799	162 967	195 857	(32 890)	-16.8%	234 411

5.2.4. Table C4 Financial Performance (Revenue and Expenditure) for Quarter ended 31 December 2022.

LIM367 Mogalakwena - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		88 001	91 500	91 500	7 724	46 644	45 750	894	2%	91 500
Service charges - electricity revenue		277 255	337 415	337 415	24 758	145 036	168 707	(23 671)	-14%	337 415
Service charges - water revenue		92 096	142 649	142 649	8 952	50 577	71 325	(20 748)	-29%	142 649
Service charges - sanitation revenue		20 275	20 511	20 511	1 719	10 199	10 256	(56)	-1%	20 511
Service charges - refuse revenue		18 822	19 511	19 511	1 658	9 937	9 756	181	2%	19 511
Rental of facilities and equipment		9 817	1 925	1 925	115	679	963	(284)	-30%	1 925
Interest earned - external investments		3 192	3 180	3 180	214	2 842	2 184	658	30%	3 180
Interest earned - outstanding debtors		63 712	46 802	46 802	6 193	36 077	23 401	12 676	54%	46 802
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		808	3 803	3 803	212	444	2 536	(2 091)	-82%	3 803
Licences and permits		226	1 863	1 863	4	4	1 257	(1 253)	-100%	1 863
Agency services		13 425	9 897	9 897	1 451	1 403	6 190	(4 787)	-77%	9 897
Transfers and subsidies		498 344	552 377	552 377	114 429	323 502	409 625	(86 123)	-21%	552 377
Other revenue		2 633	4 198	4 198	109	2 660	2 516	144	6%	4 198
Gains		2 803	3 655	3 655	507	3 719	1 827	1 892	104%	3 655
Total Revenue (excluding capital transfers and contributions)		1 091 408	1 239 285	1 239 285	168 045	633 723	756 291	(122 568)	-16%	1 239 285
Expenditure By Type										
Employee related costs		362 615	402 653	402 597	29 531	183 832	201 297	(17 464)	-9%	402 597
Remuneration of councillors		15 493	21 493	21 493	851	5 421	10 747	(5 325)	-50%	21 493
Debt impairment		424 760	127 926	127 926	-	68	63 963	(63 895)	-100%	127 926
Depreciation & asset impairment		285 994	99 461	99 461	-	-	49 730	(49 730)	-100%	99 461
Finance charges		-	719	719	-	-	359	(359)	-100%	719
Bulk purchases - electricity		243 201	296 501	281 271	19 028	146 961	141 340	5 621	4%	281 271
Inventory consumed		13 475	46 062	46 062	2 786	4 369	23 628	(19 260)	-82%	46 062
Contracted services		215 124	159 780	170 339	28 268	93 892	96 826	(2 934)	-3%	170 339
Transfers and subsidies		135	616	616	22	35	308	(273)	-89%	616
Other expenditure		47 251	77 416	119 772	11 760	36 177	49 629	(13 453)	-27%	119 772
Losses		6 544	-	-	-	-	-	-		-
Total Expenditure		1 614 592	1 232 626	1 270 255	92 246	470 755	637 827	(167 071)	-26%	1 270 255
Surplus/(Deficit)		(523 184)	6 659	(30 970)	75 799	162 967	118 464	44 503	0	(30 970)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		222 084	265 381	265 381	-	-	77 393	(77 393)	(0)	265 381
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		(301 100)	272 040	234 411	75 799	162 967	195 857			234 411
Taxation								-		
Surplus/(Deficit) after taxation		(301 100)	272 040	234 411	75 799	162 967	195 857			234 411
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(301 100)	272 040	234 411	75 799	162 967	195 857			234 411
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(301 100)	272 040	234 411	75 799	162 967	195 857			234 411

5.2.5. Table C5 Capital Expenditure (Municipal Vote, Functional classification and funding) for Quarter ended 31 December 2022.

LIM367 Mogalakwena - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Corporate Support Services		9	-	3 100	2 737	2 737	775	1 962	253%	3 100
Vote 03 - Budget And Treasury		-	-	-	-	-	-	-		-
Vote 04 - Planning And Development		-	6 500	6 500	-	-	1 500	(1 500)	-100%	6 500
Vote 05 - Technical Services		191 692	245 228	220 228	34 168	66 847	63 597	3 251	5%	220 228
Vote 06 - Community Services		(41 825)	-	30 208	866	866	62 799	(61 933)	-99%	30 208
Vote 07 - Traffic And Security		-	-	-	-	-	-	-		-
Vote 08 - Electrical Services		9 764	13 653	17 253	1 470	1 470	6 561	(5 091)	-78%	17 253
Total Capital single-year expenditure	4	159 640	265 381	277 289	39 241	71 921	135 231	(63 311)	-47%	277 289
Total Capital Expenditure		159 640	265 381	277 289	39 241	71 921	135 231	(63 311)	-47%	277 289
Capital Expenditure - Functional Classification										
Governance and administration		4	-	-	-	-	-	-		-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		4	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		(41 819)	-	3 100	3 603	3 603	775	2 828	365%	3 100
Community and social services		5	-	3 100	2 737	2 737	775	1 962	253%	3 100
Sport and recreation		(41 825)	-	-	866	866	-	866	#DIV/0!	-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		25 628	37 690	27 690	3 679	8 598	9 462	(864)	-9%	27 690
Planning and development		-	6 500	6 500	-	-	1 500	(1 500)	-100%	6 500
Road transport		25 628	31 190	21 190	3 679	8 598	7 962	636	8%	21 190
Environmental protection		-	-	-	-	-	-	-		-
Trading services		175 828	227 691	246 499	31 958	59 720	124 994	(65 275)	-52%	246 499
Energy sources		9 764	13 653	17 253	1 470	1 470	6 561	(5 091)	-78%	17 253
Water management		152 238	207 398	192 398	29 343	56 235	53 595	2 640	5%	192 398
Waste water management		13 826	6 640	6 640	1 145	2 015	2 040	(25)	-1%	6 640
Waste management		-	-	30 208	-	-	62 799	(62 799)	-100%	30 208
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	159 640	265 381	277 289	39 241	71 921	135 231	(63 311)	-47%	277 289
Funded by:										
National Government		189 413	265 381	270 589	36 280	68 960	133 942	(64 982)	-49%	270 589
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-		-
Transfers recognised - capital		189 413	265 381	270 589	36 280	68 960	133 942	(64 982)	-49%	270 589
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		(29 774)	-	6 700	2 961	2 961	1 289	1 671	130%	6 700
Total Capital Funding		159 640	265 381	277 289	39 241	71 921	135 231	(63 311)	-47%	277 289

5.2.6. Table C6 Financial Position for Quarter ended 31 December 2022.

LIM367 Mogalakwena - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 103 259	60 180	60 180	(15 454)	60 180
Call investment deposits		58 697	5 436	5 436	51 869	5 436
Consumer debtors		85 691	420 033	420 033	208 781	420 033
Other debtors		(329 655)	69 724	69 724	(308 023)	69 724
Current portion of long-term receivables		–	–	–	–	–
Inventory		376 776	(37 911)	(37 911)	389 757	(37 911)
Total current assets		1 294 767	517 462	517 462	326 930	517 462
Non current assets						
Long-term receivables		3 636	16 137	16 137	3 636	16 137
Investments						
Investment property		140 752	73 980	73 980	140 752	73 980
Investments in Associate						
Property, plant and equipment		4 452 243	5 317 905	5 329 813	4 524 163	5 329 813
Biological						
Intangible		950	943 423	943 423	950	943 423
Other non-current assets		5 868	5 868	5 868	5 868	5 868
Total non current assets		4 603 448	6 357 313	6 369 221	4 675 369	6 369 221
TOTAL ASSETS		5 898 216	6 874 775	6 886 683	5 002 299	6 886 683
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		7	–	–	7	–
Consumer deposits		11 655	23 977	23 977	12 076	23 977
Trade and other payables		570 699	252 763	252 763	572 048	252 763
Provisions		4 282	2 549	2 549	4 282	2 549
Total current liabilities		586 643	279 289	279 289	588 413	279 289
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		131 519	128 248	128 248	131 519	128 248
Total non current liabilities		131 519	128 248	128 248	131 519	128 248
TOTAL LIABILITIES		718 162	407 537	407 537	719 931	407 537
NET ASSETS	2	5 180 054	6 467 238	6 479 146	4 282 367	6 479 146
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		5 761 434	6 195 198	6 195 198	5 921 249	6 195 198
Reserves		(1 638 881)	–	–	(1 638 881)	–
TOTAL COMMUNITY WEALTH/EQUITY	2	4 122 553	6 195 198	6 195 198	4 282 367	6 195 198

5.2.7. Table C7 Cash Flow Statement for Quarter ended 31 December 2022.

LIM367 Mogalakwena - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		75 827	64 050	64 050	5 123	31 635	32 025	(390)	-1%	64 050
Service charges		446 097	424 135	424 135	19 894	145 658	212 067	(66 409)	-31%	424 135
Other revenue		561 995	21 685	21 685	122 158	411 120	10 843	400 277	3692%	21 685
Transfers and Subsidies - Operational		3 242	552 377	552 377	-	2 391	276 189	(273 798)	-99%	552 377
Transfers and Subsidies - Capital		225 555	265 381	265 381	34 644	173 187	132 690	40 497	31%	265 381
Interest		2 485	3 180	3 180	166	2 415	1 590	825	52%	3 180
Dividends								-		
Payments										
Suppliers and employees		(886 399)	(1 003 905)	(1 003 905)	(150 427)	(715 524)	(501 952)	213 571	-43%	(1 003 905)
Finance charges		-	(719)	(719)	-	-	(359)	(359)	100%	(719)
Transfers and Grants		-	(157)	(157)	-	-	(79)	(79)	100%	(157)
NET CASH FROM/(USED) OPERATING ACTIVITIES		428 802	326 027	326 027	31 558	50 883	163 014	112 131	69%	326 027
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	3 655	3 655	-	-	1 827	(1 827)	-100%	3 655
Decrease (increase) in non-current receivables		10 060	12 501	-	-	3 636	16 137	(12 501)	-77%	16 137
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(203 717)	(265 381)	(265 381)	(39 241)	(71 921)	(132 690)	(60 770)	46%	(265 381)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(193 657)	(249 225)	(261 726)	(39 241)	(68 284)	(114 726)	(46 442)	40%	(245 589)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		235 144	76 802	64 301	(7 683)	(17 402)	48 288			80 438
Cash/cash equivalents at beginning:		73 025	6 679	6 679	12 786	23 629	6 679			23 629
Cash/cash equivalents at month/year end:		308 170	83 481	70 981		6 228	54 967			104 068

6. PART 2: SUPPORTING DOCUMENTATIONS

6.1. Debtors Age Analysis

Debtors' age analysis indicates the extent to which the municipality's due revenue is not yet collected or received in cash. Supporting table SC3 illustrates the debtors ageing as at 31 December 2022. It indicates that the municipality is owed an amount of R 1,428 billion at the end of December 2022. R 1,285 billion is owed over 90 days. The municipality has appointed a debt collector in order to assist with recovering the debt.

LIM367 Mogalakwena - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December											
Description		Budget Year 2022/23									
	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
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	20 294	8 111	7 640	7 964	7 289	7 384	43 111	419 186	520 980	484 935
Trade and Other Receivables from Exchange Transactions - Electricity	1300	37 301	8 096	6 830	5 703	4 933	3 496	20 401	62 575	149 334	97 107
Receivables from Non-ex change Transactions - Property Rates	1400	11 730	3 541	3 304	3 091	2 913	2 646	15 179	147 685	190 089	171 514
Receivables from Exchange Transactions - Waste Water Management	1500	2 980	1 066	1 010	965	923	852	4 952	59 958	72 706	67 650
Receivables from Exchange Transactions - Waste Management	1600	3 163	1 244	1 191	1 153	1 129	1 050	6 231	78 252	93 414	87 815
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	1	1	1
Interest on Arrear Debtor Accounts	1810	12 525	6 094	5 994	5 981	5 806	5 753	33 005	312 048	387 207	362 594
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-
Other	1900	514	121	128	569	161	88	729	12 381	14 691	13 928
Total By Income Source	2000	88 507	28 273	26 098	25 426	23 154	21 271	123 608	1 092 086	1 428 422	1 285 544
2021/22 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	6 281	2 683	2 720	3 390	2 779	1 546	8 804	108 063	136 266	124 583
Commercial	2300	22 359	3 736	4 337	2 890	2 264	2 238	11 466	62 192	111 481	81 049
Households	2400	58 913	21 225	18 713	18 799	17 737	17 156	101 006	901 736	1 155 285	1 056 434
Other	2500	955	628	328	347	372	331	2 332	20 096	25 390	23 479
Total By Customer Group	2600	88 507	28 273	26 098	25 426	23 154	21 271	123 608	1 092 086	1 428 422	1 285 544

Revenue collection

The following is the summarized percentage of collection rate for the previous three months:

Month	Collection rate
December	48%
November	79%
October	50%

The average collection rate for the second quarter is 59%.

Top 10 accounts

The municipality's top 10 accounts are illustrated in the table below:

	Account	Name	Amount
1	2578522	Terra Clay	13 158 081.66
2	2667688	NATIONAL GOVT OF THE REP OF SA	7 774 073.34
3	1062025	Dept of Public works	7 408 190.14
4	1079119	Lepelle water	6 533 997.98
5	2658632	Frostall trading	6 399 531.79
6	2496155	RSA	6 077 022.96
7	2572796	Mokopane south Primary school	5 508 093.99
8	2619947	Resilient prop	5 142 996.20
9	1070657	Dept of education	3 974 660.37
10	2475767	Legend & ifa developers	3 619 091.63
		Total	65 595 740.06

The table indicates that the municipality's top 10 debtors at the end of December 2022 comprises mostly of businesses and government departments. Therefore, the municipality needs to put more effort in collecting from both sectors.

6.2. Creditors Age Analysis

Supporting table below shows the Creditors Age analysis as at 31 December 2022. Creditors have to be paid within 30 days as stipulated by the Municipal Finance Management Act, except for cases where there are disputes between the municipality and its creditors. The municipality is owing an amount of R 45.8 million to its creditors as at the end of December 2022. The municipality had entered into an arrangement with Eskom for an outstanding amount. During the quarter under review, the municipality managed to settle the outstanding amount with payments of R 6,396 million and R 12, 792 million in October and November 2022 respectively. Eskom account was up to date at the end of the quarter.

LIM367 Mogalakwena - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description	NT Code	Budget Year 2022/23									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	20 857	-	-	-	-	-	-	-	20 857	
Bulk Water	0200	3 153	-	-	-	-	-	-	-	3 153	
PAYE deductions	0300	4 361	-	-	-	-	-	-	-	4 361	
VAT (output less input)	0400	4 763	-	-	-	-	-	-	-	4 763	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	-	4 762	5 002	476	-	-	-	-	10 240	
Auditor General	0800	2 469	-	-	-	-	-	-	-	2 469	
Other	0900									-	
Total By Customer Type	1000	35 603	4 762	5 002	476	-	-	-	-	45 843	-

6.3. Investment Portfolio analysis

LIM367 Mogalakwena - Municipal Investments - M06

Primary Bank : Standard Bank

Account Type : Cheque

Opening Balance - 01 December 2022	4 066 768
Closing balance - 31 December 2022	53 591 352

INVESTMENTS : DECEMBER 2022

Name of Institution/Bank	Investment Type	Opening Balance	Deposit/ Invested during the Month	Withdrawal during the Month	Penalties	Interest Accrued	Interest Earned	Closing Balance
ABSA	Short-Term	-	-	-	-	-	-	-
FNB	Short-Term	-	-	-	-	-	-	-
NEDBANK	Sort-Term	-	-	-	-	-	-	-
STANDARD BANK	Short-Term	-	-	-	-	-	-	-
STANDARD BANK	Call Accounts 002 & 052	46 702 951	-	28 000 000	-	-	166 402	18 869 353
								-
TOTAL		46 702 951	-	28 000 000	-	-	166 402	18 869 353

Total in the Bank

72 460 705

The municipality had a total balance of R 72.4 million in the bank at the end of December 2022. The amount includes short-term investments or call accounts of R18.8m. The balance is cash backing the unspent conditional grants.

6.4. Allocation and grant receipts and expenditure

National treasury issued the municipality with a letter during October 2022 on information relating to application for roll over unspent conditional grant for the 2021/2022 financial year. The roll over application was not approved in terms of section 21(2) of the 2021 Division of Revenue Amendment Act, (Act No. 17 of 2021) (DoRAA). The assessment was done using the criteria as set out in Circular No.115 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for consideration of the roll over submission by the municipality.

National treasury issued another letter during November for repayment of unspent conditional grants relating to 2021/2022 financial year. The unapproved amount has been offset against Equitable transfer of December 2022. The unapproved amount totalled R62.2 million which relates to the following grants:

Municipal Infrastructure Grant R30.1 million

Water Services Infrastructure Grant R7.1 million

Integrated National Electrification Programme R25 million.

The municipality therefore needs to process adjustments on capital budget during the adjustments budget process in order to cater for the projects not completed.

Supporting Table SC6 Budget statement – Transfers and Grant receipts – Quarter Ended 31 December 2022.

LIM367 Mogalakwena - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		493 530	547 723	547 723	114 429	323 264	407 065	(83 801)	-20.6%	547 723
Equitable Share		483 337	535 476	535 476	114 429	323 264	400 292	(77 028)	-19.2%	535 476
Expanded Public Works Programme Integrated Grant		1 292	1 161	1 161	-	-	557	(557)	-100.0%	1 161
Local Government Financial Management Grant		1 950	2 100	2 100	-	-	1 735	(1 735)	-100.0%	2 100
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		6 951	8 986	8 986	-	-	4 482	(4 482)	-100.0%	8 986
Other transfers and grants [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]								-		
District Municipality:		4 814	4 654	4 654	-	238	2 560	(2 322)	-90.7%	4 654
Specify (Add grant description)		4 814	4 654	4 654	-	238	2 560	(2 322)	-90.7%	4 654
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total Operating Transfers and Grants	5	498 344	552 377	552 377	114 429	323 502	409 625	(86 123)	-21.0%	552 377
Capital Transfers and Grants										
National Government:		222 084	265 381	265 381	-	-	77 393	(77 393)	-100.0%	265 381
Integrated National Electrification Programme Grant		-	7 000	7 000	-	-	4 596	(4 596)	-100.0%	7 000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		155 979	170 741	170 741	-	-	43 783	(43 783)	-100.0%	170 741
Regional Bulk Infrastructure Grant		39 347	40 000	40 000	-	-	15 226	(15 226)	-100.0%	40 000
Water Services Infrastructure Grant		26 757	47 640	47 640	-	-	13 788	(13 788)	-100.0%	47 640
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Environmental Commissioner		-	-	-	-	-	-	-		-
Housing Development Agency		-	-	-	-	-	-	-		-
Mining Companies		-	-	-	-	-	-	-		-
Private Enterprises		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	222 084	265 381	265 381	-	-	77 393	(77 393)	-100.0%	265 381
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	720 427	817 758	817 758	114 429	323 502	487 018	(163 516)	-33.6%	817 758

Supporting Table SC7 (1) Budget statement – Transfers and Grant Expenditure – Quarter Ended 31 December 2022.

LIM367 Mogalakwena - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		331 668	365 045	363 395	27 907	157 007	183 224	(26 217)	-14.3%	363 395
Equitable Share		321 476	352 798	351 148	27 666	153 937	176 450	(22 513)	-12.8%	351 148
Expanded Public Works Programme Integrated Grant		1 292	1 161	1 161	78	398	557	(159)	-28.6%	1 161
Local Government Financial Management Grant		1 950	2 100	2 100	54	1 723	1 735	(12)	-0.7%	2 100
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		6 951	8 986	8 986	108	949	4 481	(3 532)	-78.8%	8 986
Provincial Government:		–	–	–	–	–	–	–	–	–
								–		
District Municipality:		–	–	–	–	–	–	–	–	–
								–		
Other grant providers:		34 411	13 500	13 500	3 883	23 086	6 940	16 146	232.6%	13 500
South Africa Revenue Service (SARS)		34 411	13 500	13 500	3 883	23 086	6 940	16 146	232.6%	13 500
Total operating expenditure of Transfers and Grants:		366 079	378 546	376 896	31 790	180 093	190 164	(10 071)	-5.3%	376 896
Capital expenditure of Transfers and Grants										
National Government:		189 413	265 381	270 589	36 280	68 960	133 942	(64 982)	-48.5%	270 589
Integrated National Electrification Programme Grant		–	7 000	7 000	1 246	1 246	4 596	(3 349)	-72.9%	7 000
Municipal Infrastructure Grant		131 534	170 741	175 949	15 011	45 032	100 332	(55 300)	-55.1%	175 949
Regional Bulk Infrastructure Grant		34 215	40 000	40 000	17 496	19 285	15 226	4 058	26.7%	40 000
Water Services Infrastructure Grant		23 664	47 640	47 640	2 528	3 397	13 788	(10 391)	-75.4%	47 640
Provincial Government:		–	–	–	–	–	–	–	–	–
								–		
District Municipality:		–	–	–	–	–	–	–	–	–
								–		
Other grant providers:		–	–	–	–	–	–	–	–	–
Housing Development Agency		–	–	–	–	–	–	–	–	–
Mining Companies		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		189 413	265 381	270 589	36 280	68 960	133 942	(64 982)	-48.5%	270 589
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		555 493	643 926	647 485	68 070	249 053	324 106	(75 053)	-23.2%	647 485

The municipality has an overall spending of R249.0 million at the end of December 2022. The year to date budget amounted to R324.1 million. This has a negative variance of R75.0 million. The underperformance is mainly as a result of late appointment of service providers to implement the budgeted projects. The municipality therefore needs to expedite spending on conditional grants in order to provide services to the community and to avoid having to pay the allocated grants back to National Treasury due to poor performance.

6.5. Expenditure on Councillors and Employee benefits

Table (SC8) provides the detail for councillors and employee benefits. For the first six months ended 31 December 2022, the total salaries, allowances and benefits paid amounts to R182.5 million. The year to date budget amounts to R201.2 million which results in an unfavourable variance of R18.7 million.

LIM367 Mogalakwena - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8 934	10 898	10 898	500	3 203	5 449	(2 245)	-41%	10 898
Pension and UIF Contributions		1 336	2 215	2 215	77	491	1 108	(617)	-56%	2 215
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		1 821	5 492	5 492	219	1 399	2 746	(1 347)	-49%	5 492
Cellphone Allowance		1 177	2 713	2 713	55	328	1 356	(1 028)	-76%	2 713
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		2 225	176	176	—	—	88	(88)	-100%	176
Sub Total - Councillors		15 493	21 493	21 493	851	5 421	10 747	(5 325)	-50%	21 493
% increase	4		38.7%	38.7%						38.7%
Senior Managers of the Municipality										
Basic Salaries and Wages		427	6 606	6 606	—	23	3 303	(3 280)	-99%	6 606
Pension and UIF Contributions		1 435	2 927	2 927	119	716	1 464	(747)	-51%	2 927
Medical Aid Contributions		558	1 037	1 037	44	268	519	(251)	-48%	1 037
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		599	1 147	1 147	150	379	574	(194)	-34%	1 147
Motor Vehicle Allowance		—	840	840	—	—	420	(420)	-100%	840
Cellphone Allowance		—	620	620	—	—	310	(310)	-100%	620
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	1	1	—	—	0	(0)	-100%	1
Payments in lieu of leave		—	198	198	—	—	99	(99)	-100%	198
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		3 019	13 377	13 377	314	1 386	6 688	(5 302)	-79%	13 377
% increase	4		343.1%	343.1%						343.1%
Other Municipal Staff										
Basic Salaries and Wages		201 919	235 342	235 285	17 273	103 921	117 643	(13 722)	-12%	235 285
Pension and UIF Contributions		41 392	47 017	47 017	3 575	21 461	23 508	(2 047)	-9%	47 017
Medical Aid Contributions		10 507	11 644	11 644	877	5 357	5 822	(465)	-8%	11 644
Overtime		21 939	13 153	13 153	1 453	9 648	6 576	3 072	47%	13 153
Performance Bonus		15 590	18 536	18 536	1 678	8 558	9 268	(711)	-8%	18 536
Motor Vehicle Allowance		28 484	32 054	32 054	2 558	15 304	16 027	(722)	-5%	32 054
Cellphone Allowance		5 585	6 836	6 836	393	2 379	3 418	(1 039)	-30%	6 836
Housing Allowances		333	357	357	82	228	179	50	28%	357
Other benefits and allowances		2 444	2 406	2 406	159	1 690	1 203	488	41%	2 406
Payments in lieu of leave		21 936	19 727	19 727	830	11 604	9 863	1 741	18%	19 727
Long service awards		476	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	5 314	2 204	2 204	168	1 030	1 102	(72)	-7%	2 204
Sub Total - Other Municipal Staff		355 918	389 276	389 220	29 047	181 181	194 608	(13 427)	-7%	389 220
% increase	4		9.4%	9.4%						9.4%
Total Parent Municipality		374 430	424 147	424 090	30 211	187 988	212 043	(24 055)	-11%	424 090
			13.3%	13.3%						13.3%
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		374 430	424 147	424 090	30 211	187 988	212 043	(24 055)	-11%	424 090
% increase	4		13.3%	13.3%						13.3%
TOTAL MANAGERS AND STAFF		358 938	402 653	402 597	29 360	182 567	201 297	(18 730)	-9%	402 597

6.6. Capital Budget performance analysis

Supporting Table SC12 provides information on the spending actual capital spending trend of the municipality. The table indicates that as at the end of December 2022, the municipality had only spent 27% of the total capital budget. It is clear that the municipality needs to improve its spending on capital projects, more especial those funded by conditional grants. National treasury did not approve roll over of conditional grants from 2021/2022 financial year as a result of poor performance. If the current trend is not improved, the municipality may face the same challenges again. This would negatively affect service delivery to communities.

LIM367 Mogalakwena - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December									
Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	13 303	22 115	–	4 556	4 556	22 115	17 559	79.4%	2%
August	13 303	22 115	–	7 282	11 838	44 230	32 392	73.2%	4%
September	13 303	22 115	2 796	3 008	14 846	47 026	32 180	68.4%	6%
October	13 303	22 115	15 431	5 054	19 900	62 457	42 557	68.1%	7%
November	13 303	22 115	87 128	12 779	32 679	149 585	116 906	78.2%	12%
December	13 303	22 115	29 876	39 241	71 921	179 461	107 541	59.9%	27%
January	13 303	22 115	4 854	–		184 315	–		
February	13 303	22 115	45 487	–		229 802	–		
March	13 303	22 115	18 719	–		248 521	–		
April	13 303	22 115	18 707	–		267 228	–		
May	13 303	22 115	29 899	–		297 127	–		
June	13 303	22 115	24 392	–		321 519	–		
Total Capital expenditure	159 640	265 381	277 289	71 921					

7. Conclusion

In light of the first six months ended 31 December 2022 financial assessment above and forecasting on the annual budget as approved by council in May 2022. It is recommended that an adjustments budget for 2022/2023 financial year be processed in order to cater for the shift of funds between votes. The adjustments budget will be submitted to council by the end of February 2022.

8. PART 3: Service Delivery Performance Assessment

STRATEGIC OBJECTIVE

To promote good governance and report on the financial sustainability of the Municipality

FINANCIAL INFORMATION

A report assessing the municipality's financial information for the period 1 July - 31 December 2023 will be submitted to council as a separate item.

PERFORMANCE MANAGEMENT CYCLE

The performance management cycle is an integrated approach which focusses on improving performance planning, monitoring, measurement, review, reporting, and auditing and improvement. These processes run concurrent with the overall planning, budget and reporting cycle.

PERFORMANCE MANAGEMENT POLICY

At local government level performance management is institutionalised through the legislative requirements on performance management. Chapter 6 of the Local Government: Municipal Systems Act, No. 32 of 2000 requires municipalities to establish a performance management system that is commensurate with its resources; best suited to its circumstances; and in line with the priorities, objectives, indicators and targets contained in its integrated development plan. It further requires that a culture of performance management must be created among its political structures, political office bearers and councillors and in its administration; and administer its affairs in an economical, effective, efficient and accountable manner.

In addition, Regulation 17(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.”

Mogalakwena Municipality recently revised the performance management policy framework that was approved by council on the 25th of January 2022.

PERFORMANCE MANAGEMENT IMPLEMENTATION

Performance Management is a process which measures the implementation of the organisation’s Integrated Development Plan (IDP). It serves as a management tool to plan, monitor, and measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality. The 2022 - 2023 Integrated Development Plan (IDP) was approved by Council on 30th of May 2022.

Performance is evaluated by means of a municipal scorecard (the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP)) at organisational level and through the Departmental SDBIP at directorate level.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality will be implemented. It also allocates responsibilities to departmental managers to deliver services in terms of the IDP and Budget.

The TL SDBIP was approved by the Mayor on 28 of June 2022.

PERFORMANCE MONITORING

The approved SDBIP is transferred onto the departmental performance management and is monitored on an ongoing basis to determine whether performance targets have been met, exceeded or not met.

The objective of the performance management system includes:

- ❖ Facilitating:
 - Strategy development;
 - Increased accountability;
 - Learning and improvement; and
 - Decision-making.
- ❖ Provide early warning signs of under-performance; and
- ❖ Creating a culture of best practice.

The overall assessment of actual performance against targets set for Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology (as per the performance management system):

KPI RESULTS	CATEGORY	CALCULATION
	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.
	KPI not achieved	$0\% \leq \text{Actual/Target}$
	KPI achieved	Actual meets Target ($\text{Actual/Target} = 100\%$)

PERFORMANCE PER NATIONAL KEY PERFORMANCE AREAS (NKPA's)

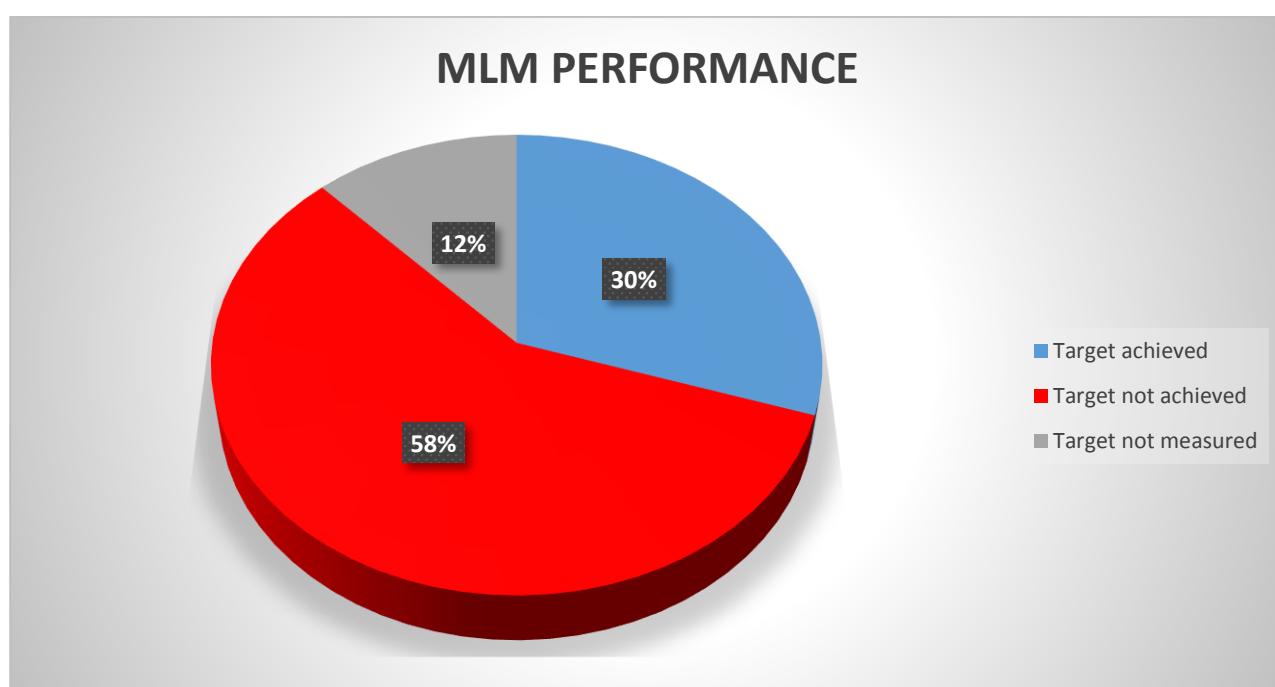
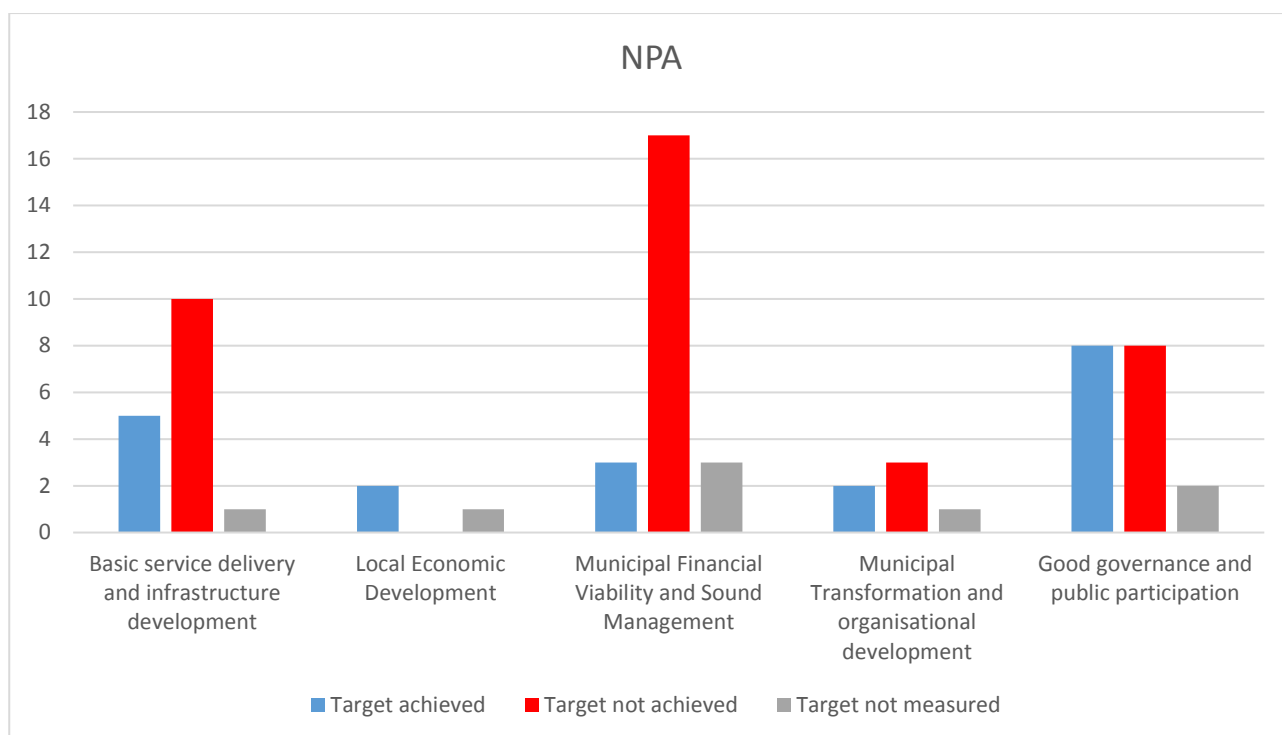
Section 43(1) of the Local Government: Municipal Systems Act, No, 32 of 2000, states that:

“The Minister, after consultation with the MECs for local government and organised local government representing local government nationally, may:

- (a) by regulation prescribe general key performance indicators that are appropriate and that can be applied to local government generally; and
- (b) when necessary, review and adjust those general key performance indicators.”

These general key performance areas, hereinafter referred to as National Key Performance Areas (NKPAs) are prescribed in the Local Government: Municipal Planning and Performance Management Regulations, 2001.

The graph below illustrates the Municipality's performance against the National Key Performance Areas (NKPA's):



The following table indicate the Municipality's performance in terms of the National Key Performance Areas (NKPAs):

Key Performance area	Target achieved	Target not achieved	Target not measured	Total
Basic service delivery and infrastructure development	5	10	1	16
Local Economic Development	2	0	1	3
Municipal Financial Viability and Sound Management	3	17	3	23
Municipal Transformation and organisational development	2	3	1	6
Good governance and public participation	8	8	2	18

COMPARISON OF THE ACTUAL PERFORMANCE 2022/2023 AND ACTUAL PERFORMANCE OF 2021/2022 FINANCIAL YEAR

The graph below illustrates the performance of the first half of 2022/2023 financial year Mogalakwena municipality against the 2021/2022 performance results

Key Performance area	2021/2022			2022/2023		
	Target achieved	Target not achieved	% Achieved	Target achieved	Target not achieved	% Achieved
Basic service delivery and infrastructure development	7	8	16%	5	10	33%
Local Economic Development	0	0	0%	2	0	100%
Municipal Financial Viability and Sound Management	3	12	20%	3	17	15%
Municipal Transformation and organisational development	1	3	25%	2	3	40%

Good governance and public participation	6	10	37%	8	8	50%
Total	22	39	36%	20	38	34%

The comparison shows a decline of 2% as compared to the 2021/2022 annual performance. The decrease may be caused by a number of key performance indicators that were not measured in the first and second quarter performance reports.

ADJUSTMENT SDBIP

Regulation 23 of the municipal Budget and Reporting regulation provides, inter alia, for the following:

"An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and performance assessment has been tabled to council, but not after the 28 of February of each year".

A revised Top Layer SDBIP will be submitted with the Adjustment budget to council on or before 28 February 2023 with the necessary motivation where key performance indicators requires an adjustment/amendments.

SUMMARY AND CHALLENGES

Annexure A is the unaudited Top Layer SDBIP for the first half of the financial year ending 31 December 2022, which measures the Mogalakwena Municipality's overall performance per KPA's. The report includes the performance comments and corrective measures indicated for targets not achieved.

ANNEXURES

Annexure A: measures performance targets as set in the Services Delivery and Budget Implementation Plan

Annexure B: measures progress on Capital Projects also as indicated in the Service Delivery and Budget Implementation Plan.

8,1 ANNEXURE A														
8.1.1 KPA 1: SPATIAL RATIONALE														
Strategic objectives	Programme	Key performance indicator	Baseline 2022/2023	Annual target	Quarterly Performance		Actual expenditure	Mid-year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not achieved/ not measured	Lead department
					Quarterly target	Quarterly Performance								
The optimum utilisation of land	Land Use	1.SDF and LUS reviewed and approved by Council by 30 June 2023	Approved 2009 SDF and LUS	Approved SDF and LUS	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Target not measured	Planning & Development
					Not planned for this quarter	Not planned for this quarter								

8.1.2 KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/ not	Lead department
					Quarterly Target	Actual Performance								
Foster, regulate, maintain and promote a sustainable environment	Waste management	2.Number of formal households with access to waste collection by June 2023	16257	16250	16250	16293	-	16488	-	Not applicable	Not applicable	GS506	Target achieved	Community services
					16250	16488								
Improve the quality of lives through social development and the provision of effective community services	Fire services	3.Number of fire inspections conducted	126	120	30	35	-	49	-	Fire services taken to WDM	Remove the KPI	Inspection forms, building plan inspection forms	Target not achieved	Traffic and emergency services
					30	14								
Improve the quality of lives through social development and the provision of effective community services	Road safety and traffic control	4.Number of speed checks conducted by June 2023	41	100	25	20	-	45	-	Speed was not calibrated	Speed machines to be calibrated on time	Speed law enforcement operation control list	Target not achieved	Traffic and emergency services
					25	25								
To improve the quantity and quality of municipal infrastructure and services	Water	5.Number of formal households with access to basic level of water and sanitation by 30 June 2023	13212	13212	13212	13224	-	24393	-	Not applicable	Not applicable	BS506	Target achieved	Technical services
					13212	24393								
To improve the quantity and quality of municipal infrastructure and services	Water	6.Number of Water Meter Audit conducted by 30 June 2023	0	500	125	0	-	0	-	No budget	Budget provision to be made in 2023/24 FY	None	Target not achieved	Technical services
					125	0								

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not	Lead department
					Quarterly Target	Actual Performance								
To improve the quantity and quality of municipal infrastructure and services	Water	7.Percentage of water loss	47%	25%	25%	70.00%	-	79%	-	Leaks, malfunctioning meter and estimated billing	Attend to all water leaks and replace malfunctioning meters	Water losses calculations and invoices	Target not achieved	Technical services
					25%	79.50%								
To improve the quantity and quality of municipal infrastructure and services	Water & Sanitation	8.Number of test conducted reports on Water Quality by 30 June 2023	12	12	3	3	0	6	-	Not applicable	Not applicable	Lab-test results	Target achieved	Technical services
					3	3								
To improve the quantity and quality of municipal infrastructure and services	Water & Sanitation	9.Number of test conducted reports on Waste Water Quality by 30 June 2023	6	12	3	0	0	3	-	Delays in appointment of the laboratory	Waste water tests to be conducted starting from October 2022	Lab-test results	Target not achieved	Technical services
					3	3								
To improve the quantity and quality of municipal infrastructure and services	Roads and storm water	10.Length of km roads tarred	2,9km	9.83km roads tarred	Road base and bed at 50%	Road base and bed at 0%	R0		-			Appointment letter	Target not achieved	Technical services
					Road base and bed at 80%									
To improve the quantity and quality of municipal infrastructure and services	Roads and storm water	11.Length of km of roads bladed	700km	300km	75km	163KM	-	291,8km	-	Not applicable	Not applicable	Job cards and daily work sheets	Target achieved	Technical services
					75km	128,8km								

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/ not	Lead department
					Quarterly Target	Actual Performance								
To improve the quantity and quality of municipal infrastructure and services	Roads and storm water	12.Length of km of roads regravelled	100,5km	450km	120km	0km	-	0km	-	Machinery breakdown	Fast-tracking repairs of machinery	None	Target not achieved	Technical services
					120km	0km								
To improve the quantity and quality of municipal infrastructure and services	Roads and storm water	13.Area of road square meters patched	6835,56m2	4000m2	1000m2	635M2	-	3221km	-	Lack of transportation of staff, only one bakkies available making progress very low	Fast-track fixing of two bakkies	Job cards and daily work sheets	Target not achieved	Technical services
					1000m2	2586km								
To improve the quantity and quality of municipal infrastructure and services	Roads and storm water	14.Number of cubic meter of storm water drainage maintained	0	1500m3	375m3	35m3	-	6471,5m3	-	Lack of transportation of staff, only one bakkies available making progress very low	Fast-track fixing of two bakkies	Job cards and daily work sheets	Target not achieved	Technical services
					375m3	6436.5m3								
To improve the quantity and quality of municipal infrastructure and services	Electrification	15.Number of households with access to electricity	0	350 households electrified	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Target not measured	Electrical services
					Not applicable	Not applicable								

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not	Lead department
					Quarterly Target	Actual Performance								
To improve the quantity and quality of municipal infrastructure and services	Energy efficiency	16.Number of electricity meter audit conducted	1578	500	125	196	-	361	-	Not applicable	Not applicable	Meter audit forms	Target achieved	Electrical services
					125	165								
To improve the quantity and quality of municipal infrastructure and services	Electricity Loss control	17.Percentage of electricity loss	24.00%	20%	20%	24.00%	-	28.24%	11236732/39785313	Lack of staff complement to assist in dealing with either capturing of actual reading and shortage of materials e.g. meters	Put all matters needed as and when either materials or staff to tackle the losses	Water losses calculations and invoices	Target not achieved	Electrical services
					20%	28.24%								

3.1.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT														
Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not	Lead department
					Quarterly Target	Actual Performance								
To create inclusive and well-coordinated investment opportunities for the growth of the economy	Job creation	18.Number of Jobs created through LED initiatives including capital projects	103	200	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Target not measured	Planning and development services
					Not planned for this quarter	Not planned for this quarter								
To create inclusive and	Business information	19. Number of business	0	4	1	1	-	2	-	Not applicable	Not applicable	Copies of invitatio	Target achieved	Planning and development
					1	1								
To create inclusive and well-coordinated investment opportunities for the growth of the economy	Flea market	20.Number of flea markets held	0	2	Not planned for this quarter	Not planned for this quarter	-	1	-	Not applicable	Not applicable		Target achieved	Planning and development services
					1	1								

8.1.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT														
Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not achieved/ not	Lead department
					Quarterly Target	Actual Performance								
Sound and efficient financial management	Budget and Reporting	21.Development and submission of compliant Annual Financial Statements to the Auditor General by 31 August 2022	AFS developed and submitted to AG by 31 August 2021	Development and submission of Annual Financial Statements to the Auditor General by 31 August 2022	Development and submission of Annual Financial Statements to the Auditor General by 31 August 2022	AFS developed and submitted to the Auditor General on the 31 August 2022	R15 993 366	AFS developed and submitted to the Auditor General on the 31 August 2022	-	Delays in finalisation of audit by AG	The AG audit was finalised and financial statement will be developed in Q3	Acknowledgement letter	Target not achieved	Budget & Treasury
					Development and submission of six months financial statement	Six month financial statement not developed								
Sound and efficient financial management	Budget and Reporting	22.Number of Action Plan for 2021/2022 AG Audit Queries developed and submitted to Council by 31 January 2023	1	1	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Target not measured	Budget & Treasury
					Not planned for this quarter	Not planned for this quarter								
Sound and efficient financial management	Budget and Reporting	23.Percentage of AG queries resolved as per the Action Plan by 30 June 2023	87%	100%	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Target not measured	Budget & Treasury
					Not planned for this quarter	Not planned for this quarter								
Sound and efficient financial management	Budget and Reporting	24.Development and approval of the credible mSCOA compliant Annual Budget approved by Council by 31 May 2023	Final and approved budget by May 2022	Final and approved annual budget by May 2023	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Target not measured	Finance Department
					Not planned for this quarter	Not planned for this quarter								

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not achieved/ not	Lead department
					Quarterly Target	Actual Performance								
Sound and efficient financial management	Budget and Reporting	25.Number of MFMA Section 71 Reports submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month	12	12	3 3	3 2	-	5	-	Lack of capacity due the suspension of Divisional Head: Budget and treasury	Submission of the sec71 reports on time	Copies of emails for provincial and National treasuries.	Target not achieved	Finance Department
Sound and efficient financial management	Budget and Reporting	26.cost coverage of 3 months by 30 June 2023	0,35 months	3 months	2 months 2 Months	0,59 Months 0 Months	-	0 Months	-69 280 923 / 83 769 914	Municipal expenditure are hire	Need to improve collection and reduce spending	Monthly report and Bank statements	Target not achieved	Finance
Sound and efficient financial management	Budget and Reporting	27.Percentage capital budget spent on budgeted capital projects identified for 2022/2023 financial year	51%	100%	20% 50%	5.6% 14.15%	39 241 039	0	39 241 039 / 277 289	Delays in SCM processes	Appointment of service providers and improve expenditure report	C Schedule – Capital Expenditure Report	Target not achieved	Finance department
Sound and efficient financial management	Budget and Reporting	28.Percentage spent on the MIG grants approved projects by 30 June 2023	59%	100%	20% 50%	8.2% 25.59%	45 031 734	25,59%	45 031 734 / 175 949 099	Delays in SCM processes	Service providers appointed	C Schedule – Capital Expenditure Report	Target not achieved	Finance department
Sound and efficient financial management	Budget and Reporting	29.Percentage of budget spent on the WSIG grants approved projects by 30 June 2023	50%	100%	20% 50%	1.8% 7%	33 974 458	7,13%	3 397 458 / 47 640 000	Contract 06- Is with SIU Contract 29 – is was abandoned but now site is resumed Contract 22- is experiencing cashflow challenges and is 80% behind schedule	Bids are advertised to resume site for Contract 6 as soon as SIU hands over the site. VO for additional funding for Contract 29 is approved and site resumed 03/10/22 Contractor for contract 22 is on terms for termination	C Schedule – Capital Expenditure Report	Target not achieved	Finance department

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not achieved/ not	Lead department
					Quarterly Target	Actual Performance								
Sound and efficient financial management	Budget and Reporting	30.Percentage of budget spent on the RBIG grants approved projects by 30 June 2023	40%	100%	20%	0%	0	48%	19 274 514 / 40 000 000	Delays in SCM processes	Service providers appointed	C Schedule – Capital Expenditure Report	Target not achieved	Finance department
Sound and efficient financial management	Budget and Reporting	31.Percentage of budget spent on the INEP grants approved projects by 30 June 2023	34.58%	100%	10%	0%	0	18%	1 246 112 / 7 000 000	Delays in SCM processes	Tenders advertised and appointment of a suitable service provider will be made after the closing date	C Schedule – Capital Expenditure Report	Target not achieved	Finance department
Sound and efficient financial management	Asset Management	32.Number of asset verification reports complied - movables (sampling) by 30 June 2023	1	4	1	1	-	1	-	Delays in finalisation of audit by AG	AG audit finalised, Assets verification will be conducted in Q3	Assets register	Target achieved	Finance Department
Sound and efficient financial management	Free basic services	33.Percentage of Registered Indigents with access to Free Basic Services by 30 June 2023	100%	100%	100%	100%	14647149.00	100%	1874/1874	Not applicable	Not applicable	2022/2023 Indigent Register (BP954)	Target achieved	Finance department
Sound and efficient financial management	Revenue Management	34.Percentage of Service Debtors Revenue by 30 June 2023	87%	100%	100%	90%	-	94%	1421307876.35/15010111	Credit control actions not performed consistently and the process to install prepaid meters in Mahwelereng stalled	To implement credit control and start the process for installation of pre-paid water meters	Billing Report BP136 GS 560	Target not achieved	Finance Department
Sound and efficient financial management	Revenue Management	35.Percentage of debtors collection rate by 30 June 2023	64%	100%	100%	18%	-	47%	79006893.91 /164721858.52	Credit control actions (warning and cut-offs) not consistently followed. Mahwelereng and Rebone only have water and cannot be cut	Warnings and cut offs be implemented	Monthly Report BS 902	Target not achieved	Finance department

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not achieved/ not	Lead department
					Quarterly Target	Actual Performance								
Sound and efficient financial management	Revenue enhancement	36. Number of times that agreed portion of revenue from drivers licence cards were paid over prodiba by 15th of each month	11	12	3 3	3 3	-	6	-	Not applicable	Not applicable	Proof of payment	Target achieved	Traffic and emergency services
Sound and efficient financial management	Supply Chain Management	37. Number of reports on the implementation of SCM Policy compiled and tabled to Council by 30 June 2023	0	4	1 1	1 0	-	1	-	Lack of capacity in the SCM unit- no divisional head	Capacitate SCM unit and table SCM report to council	Copy of SCM report and council resolution	Target not achieved	Finance department
Sound and efficient financial management	Supply Chain Management	38. Number of deviation reports compiled and tabled to Council by 30 June 2023	0	4	1 1	1 0	-	1	-	Lack of capacity in the SCM unit- no divisional head	Capacitate SCM unit and table deviation report to council	Copy of deviation report and council resolution	Target not achieved	Finance department
Sound and efficient financial management	Supply Chain Management	39. Percentage of tenders and bids awarded within 90 days after closure of advertisement	100%	100%	100% 100%	0% 0%	-	0%	0/10			copies Advertised tenders	Target not achieved	Finance department
Sound and efficient financial management	Expenditure Management	40. Percentage of creditors paid within 30days (as per MFMA S65) of receipt of invoices and all necessary supporting documentation	58%	100%	100% 100%	83% 81%	-	81%	989/1223	Payments were not paid in time due to cash flow problem as results of low collection of revenue	Improvement of revenue collection through implementation of debt collection and credit control policy	HR994	Target not achieved	Finance department
Sound and efficient financial	Revenue enhancement	41. Percentage of debt over 90 days collected	89%	100%	100% 100%	18% 15%	-	15%	-	Credit control actions (warning and cut-offs) not	Warnings and cut offs be implemented	BP 349	Target not achieved	Finance department

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not achieved/ not	Lead department
					Quarterly Target	Actual Performance								
Sound and efficient financial management	Revenue enhancement	42. Percentage of revenue (as per quarterly projections)	58%	100%	100%	24%	-	19	62983943.56-362850348.03)/1501011111	Credit control actions (warning and cut-offs) not consistently followed. Mahwelereng and Rebone only have water and cannot be cut	Warnings and cut offs be implemented	GS560	Target not achieved	Finance department
					100%	19%								
Sound and efficient financial management	Training and development	43. Percentage of budget spent on work place skills plan	10.00%	100%	20%	36%	42021	44%	51 121/115 869	Not applicable	Not applicable	G040 financial information	Target not achieved	Community services
					50%	44%								

8.1.5 KPA 5: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT														
Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/not achieved/ not	Lead department
					Quarterly Target	Actual Performance								
To develop and implement integrated management and governance systems	Legal Services	44. Number of Litigation Reports compiled and submitted to Council by 30 June 2023	0	4	1 1	0 0		0	-	Constant changes of acting managers	Table litigation report in the next council meeting	Litigation report	Target not achieved	Corporate Service
To ensure that all stakeholders within the institution are adequately capacitated and retained	Local Labour Forum	45. Number of LLF meetings held by 30 June 2023	3	4	1 1	0 0	-	0	-	The scheduled meeting was postponed due to commitment of the chairperson of the LLF	Reschedule LLF meeting	Copies of invitations letters and letter for postpone ment.	Target not achieved	Corporate Service
To ensure that all stakeholders within the institution are adequately capacitated and retained	Organisational development	46. Organograms Reviewed and approved by 30 June 2023	Org structure not reviewed	Reviewed and approved	Not planned for this quarter Draft organisational structure in place	Not planned for this quarter Draft organisational structure not in place	-	Draft organisation structure not in place	-	Not done for the quarter however we will ensure that it is done in Q3	Development of the organisational structure in compliance the laws and regulation in Q3	None	Target not achieved	Corporate Service
To ensure that all stakeholders within the institution are adequately capacitated and retained	Human resources	47. Number of HR related policies developed. Shift policy; placement policy and organisation review policy	0	3	Not planned for this quarter 3 draft policies in place	Not planned for this quarter 3 draft policies in place	-	3 draft policies in place	-	Not applicable	Not applicable	Draft policies	Target achieved	Corporate Service
To ensure that all stakeholders within the institution are adequately capacitated and retained	Human Resources & Development	48. Number of WSP developed and submitted to LGSETA by 30 April 2023	1	1	Not planned for this quarter Not planned for this quarter	Not planned for this quarter Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Target not measured	Corporate Service
To ensure that all stakeholders within the institution are adequately capacitated and retained	Staff retention	49. Percentage of budgeted vacant positions on the organogram filled within three months after advertisement	0%	100%	20% 50%	57% 57%	-	57%	4/7	Delays in appointment of CFO, Manager Traffic and Emergency services and Community services	Appointment of all senior management positions	Copies of council resolutions and appointment letters	Target achieved	Corporate Service

8.1.6 KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/ not achieved/	Lead department
					Quarterly Target	Actual Performance								
Develop and implement efficient management and governance systems	Integrated Development Plan	52. Number of IDP/PMS/Budget Process Plan approved by Council 30 August 2022	1	1	1	1	-	1	-	Not applicable	Not applicable	2022/2023 Council approved Process Plan with Council Resolution	Target achieved	Planning & Development
Develop and implement efficient management and governance systems	Integrated Development Plan	53. Development and adoption of the 2022/2023 IDP by Council by 30 May 2023	Final approved IDP by May 2022	Development and adoption of the 2023/2024 IDP	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Target not measured	Planning & Development
					Not planned for this quarter	Not planned for this quarter								
Develop and implement efficient management and governance systems	Integrated Development Plan	54. Number of IDP Representative Forums held by 30 June 2023	4	4	1	1	-	2	-	Not applicable	Not applicable	Attendance registers and agendas	Target achieved	Planning & Development
To develop and implement integrated management and governance systems	Performance Management System	55. Number of MFMA Section 52 reports compiled and submitted to Council by 30 June 2023	4	4	1	0	-	2	-	Not applicable	Not applicable	Copies of council resolution	Target achieved	Office of the MM
					1	2								
To develop and implement integrated management and governance systems	Performance Management System	56. Number of SDBIPs approved by the Mayor 28 days after the approval of the budget	1	1	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Not planned for this quarter	Target not measured	Office of the Municipal Manager
					Not planned for this quarter	Not planned for this quarter								

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/ not achieved/	Lead department
					Quarterly Target	Actual Performance								
To develop and implement integrated management and governance systems	Performance Management System	57. Percentage of Section 54A/56 Performance Agreements signed year to date	0%	100%	100%	100%	-	100%	7/7	Not applicable	Not applicable	Copies of signed PA	Target achieved	Office of the Municipal Manager
					100%	%								
To develop and implement integrated management and governance systems	Municipal communication	58. Number of newsletters issued to communities on quarterly basis by 30 June 2023	1	4	1	1	-	1	-	Delays in printing of the news letter	Printing of the news letter in Q3		Target not achieved	Office of the Municipal Manager
					1	0								
To develop and implement integrated management and governance systems	Ward Committees	60. Number of Ward Committees reports submitted to Speaker by 30 June 2023	0	32	32	0	-	0	-	delays in the induction of newly appointed ward committee member due to budget constraints	Induction and training of ward committee members will be conducted in February 2023 in conjunction with COGHSTA	None	Target not achieved	Office of the speaker
					32	0								
To develop and implement integrated management and governance systems	Audit	61. Obtain Unqualified Audit Opinion by 30 June 2023	Qualified opinion	Unqualified audit opinion	Not planned for this quarter	Not planned for this quarter	-	Qualified opinion	-	Municipality still have some unresolved findings on PPE, consumer deposits, impairment provision	Service provider has been appointed to assist the municipality in addressing the issues.	Audit report	Target not achieved	Office of the Municipal Manager
					Q2: Unqualified audit opinion	Q2: Qualified audit opinion								

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/ not achieved/	Lead department
					Quarterly Target	Actual Performance								
To develop and implement integrated management and governance systems	Auditing	62. Percentage of queries raised by internal audit resolved	32%	100%	20%	25%	-	40%	-	Managers were appointed in the 2nd quarter and have started with the implementation of the	Follow-Up report to be reported to Broader Management on a bi-weekly basis for the implementation	Follow-up report	Target achieved	Office of the Municipal Manager
					50%	40%								
To develop and implement integrated management and governance systems	Audit	63. Number of Audit Committee meetings held by 30 June 2023	7	4	1	2	-	R4	-	Not applicable	Not applicable	Signed Attendance Registers and Minutes	Target achieved	Office of the Municipal Manager
					1	2								
To develop and implement integrated management and governance systems	Audit	64. Number of Performance Audit Committee meetings held by 30 June 2023	8	4	1	2	-	4	-	Not applicable	Not applicable	Signed Attendance Registers and Minutes	Target achieved	Office of the Municipal Manager
					1	2								
To develop and implement integrated management and governance systems	Audit	65. Number of Audit Committee Reports tabled to Council by 30 June 2023	6	4	1	0	-	0	-	1st Quarter Reports not yet presented to Audit Committee.	Audit Committee meeting arranged to be held on the 26th of January 2023 for discussion of the reports	None	Target not achieved	Office of the Municipal Manager
					1	0								

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/ not achieved/	Lead department
					Quarterly Target	Actual Performance								
To develop and implement integrated management and governance systems	Risk Management	66. Number of Risk Management committee meetings held by 30 June 2023	5	4	1	1	34372	2	-	Not applicable	Not applicable	Invite, attendance register and minutes of the meeting	Target achieved	Office of the Municipal Manager
					1	1								
To develop and implement integrated management and governance systems	Risk Management	67. Percentage of risks identified and resolved	18%	100%	25%	19%	-	24%	17/70	Lack of commitment by action owners as a result of change management	Appointment of senior managers	Risk management report	Target not achieved	Office of the Municipal Manager
					50%	24%								
To develop and implement integrated management and governance systems	Public participation	68. Number of public participation meeting held (Imbizo)	0	4	1	0	-	0	-	No special programme (Special project officer transferred to community services)	Appointment of special project officer with a contract fixed to the term of the Mayor	None	Target not achieved	Office of the Municipal Manager
					1	0								
To develop and implement integrated management and governance systems	MPAC	69. Number of MPAC meeting held	3	4	1	0	-	1	-	Due to non submission of reports MPAC meetings could not be held	Hold MPAC meeting as per the approved Annual Work Programmes	None	Target not achieved	Office of the Municipal Manager
					1	1								

Strategic objectives	Programme	Key performance indicator	Baseline 2021/2022	Annual target	Quarterly Performance		Actual expenditure	Mid-Year Performance	Method of calculations	Reason for variance	Corrective measure	POE	Target achieved/ not achieved/	Lead department
					Quarterly Target	Actual Performance								
To develop and implement integrated management and governance systems	MPAC	70. Number of MPAC reports tabled to council and approved by 30 June 2023	1	4	1	0	-	0	-	No reports referred to MPAC by council	Report to council on a quarterly basis	None	Target not achieved	Office of the Municipal Manager
					1	0								

9. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, **MM Maluleka** acting municipal manager of Mogalakwena Local Municipality (LIM367), hereby certify that the monthly budget statement report and supporting documentation for the quarter ended 31 December 2022 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

MM MALULEKA

MUNICIPAL MANAGER