

# MANTSOPA



**LOCAL MUNICIPALITY**  
**PLAASLIKE MUNISIPALITEIT**  
**LEKGOTLA LA MOTSE**

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**25 January 2021.**

## **QUARTERLY PERFORMANCE ASSESSMENT REPORT FOR THE PERIOD 01 JANUARY 2020 TO 31 MARCH 2020**

### **1. PURPOSE**

- 1.1** To provide a report to the Executive Committee regarding the financial performance and fiscal affairs of the municipality during the first half of the financial year as prescribed in terms of sections 52(d) and 54(f) of the Local Government: Municipal Finance Management Act, 56 of 2003.

### **2. PRE-DETERMINED OBJECTIVES**

- 2.1** To ensure that the municipality is managed in a transparent, equitable and responsible manner.

### **3. BACKGROUND**

In terms of the adopted Mantsopa Local Municipal Performance Management Framework and Section 52d and 54(f) of the Municipal Finance Management Act, 56 of 2003; the Mayor must table the Quarterly Performance Assessment and Section 72 Reports regarding the financial and fiscal affairs of the Municipality to Council 30 days at the end of each quarter.

### **4. DISCUSSION**

In terms of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such assessment must in terms of Section 72(1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury. Once the Mayor has considered the report, he must submit the report to Council by 31 January in terms of Section 54 of the MFMA.

The Mid-Year Budget & Performance reports and supporting tables of Mantsopa Local Municipality, prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations, to illustrate the performance in graphical and tabular format are attached as Annexures A to Annexure G. This report is a summary of the main budget issues arising from the budget monitoring process. It compares the progress of the budget in terms of actual income and expenditure to the projections contained in the Services Delivery and Budget Implementation Plan (SDBIP).

## 5 STAKEHOLDERS CONSULTED

Mayor

## 6 STAFF IMPLICATIONS

None.

## 7 FINANCIAL IMPLICATIONS

The municipality may not be able to service its financial obligations given the current state of its financial position as indicated in the report (attached)

## 8 LEGAL IMPLICATIONS

In compliance with the Local Government: Municipal Finance Management Act, 56 of 2003.

## 9 RISKS IMPLICATIONS

The Municipality risk litigations from some of its creditors, some projects may not be concluded within the contracted period, furthermore, the municipality may not honour its financial and service delivery obligations.

## 10. ANNEXURES

(a) 2020/2021 Mid- Year Budget & Performance Assessment Report

## 10 RECOMMENDATIONS

10.1 That the Executive Committee consider the report and submit recommendations to Council.

PREPARED BY

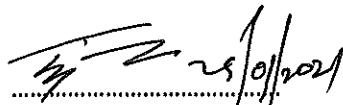


D E NANA

MANAGER: OPMS

28/01/2021

APPROVED BY



T.P MASEJANE

MUNICIPAL MANAGER

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# MANTSOPA LOCAL MUNICIPALITY



## In-Year Report of the Municipality

Prepared in terms of the Local Government: Municipal Finance

Management Act (56/2003): Municipal Budget and Reporting

Regulations, Government Gazette 32141, 17 May 2009.

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## Mid-year Budget & Performance Assessment for the period: 01 July 2020 to 31 December 2020



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## Table of contents

### GLOSSARY

#### Chapter 1: PURPOSE, INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 Executive Summary
  - 1.1.1 Table C1 Budget Statement Summary

#### Chapter 2: BUDGET PERFORMANCE ANALYSIS

- 2.1 OPERATIONAL INCOME AND EXPENDITURE PERFORMANCE
  - 2.1.1 Operating Income
    - 2.1.1.2. Revenue management
    - 2.1.1.3 Investments and Cash Management
  - 2.1.2 Operating Expenditure

- 2.2 CAPITAL BUDGET AND PERFORMANCE

#### Chapter 3: SERVICE DELIVERY PERFORMANCE ANALYSIS

- 3.1 CREATING A CULTURE OF PERFORMANCE
  - 3.1.1 Performance Framework
  - 3.1.2 Implementation of Performance Management
  - 3.1.3 Monitoring Performance

- 3.2 OVERALL SERVICE DELIVERY PERFORMANCE

- 3.3 SUMMARY AND CHALLENGES

#### CHAPTER 4 FINANCIAL PERFORMANCE ANALYSIS

- 4.1 Cash Management
- 4.2 Outstanding Debtors
- 4.3 Outstanding Creditors

#### CHAPTER 5: ADJUSTMENTS BUDGET

#### CHAPTER 6: ANNUAL REPORT

#### CHAPTER 7: RECOMMENDATIONS



**CHAPTER 8: MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

**CHAPTER 8: ANNEXURES**

**8.1 MID-YEAR CONSOLIDATED SECTION 71 REPORTS**

Annexure A: Transfers and Grants Receipts

Annexure B: Statement of Financial Performance

Annexure C: Age Creditors

Annexure D: Age Debtors

Annexure E: Cash Flow Statement

Annexure F: Capital Expenditure by Vote

Annexure G: Investment Portfolio

**8.2 STRATEGIC SERVICE DELIVERY PERFORMANCE**

Annexure E: Top Layer SDBIP per National KPA and assessment of targets achieved

Annexure F: Top Layer Dashboard of overall performance per National KPA

Annexure G: Departmental SDBIP Dashboard of overall performance per department



## Glossary

<b>Adjustment Budget-</b> Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its Annual Budget during the year.
<b>Allocations</b> – Money received from Provincial or National Government or other municipalities
<b>Budget</b> - The financial plan of the municipality
<b>Budget Related Policy</b> – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy
<b>Capital Expenditure</b> – Spending on assets such as land, buildings and machinery. Any capital expenditure must be as an asset or work in progress on the Municipality's balance sheet
<b>Cash Flow Statement-</b> A statement showing when actual cash is received and spent by the municipality. Cash payments do not always coincide with budgeted expenditure timings, For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
<b>DORA</b> – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from National government.
<b>Equitable Share</b> – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
<b>MTREF</b> – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
<b>Operating Expenditure</b> – Spending on the day to day expenses of the Municipality such as salaries, repairs, etc.
<b>SDBIP</b> – Service Delivery and Budget Implementation Plan. A detailed Plan comprising quarterly performance targets and Monthly budget estimates
<b>Vote</b> - One of the main segments into which a budget is divided, usually at directorate/ department level



## **CHAPTER 1: PURPOSE**

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The mid-year report is used as a management tool to assess the Municipality's performance and financial position against the approved budget by analysing trends and patterns for the first six months of the 2020/21 financial year, with a view of giving effect to the Mayor and Councils oversight role and to recommend the need for an adjustment budget as envisaged by the Municipal Finance Management Act 56 of 2003

## **CHAPTER 1: INTRODUCTION**

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In terms of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such assessment must in terms of Section 72(1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the report, he must submit the report to Council by 31 January in terms of Section 54 of the MFMA.

The mid-year performance reports and supporting tables of Mantsopa Local Municipality, prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations, to illustrate the performance in graphical and tabular format are attached as Annexures A to Annexure G.

## **CHAPTER 1: EXECUTIVE SUMMARY**

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This report is a summary of the main budget issues arising from the budget monitoring process. It compares the progress of the budget in terms of actual income and expenditure to the projections contained in the Services Delivery and Budget Implementation Plan (SDBIP).

The following categories provide a consolidated overview of the implementation of the budget of the Municipality.

### **1.1.1 Table C1 Pre-audited budget and actuals summary**

The following table provides a summary of the Municipality's performance on Capital, Operational Financial Position, Cash flow, Debtors Age Analysis and Creditors analysis as at 31 December 2020:

19.



# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

Pose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		20 177	18 768	-	11 312	39 615	32 844	6 771	21%	18 768
Service charges - electricity rev		44 128	48 164	-	13	75	84 302	(84 227)	-100%	48 164
Service charges - water reven		30 460	51 400	-	12 712	20 520	89 950	(69 430)	-77%	51 400
Service charges - sanitation re		22 035	21 103	-	14 601	51 088	36 930	14 157	38%	21 103
Service charges - refuse rever		16 295	14 704	-	10 185	35 609	25 733	9 876	38%	14 704
Rental of facilities and equipmen		1 268	1 398	-	-	-	2 447	(2 447)	-100%	1 398
Interest earned - external inves		238	230	-	3	19	403	(383)	-95%	230
Interest earned - outstanding d		24 616	38 000	-	25 214	87 064	66 500	20 564	31%	38 000
Dividends received		11	36	-	36	175	63	112	178%	36
Fines, penalties and forfeits		309	140	-	1	3	245	(242)	-99%	140
Licences and permits		10	-	-	17	56	18	38	211%	-
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		100 528	95 956	-	41 166	242 836	178 554	64 282	36%	95 956
Other revenue		1 437	2 696	-	598	2 327	4 719	(2 392)	-51%	2 696
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions )		281 510	292 596	-	115 857	479 389	522 708	(43 319)	-8%	292 596
Expenditure By Type										
Employee related costs		92 351	110 212	-	8 680	51 963	188 241	(136 278)	-72%	110 212
Remuneration of councillors		7 197	7 754	-	591	3 546	9 299	(5 754)	-62%	7 754
Debt impairment		152 992	46 435	-	-	-	81 261	(81 261)	-100%	46 435
Depreciation & asset impairment		71 505	5 325	-	-	-	9 319	(9 319)	-100%	5 325
Finance charges		23 253	8 220	-	371	2 224	14 385	(12 161)	-85%	8 220
Bulk purchases		49 546	50 085	-	7 125	42 627	87 649	(45 022)	-51%	50 085
Other materials		7 068	5 844	-	510	2 426	10 228	(7 802)	-76%	5 844
Contracted services		20 768	17 046	-	1 329	4 569	29 830	(25 261)	-85%	17 046
Transfers and subsidies		995	50	-	-	-	88	(88)	-100%	50
Other expenditure		32 378	36 222	-	2 834	14 784	69 365	(44 581)	-75%	36 222
Losses		958	-	-	-	-	-	-	-	-
Total Expenditure		459 011	287 193	-	21 422	122 139	489 664	(367 526)	-75%	287 193
Surplus/(Deficit)		(197 500)	5 403	-	94 435	357 250	33 043	324 206	0	5 403

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## CHAPTER 2: BUDGET PERFORMANCE ANALYSIS

### 2.1 OPERATION INCOME AND EXPENDITURE PERFORMANCE (Annexure B)

Items of income and expenditure with major deviations from the budget are as follows:

#### 2.1.1 OPERATING INCOME

Budget Billings	VS	Annual Budget	Total Budget July-Dec 2018	Actual billings July – Dec 2018	Percentages
		(R)	(R)	(R)	
Property rates		18 768 000	9 384 000	14 270 995	152%
Water Revenue		51 400 000	25 700 000	24 030 096	94%
Sanitation Revenue		21 103 000	10 552 000	16 792 527	159%
Refuse Revenue		14 704 000	7 352 000	11 673 604	159%
Electricity		48 164 000	24 082 000	23 082 851	96%
<b>Total</b>		<b>154 139 000</b>	<b>77 040 000</b>	<b>89 850 073</b>	<b>117%</b>

**Property rates:** During the 1<sup>st</sup> semester R 9 384m was the targeted projection billing but however R14,270m was billed during the semester, which means that we have billed 52% more than projected for the semester. This was because of billing data cleansing which was done around September/October during compilation of annual financial statements, a lot of corrections on consumer accounts, billing understatement and corrections of valuation roll property categories and implementation of supplementary valuation roll in November 2020. The corrections were done before budget process.

**Water Revenue:** The Municipality budgeted a total of R 25 700m and billed R24,030m during the semester which indicates that we were 6% close to our target for the semester. The same reason is that of corrections and cleansing of billing data which took place around September/October with the assistance of a service provider

**Sanitation/ Sewerage Revenue:** The 1<sup>st</sup> semester budget for the sanitation was R10,552m and billed R16 792m, which means that we have billed 59% more than our target for the semester. The same reason is that of corrections and cleansing of billing data which took place around September/October with the assistance of a service provider

**Refuse Revenue:** The Municipality budgeted R7 352m and billed R11,673m, which means that we have billed 59% more than our target for the semester. The same reason is that of corrections and cleansing of billing data which took place around September/October with the assistance of a service provider.

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## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

**Electricity:** The electricity mid-term budgeted sales is projected at **R24 082m**, the actual billing at the end of the semester is **R23 082m** which is **96%** close to the projected

Billing VS Receipts	Annual Budget	Total Billing July-Dec 2020	Actual Receipts July -Dec 2020	Collection rate
	(R)	(R)	(R)	%
Property rates	18 768 000	14 270 995,14	3 530 592,67	25%
Water Revenue	51 400 000	24 030 096,46	2 916 539,09	12%
Sanitation Revenue	21 103 000	16 792 527,69	1 535 544,27	9%
Refuse Revenue	14 704 000	11 673 604,68	1 349 603,34	12%
Electricity	48 164 000	23 082 851	9 413 048 Conventional 10 990 166 Pre-paid <b>20 403 204</b>	88%
<b>Total</b>	<b>154 139 000</b>	<b>89 850 074,97</b>	<b>29 735 483,37</b>	<b>33%</b>

The municipality's overall collection rate at the end of the semester was **33%**, another contribution factor was **R14 090 million** COVID-19 relief package by National Treasury which council concluded on the 30 September 2020 that **R8.2 million** of the relief package should be allocated to subsidize trading services, indigents customers and debts to be written off as a result of COVID-19 impact, the balance was spent on COVID 19 PPE, fumigation of offices and water tankering .

### The municipality's collection is categorized per service below:

**Property rates:** During the semester **R 14,270m** was billed and **R 3,530m** was collected by the Municipality, resulting to a collection rate of **25%**. Government accounts i.e., provincial, and national department of Public Works as the custodian and bestows the responsibility of government property rates ensured that all its accounts are up to date or paid in advance. Collection from business properties also played role in the collection rate of the municipality for the semester

**Water Revenue:** The Municipality billed a total of **R 24,030m** and collected **R 2,916m**, resulting in a collection rate of **12%**. It is very noticeable that the collection rate of the municipality was significantly very low during the semester, the COVID 19 impact on consumers and another reason is an internal issue of not issuing accounts on time due to financial system migration

**Sanitation/ Sewerage Revenue:** The 1<sup>st</sup> semester billing for the sanitation was **R 16,792m** and collected **R 1,535m** resulting in collection rate of **9%**. The same reason for a significantly low collection rate is that of COVID 19 impact on consumers or non-payment culture and the internal issue of not issuing accounts on time due to financial system migration

**Refuse Revenue:** The Municipality billed **R 11,673m** and collected **R 1,349m** resulting in a collection rate of **12%**. It is very noticeable that the collection rate of the municipality was significantly very low during the semester, the COVID 19 impact on consumers and another reason is an internal issue of not issuing accounts on time due to financial system migration.

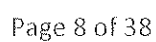
**Electricity:** The 1<sup>st</sup> semester billing was **R23 082m** and actual receipts for the semester was **R20 403m** resulting in a collection rate of **88%**. It must also be noted that the sale of electricity was under-taken by CENTLEC.

1.9

<b>ESKOM Payments July 2020 - December 2020</b>	
<b>Month</b>	<b>Amount</b>
Jul-20	2 603 943,84
Aug-20	1 645 994,74
Sep-20	3 998 922,71
Oct-20	5 305 522,28
Nov-20	5 539 729,72
Dec-20	0
<b>Total</b>	<b>19 094 113,29</b>

December Surplus payment of R1 952 656.89 will happen during Jan 2021

## BUDGET VS BILLING AND RECEIPTS





## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

### 2.1.1.2. Revenue management (Annexure A)

#### ✓ Level of Reliance on Government Grants

**Purpose:** The purpose of this ratio is to determine what percentage of the municipality's revenue is made up of government grants to determine the level of reliance on government funding by the municipality for its operations.

**Formula:** Grants & Subsidies/Total Revenue

These figures are found in the financial system of the Municipality

Description	Total Budget	Actual Receipts
<b>Operational Grants</b>	<b>R</b>	<b>R</b>
Equitable Share	102 750 000	69 744 000
Financial Management Grant	3 000 000	3 000 000
Expanded Public Works Program	1 342 000	940 000
<b>Total Operational Grants</b>	<b>107 092 000</b>	<b>73 684 000</b>
<b>Percentage over Total Income anticipated</b>	<b>69%</b>	

- The Municipality received 68% of its total equitable share allocation for the semester per DORA
- The municipality also received 100% of its Financial Management Grant allocation for the semester
- The municipality received 70% of EPWP grant at the end of the semester

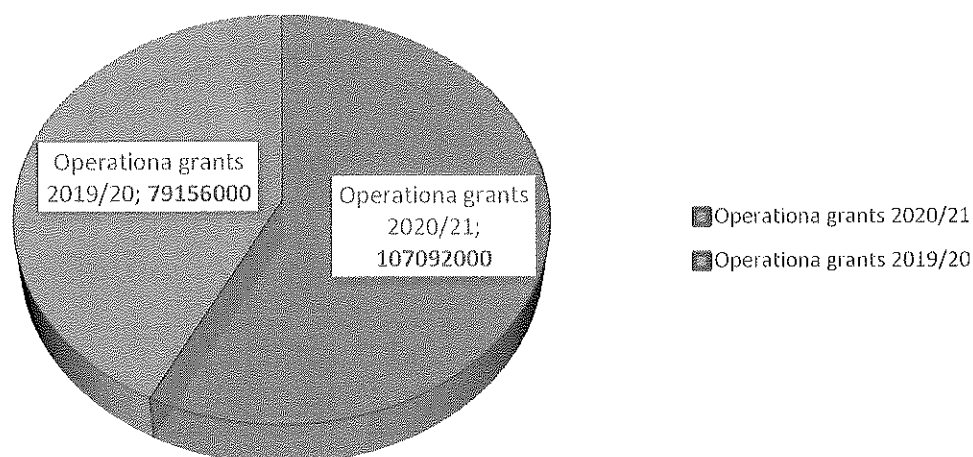
The total operational grants for **2019/20** was R79 156 000.

The total operational grants for **2020/21** is R107 092 000



Graphic illustration of Operational Grants allocations per DORA compared from prior years

### OPERATIONAL GRANTS RECEIVED 2019/20 AND 2020/21



#### 2.1.1.3 Investments and Cash Management (Annexure G)

Investments made with the various financial institutions are strictly in compliance with Municipal Finance Management Act and in terms of the Investment Framework Policy and Guidelines.

The municipality's investment portfolio also includes short term investment on balances on call accounts held from period July 2020 to December 2020, these are typically capital grants received/held and in terms of GRAP are classified as short -term investment.

The municipality did not have a new long-term investment with other institutions during the semester

Other financial assets as previously reported in 2019/20 financial statement were loans receivable with OVK and Buitekklub were valued at R547 753 and did not change

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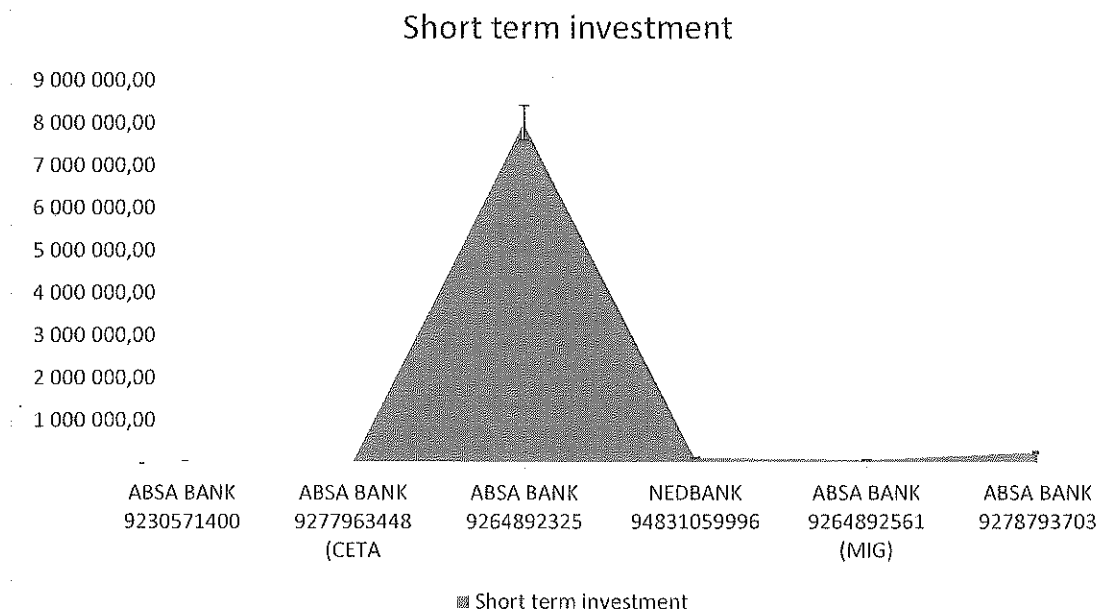


## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

As of December 2020, the balances on call accounts were as follows:

Call Acc Type	Balance at December 2020
ABSA BANK 9230571400	34 615,82
ABSA BANK 9277963448 (CETA	3 028,36
ABSA BANK 9264892325	8 022 885,72
NEDBANK 94831059996	131 331,47
ABSA BANK 9264892561 (MIG)	71 900,64
ABSA BANK 9278793703	257 961,85
<b>Total</b>	<b>8 521 723,86</b>

Graphic illustration of Investments made from July 2020 - December 2020(closing balances only)



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## 2.1.2 OPERATIONAL EXPENDITURE (Annexure B)

Expenditure Items and reason for such increase	Total Budget as of 31 December 2020	Actual Expenditure as at 31 December 2020	Amount Variance	Variance
	(R)'000	(R)'000	(R)'000	(%)
Employee Related costs	55 106	55 405	299	-5%
Bulk Purchases	25 042	7 125	17 917	-40%
Other Expenditure	18 111	1 183	16 928	-6%

**Employee Related costs:** The total employee related costs and remuneration of councilors is at R55 405m at the end of the semester, the amount is inclusive of third parties which were in arrears due to cashflow challenges, however, the municipality paid up all its arrears third parties' amount when the second quarter equitable share grant was received.

**Bulk Purchases:** Bulk purchases for both water and electricity which was R 7 125m at the end of the semester and 40% less than projected, the reason is cash flow constraint caused by low collection rate that the municipality is facing and the burden of Eskom debt and its interest which is our major debt which has a significant balance outstanding.

**Other Expenditure:** Other Expenditure include Repairs and Maintenance, Water Chemicals, Hiring of Equipment, Telephone etc are at R1 183 which is 6% less than projected due to cashflow challenges.

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## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

### 2.2 CAPITAL BUDGET AND PERFORMANCE (Annexure F)

The total capital grants allocations per 2020/21 DORA are as follows

Municipal Infrastructure Grant	19 863 000,00
Water Services Infrastructure Grant	47 000 000,00
Integrated National Electrification Programme Grant	2 724 000,00
<b>Total capital grants</b>	<b>69 587 000,00</b>

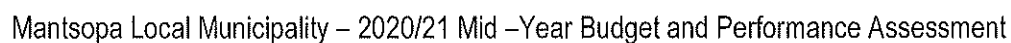
#### MIG Grant

At the end of the semester R10 251m had been received, payment of R8 934m was made for the projects and grant remaining balance as of December 2020 was R420 596,62

Planned expenditure		1 814 034,82	8 917 807,15	1 005 244	930 090	488 144,74	168 616,38	1 090 003		18 869 850,01			933 150		19 863 000,01
TRANSACTION DATE	DESCRIPTION	Manyaleng: Construction of 1.7km Paved roads	Manyaleng: Construction of 1.9 km paved road and storm water Masakeng	Ladybrand: Feasibility of a new Landfill site	Ladybrand: Procurement of Solid Waste Management Tractor and Trailer	Manyaleng: Establishment and formalization of new cemetery	Mahlatsiwe: Construction of 900m paved road and associated storm water	Tweespruit: Upgrading of sports field P1	VAT	TOTAL	Retention	PMU COSTS	Grant received	BALANCE	
01/07/2019	Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	0	
17/07/2020	Grant received	-	-	-	-	-	-	-	-	-	-	-	3 671 000,00	-3 671 000,00	
24/07/2020	PMU Salaries and Travelling subsistence	-	-	-	-	-	-	-	-	-	-	161 317,81	-	-3 509 682,19	
24/08/2020	PMU Salaries and Travelling subsistence	-	-	-	-	-	-	-	-	-	-	161 453,81	-	-3 348 228,30	
26/08/2020	Zallsie	-	1 600 489,57	-	-	-	-	-	240 073,43	1 840 563,00	204 507,00	-	-	-1 303 158,30	
31/08/2020	Olisa Turf	-	-	-	-	-	-	65 302,48	9 945,37	76 247,85	-	-	-	-1 226 910,53	
31/08/2020	Nakani projects	-	-	-	-	-	-	59 498,37	-	59 498,37	-	-	-	-1 167 412,16	
31/08/2020	David's cleaning and safety	-	-	-	-	-	-	49 536,00	7 436,40	56 966,40	55 541,02	-	-	-1 054 904,74	
23/09/2020	PMU Salaries and Travelling subsistence	-	-	-	-	-	-	-	-	-	-	161 464,22	-	- 893 440,52	
25/09/2020	Grant received	-	-	-	-	-	-	-	-	-	-	-	6 580 000,00	-7 473 440,52	
02/10/2020	Zallsie	-	1 833 945,68	-	-	-	-	-	245 091,85	1 079 037,53	208 781,95	-	-	-5 385 621,04	
02/10/2020	Uelswedding	-	123 524,11	-	-	-	-	-	18 528,62	142 052,73	-	-	-	-5 243 568,31	
02/10/2020	Olisa Turf	-	-	-	-	-	-	132 480,00	19 872,00	152 352,00	-	-	-	-5 091 216,31	
02/10/2020	David's cleaning and safety	-	-	-	-	-	-	96 840,90	14 526,14	111 367,04	29 302,12	-	-	-4 950 547,15	
02/10/2020	Hlusu Trading	-	-	-	-	1 119 532,50	-	-	167 929,88	1 287 462,38	143 051,38	-	-	-3 520 033,39	
02/10/2020	Lokells construction and crabs	-	204 300,00	-	-	-	-	-	30 645,00	234 945,00	29 368,13	-	-	-3 255 720,26	
02/10/2020	Empire Brick	635 443,20	-	-	-	-	-	-	95 316,48	730 759,68	-	-	-	-2 524 960,58	
02/10/2020	LMC Ready mix	137 391,30	-	-	-	-	-	-	20 868,70	158 000,00	-	-	-	-2 366 960,58	
02/10/2020	3 sixty precast concrete	29 113,62	-	-	-	-	-	-	4 367,04	33 480,66	-	-	-	-2 333 479,92	
02/10/2020	Hugo & Seus	45 000,00	-	-	-	-	-	-	-	45 000,00	-	-	-	-2 288 479,92	
27/10/2020	PMU Salaries and Travelling subsistence	-	-	-	-	-	-	-	-	-	-	198 857,48	-	-2 089 622,44	

18

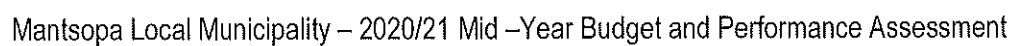


WSIG Grant

At the end of the semester R14 120m was received and the total grant expense was R896 577.

[illegible]

19.



The table below shows total grant received at the of the semester R1 907m however no claims paid against this grant

Page 15 of 38

19.



# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

## CHAPTER 3. SERVICE DELIVERY PERFORMANCE ANALYSIS

DEPARTMENT: COMMUNITY SERVICES																
KPA: Community Development and Social Cohesion																
Plannin g level	Predetermined Objectives	Key Performance Indicator	Evidence	type	Unit of Measur e	Baseline	Weighti ng	Annual Target	Past year performanc e	Quar ter 1	Quar ter 2	Progress	Vari ance	Reason for variance	Remedial steps taken or to be taken	
Activity 1.1	To provide effective community development and social services	Number of municipal properties secured through physical security by 30 June 2021	Incidents/secu rity pocket book per property secured	Target:	Number	5	15	5	5	5	5	10	0	N/A	N/A	
				Budget:	Rand											
Activity 1.2		Number of security management policy approved by council by 30 June 2021	Council resolution and a Security policy	Target:	Number	0		1	0			Applicable in the 4 <sup>th</sup> quarter				
					Budget:											
DISASTER MANAGEMENT DIVISION																
Plannin g level	Predetermined Objectives	Key Performance Indicator	Evidence	type	Unit of Measur e	Baseline	Weighti ng	Annual Target	Past year performanc e	Quar ter 1	Quar ter 2	Progress	Vari ance	Reason for variance	Remedial steps taken or to be taken	
Activity 1.1	To provide effective community development and social services	Number of fire safety inspections done by 30 June 2021	Fire safety inspections register	Target:	Number	161	15	240	161	60	60	123	+3	N/A	N/A	
				Budget:	Rand											
Activity 1.3		Number of Public Awareness campaigns on public safety conducted by 30 June 2021	Invitations, agenda, report & attendance register	Target:	Number	60		60	60	20	20	40	0	N/A	N/A	
					Budget:	Rand										
Activity 1.4		Number of Disaster Management Plans reviewed and approved by 30 June 2021	Council resolution and the approved Disaster Management Plan	Target:	Number	1		1	1			Applicable in the 4th quarter				
					Budget:	Rand										
Activity 1.6		Number of reports on Disaster Management submitted to the TMDM by 30 June 2021	Report & proof submission	Target:	Rand	0		4	New KPI	1	1	5	+6	N/A	N/A	
				Budget:	Number											

Human Settlement & Urban Planning Division															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.2		Number of consumer education on security of tenure conducted by 30 June 2021	Invitations, agenda, report & attendance register	Target:	Number	2		4	2	1	1	3	+1	N/A	N/A
Activity 1.3				Budget:	Number										
Activity 1.4	Number of municipal residential properties leased by 30 June 2021	Annual Signed lease agreements	Annual Signed lease agreements	Target:	Number	1		1	1	1	0	Applicable on the 4 <sup>th</sup> quarter			
Activity 1.5				Budget:	Number	47		40	New KPI			Applicable on the 4 <sup>th</sup> quarter			
Activity 1.6	Number of municipal land leased for social activities by 30 June 2021	Signed lease agreements		Target:	Number	29		6	New KPI			Applicable on the 4 <sup>th</sup> quarter			
				Budget:	Number	0		6	New KPI			Applicable on the 4 <sup>th</sup> quarter			

Development Planning and Management Division															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity No. 1.1	To Ensure that all the building plans received within the municipal jurisdiction	Number of land use Contravention Notices issued by 30 June 2021	Job cards	Target:	Number	82	15	130	82	30	30	76	+16	N/A	N/A
				Budget:	Number										



## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

Activity No. 1.2	concur with the approved design in terms of the NBRBS Act 103 of 1977; and compliance with SPLUMA 16 of 2013	Number of SDF Review approved by Council by 30 June 2021	Job cards	Target	Number	1		1					Applicable on the 4th quarter		
				Budget											
Activity No. 1.3		Number of Land Use Scheme compiled and approved by Council by 30 June 2021	Job cards	Target	Number	0		1	0				Applicable on the 4th quarter		

PARKS, PROPERTIES AND CEMETERIES															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity No. 1.1	To ensure that all properties of council are properly maintained	Number of municipal properties cleaned per month	Job cards	Target	Number	52	15	52	52	13	13	74		During quarter 1 and level 4 of the COVID-19 lockdown, staff compliance was not reporting regularly for work due the workplace schedule that was in place	People have come back to work and are trying to catch up on time lost
				Budget											
Activity No. 1.2		Number of sport and recreational facilities cleaned per month	Job cards	Target	Number	300		300	280	75	75	165	10		
				Budget											
Activity No. 1.3		Number of cemeteries maintained per quarter	Job cards	Target	Number	40		40	40	10	10	15	-5	Maintenance was not conducted in the first quarter due to COVID 19	To be maintained in second quarter
				Budget											

Water and Sanitation Division															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	Water & Waste water service provided to all households in accordance with Blue Drop & Green Drop standards	Number of water quality tests conducted per month	Water quality test results from the Lab	Target	Number	12	30%	12	9	3	3	3	0	N/A	N/A
				Budget	Rand										
Activity 1.2		Number of waste water quality tests conducted per month	Waste water test results from the Lab	Target	Number	9		12	9	3	3	3	0	N/A	N/A
				Budget	Rand										
Activity 1.3		Number of Water Services Development Plan reviewed by 30 June 2021	Council Resolution and reviewed WSOP	Target	Number	1		1	1	0	0	Plan 4 <sup>th</sup> quarter	N/A	N/A	N/A

T.P.



# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

## DEPARTMENT: TECHNICAL SERVICES

### KPA: Basic Service Delivery and Infrastructure Investment

Refuse Removal, Environment & Waste Management															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	Ensure Implementation and Compliance with NEM: Waste Act 59 of 2008 leading to Successful Implementation of Sustainable Environmental Management Programmes	Number of reviewed Integrated Waste Management Plan approved by 30 June 2021	Council resolution on Integrated Waste Management Plan	Target: Budget	Number Rand	1	25%	1	1	0	0	N/A	N/A	N/A	N/A
Activity 1.3		Number of refuse removal collected throughout Mantsopa areas by 30 June 2021	Monthly collection Schedule & Job Cards	Target: Budget	Number Rand	528		528	528	132	132	274	N/A	N/A	N/A
Activity 1.4		Number of Quarterly Provincial Waste Management Officers Forum meetings attended by 30 June 2021	Attendance registers and Minutes	Target: Budget	Number Rand	4		4	4	1	1	0	2	Meeting are yet to be scheduled since COVID-19	Sector Departments to liaise with the Municipality with regard to the way forward
Activity 1.6		Number of CWP Local Reference Committee meetings held per quarter	Minutes and Attendance Registers	Target: Budget	Number Rand	4		4	4	1	1	0	2	Meeting are yet to be scheduled since COVID-19	Sector Departments to liaise with the Municipality with regard to the way forward
				Budget	Rand										

Project management Unit															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	To ensure that all Municipal Capital projects are managed within contractual prescriptions	Percentage of progress made on the Manyatseng Construction of 1.7 km paved roads and storm water in Los-my-cherry and Vukuzenzele by 30 June 2021	Progress reports & Completion Certificate	Target: Budget	Percentage Rand	65%	20%	100%	65%	75.0%	100%	77%	-23	Rain fall and contractor had trouble with suppliers	Change the suppliers and extend the completion date based of rain delay
Activity 1.2		Percentage of progress made on WC & WDM phase 1 in Ladybrand and Tweespruit by 30 June 2021	Progress report & Completion Certificate	Target: Budget	Percentage Rand	0%		100%	0%	30%	50%	38%	12%	The contractor could not start in Tweespruit since there is no CLO. There is a resident from the residents refusing the meters	Requires political support / intervention
Activity 1.3		Percentage of progress made on WC & WDM phase 2 in Hobhouse by 30 June 2021	Progress reports & Completion Certificate	Target: Budget	Percentage Rand	0%		100%	0%	Appointment of Contractor	20%	0	-20%	The appointment of the Contractor took longer than anticipated	The project to be accelerated
Activity 1.4		Percentage of progress made on Rehabilitation of Hobhouse Waste Water Treatment Works with the pump-station by 30 June 2021	Progress reports & Completion Certificate	Target: Budget	Percentage Rand	0%		100%	0%	Appointment of Contractor	20%	0%	20%	The project was re-advertised due to non-responsiveness from bidders	The project to be accelerated
Activity 1.5		Percentage of progress made on Refurbishment of Hobhouse Water Treatment Works (Chlorine station) by 30 June 2021	Progress reports & Completion Certificate	Target: Budget	Percentage Rand	0%		100%	0%	Appointment of Contractor	100%	0%	100%	The project was re-advertised due to non-responsiveness from bidders	The project to be accelerated
Activity 1.6		Percentage of progress made on Commissioning of	Progress reports &	Target	Percentage	0%		100%	0%	Appointment of Contractor	50%	0%	50%	The appointment of the contractor took	The project to be accelerated

T.P.



# Mantsope Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

		Grey Water System In Boroa by 30 June 2021	Completion Certificate	Budget	Rand									longer than anticipated	
Activity 1.7		Percentage of progress made on the construction of Ladybrand 6ML reservoir and pipeline by 30 June 2021	Progress reports & Completion Certificate	Target	Percent age	0%		100%	0%	Appointment of Contractor	10%	0%	10%	The appointment of the contractor took longer than anticipated	The project to be accelerated
Activity 1.8		Percentage of progress made on Manyatseng construction of 1.9 paved roads and stormwater in Masakeng by 30 June 2021	Progress report & Completion Certificate	Target:	Percent age	0%		100%	45%	60%	75%	90%	+20%		
Activity 1.9		Percentage progress made on Manyatseng : Establishment and Formalisation of new cemeteries by 30 June 2020	Progress reports & Completion Certificate	Target:	Percent age	0%		100%	New KPI	20%	50%	77%	+27%		
Activity 1.10		Percentage progress made on Tweespruit /Boroa: Upgrading of sports field (Phase 1) by 30 June 2021	Progress report & Completion Certificate	Target:	Percent age	0%		100%	20%	50%	70%	85%	15%		
Activity 1.11		Number of MIG Annual reports prepared to comply with MIG Conditions by 30 June 2021	Signed 2018/19 Annual Report	Target:	Percent age	1		1	1	1	0	1			
Activity 1.12		Number of EPWP beneficiaries appointed by 30 June 2021	Employment Contracts	Target:	Percent age	257		270	257	75	184	287			
Activity 1.13		Number of EPWP Implementation Plans generated by 30 June 2021	Signed Annual Plan	Target	Number	1		1	1	1	0	1			

Roads and Stormwater															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity2.1	To improve the standard of roads and storm water drainages in the Municipality	Kilometres of roads re-gravelled by 30 June 2021	Job Cards	Target:	Kilometres	7.6km	25%	2	7.6km	0.5Km	0.5Km	0		Lack of resources	Management to hire heavy duty fleet or fix municipal fleet
				Budget	Rand										
Activity2.2		Kilometres of roads reshaped by 30 June 2021	Job Cards	Target:	Kilometres	33,7 km		2	33,7 km	0.5Km	0.5Km	0		Lack of resources	Management to hire heavy duty fleet or fix municipal fleet
				Budget	Rand										
Activity2.4		Storm-water channel cleaned by 30 June 2021	Job Cards	Target:	Kilometres	2.58 km	10	10	2.58 km	2.58 km	2.58 km	2.71km	-2.45	Target for quarter 1 was 0.2 km Due to shortage of staff on quarter 1 division could not reach its target of 2.58 km	Staff capacity has been increased since the start of quarter 2 with EPWP
				Budget	Rand										
Activity2.5		Roads and Stormwater Maintenance Plan by 30 June 2021	Approved Maintenance Plan & Job cards	Target	Number	1		1	1	0	0	N/A			
				Budget	Rand										

T.P.



# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

## 3.DEPARTMENT OF CORPORATE SERVICES

### KPA: INSTITUTIONAL TRANSFORMATION & DEVELOPMENT

Human Resources Division															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Base line	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity1.1	Development of the corporate Services Excellence	Number of HR related policies reviewed by Council by 30 June 2021	Reviewed policies and Council resolution	Target:	Number	1	30%	5	1			Applicable in the 4 <sup>th</sup> quarter	N/A	N/A	N/A
				Budget											
Activity1.2		Number of awareness made on Health and Safety at workplace by 30 June 2021	Notice, attendance register & minutes	Target:	Number	1		4	1	1	1	0	-2	Awareness were not conducted because of Covid 19 lockdown	To be conducted virtual in the third quarter
				Budget											
Activity1.3		Number of OHS meetings held by 30 June 2021	Minutes, Attendance Register & programme	Target:	Number	1		4	1	1	1	0	-2	OHS were not conducted because of Covid 19 lockdown	To be conducted virtual in the third quarter
				Budget											
Activity1.3		Number of reports on early retirements, recruitment, skills development and light duty submitted to Council for consideration by 30 June 2021	Reports & Council minutes	Target:	Number	0		4	New KPI	1	1	2	0	N/A	N/A
				Budget											
Activity 1.4		Number of Job evaluation conducted by 30 June 2021	Job Evaluation Report	Target:	Number	0		1	0			Applicable in the 4 <sup>th</sup> quarter			
				Budget	Rand										
Activity 1.5		Number of Organisational Structures reviewed and approved by Council by 30 June 2021	Organisational Structure & Council resolution	Target:	Number	1		1	1			Applicable in the 4 <sup>th</sup> quarter			
				Budget	Rand										

COUNCIL SUPPORT AND ADMINISTRATION															
Planing level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Base line	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Output 2	Development of the corporate Services Excellence	Number of Council resolutions Implementation report submitted to Council by 30 June 2021	Council resolutions progress register & resolution	Target:	Number	1	30%	4	1	1	1	2	0	N/A	N/A
				Budget	Rand										
Activity2.1		Number of Year plans compiled and approved by Council by 30 June 2021	Year Plan & council resolution	Target:	Number	1		1	1	0	0	1	N/A	N/A	N/A
				Budget											
Activity2.2		Number of Council meetings held by 30 June 2021	Notice, Minutes & Attendance register	Target:	Number	15		8	15	2	2	6	+4	N/A	N/A
				Budget	Rand										
Activity2.3		Number of EXCO Meetings held by 30 June 2021	Notice, Minutes & Attendance register	Target:	Number	6		6	6	1	2	3	0	N/A	N/A
				Budget	Rand										
Activity 2.4		Number of MPAC meetings held by 30 June 2021	Notice, Minutes & Attendance register	Target:	Number	2		6	0	1	2	3	0	N/A	N/A
				Budget	Rand										
Activities 2.5		Number of Analysis Reports on Attendance of Meetings by Councillors by 30 June 2021	Analysis report and proof submission to Speaker	Target:	Number	2		2	1	0	1	0	-1	No report submitted	Analysis report to be submitted in the 3 <sup>rd</sup> quarter
				Budget	Rand										



# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

LEGAL AND ADMIN															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 2.8	Development of the Corporate Services Excellence	Number of Contingent Liability Register reviewed by 30 June 2021	Contingent Liability register	Target	Number	12	20%	12	12	3	3	6	N/A	N/A	N/A
Activity 2.10		Percentage of disciplinary matters processed and finalised within 90 days by 30 June 2021	Judgements & register	Target	Percentage	100%		100%	100%	100%	100%	40%	-60%	Covid 19 along with presiding officer not attending matter have delayed the proceedings	A letter has been written to IMATU require that all matters be finalised promptly
				Budget											
Skills Development Division															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	Development of the Corporate Services Excellence	Number of Work place skills Plan submitted to Dept of Labour by 30 June 2021	Work place skills Plan (WSP) and proof of submission	Target	Number	1	20%	1	1	0	0	Applicable in the 4th quarter			
Activity 1.2		Number of Annual Training Report submitted to Training Committee & Dept of Labour by 30 June 2021	Annual Training report (ATR) & proof of submission	Target	Number	1		1	1	0	0	Applicable in the 4th quarter			
Activity 1.3		Number of institutional Skills audit conducted by 30 June 2021	Skills Audit report	Target	Number	1		1	1	0	0	0	-1	Employees reluctant to sign skills audit forms due to no budget for skills development	Skills development budget to be provided for in 2021-2022 budget
Activity 1.5		Number of Employment Equity Report submitted to the Dept of Labour by 30 June 2021	Employment Equity report & proof of submission	Target	Number	1		1	1	0	1	0	-1		
				Budget											

## DEPARTMENT: CHIEF FINANCIAL OFFICER KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Revenue Management Division															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	Sound Financial Management and Reporting	Number of signed off debtor's reconciliation control accounts generated by 30 June 2021	Monthly Debtors reconciliation reports	Target	Number	12	30%	12	12	3	3	5	1	Dec 2020 billing calculation in progress	Reconciliation to be done by 22 Jan 2021
Activity 1.2		Number of registers sent to water division on faulty meters by 30 June 2021	Registers to Water Division on faulty meters	Target	Number	12		12	12	3	3	0	-6	Water prepaid meter are being installed for consumers	Installation of prepaid water meters
Activity 1.3		Number of monthly billing authorisations conducted	Monthly Bill reports	Target	Number	12		12	12	3	3	6	N/A	N/A	N/A
				Budget											

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# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

Activity 1.4		Number of Revenue related policies approved by Council as at 30 June 2021	Council resolution & reviewed policies	Target	Number	5		5	5	5		Applicable in the 4 <sup>th</sup> quarter			
				Budget											
Activity 1.5		Number of revenue enhancement strategies approved by 30 June 2021	Approved revenue enhancement strategy plus Council resolution	Target	Number	0		1	0	1	0	Applicable in the 4 <sup>th</sup> quarter			
				Budget											
Activity 1.6		Number of updates of the supplementary valuation roll by 30 June 2021	Updated certified supplementary Valuation roll	Target	Number	1		1	1			0	1	A list of properties has been sent to the Valuer	Follow up on the progress will be done
				Budget											
Activity 1.7		Number of cut off register for top debtors in towns implemented by 30 June 2021	Cut off notices	Target	Number	0		12	New KPI	3	3	0	3	Catch up with billing statement in progress	List will be compiled after Dec 2020 billing run
				Budget											

ASSET MANAGEMENT															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	type	Unit of Measure	Base line	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	Sound Financial Management and Reporting	Number of auctions conducted on obsolete and redundant assets by 30 June 2021	Auction report	Target:	Number	0		1	0			KPI no longer relevant	N/A	N/A	KPI to be reviewed in February 2021
Activity 1.2				Budget											
Activity 1.3		Number of MFMA compliant Asset reviewed as at 30 June 2021	Updated Asset Register	Target	Number	1		1				Applicable in the 4th quarter			
				Budget											
Activity 1.4		Number of monthly updates of assets performed in terms of accounting requirements	Additions report	Target	Number	12		12	12	3	3	3			
				Budget											
Activity 1.5		Number of Assets verified quarterly according to accounting standards	Verifications report	Target	Number	4		4	4	1	1	1	N/A	N/A	N/A
				Budget											
Activity 1.6		Number of reconciliations performed between the General Ledger & fixed Asset Register as at 30 June 2021	Reconciliations report	Target	Number	12		12	12	3	3	0			
				Budget											
Activity 1.7	Number of analysis report of current fleet by category conducted by 30 June 2021	Analysis report	Target	Number	1		1	1		1	1	N/A	N/A	N/A	
			Budget												
Activity 1.8	Number of reports on vehicles licenced and registered as at 30 June 2021	Schedule of licencing and registered vehicles	Target:	Number			12	12	3	3	2	-4	Report was not split to indicate the months	The report should be split to indicate the months	
			Budget												
Activity 1.9	Number of Fuel consumption reports generated to detect the losses as at 30 June 2021	Monthly Fuel report consumption reports	Target:	Number	12		12	12	3	3	6				
			Budget												
Activity 1.10	Number of Fleet Management related policies approved as at 30 June 2021	Approved updated Asset policies, Council resolutions	Target	Number	1		1	1	1	0	Applicable in the 4th quarter				
			Budget												

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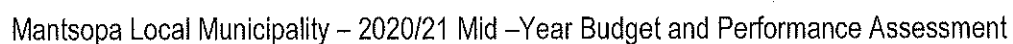


# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

DIVISION: SUPPLY CHAIN MANAGEMENT															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Base line	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 5.1	Sound Financial Management and Reporting	Number of Supply Chain Management Policies revised and approved as at 30 June 2021	Approved Revised Supply Chain Management policy and council resolution, Infrastructure Procurement & Delivery Management	Target	Number	1	20%	1	1	2		Applicable in the 4th quarter	N/A	N/A	N/A
				Budget											
		Number of reports on SCM policy implementation submitted to the Mayor as at 30 June 2021	SCM Implementation reports and proof of submission to the Mayor	Target	Number	0		4	4	1	1	2	N/A	N/A	N/A
				Budget											
Activity 5.2		Number of reports on SCM policy implementation submitted to Council as at 30 June 2021	SCM Implementation reports and proof of submission to the Mayor	Target	Number	0		1	0			Applicable in the 4th quarter	N/A	N/A	N/A
Activity 5.3				Budget											
Activity 5.4		Number of signed off annual procurement plans submitted to PT by 30 June 2021	Signed off by MM annual procurement plans, proof submission to PT	Target	Number	1		1	1	1	0	1	N/A	N/A	N/A
				Budget											
		Number of SCM declarations of interest register for SCM practitioners and members of Bid Committees as at 30 June 2021	SCM declaration register	Target	Number	1		1	1	1		1	N/A	N/A	N/A
				Budget											
		Number of workshops held with internal and external stakeholders on Supply Chain Management Policy and processes as at 30 June 2021	Notices, minutes and attendance registers	Target	Number	4		4	2	1	1	1	N/A	N/A	N/A
				Budget											

BUDGET AND REPORTING DIVISION															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.2	Sound Financial Management and Reporting	Number of MFMA compliant Annual Budget approved by Council by 30 June 2021	Council resolution Approved Budget	Target	Number	1	10%	1	1	1		Applicable in the 4th quarter	N/A	N/A	N/A
				Budget	Rand										
		Number of budget related policies approved by council resolutions	Approved policies with council resolutions	Target	Number	5		5	5	5	0	Applicable in the 4th quarter	N/A	N/A	N/A
				Budget	Rand										
Activity 1.3		Number of MFMA compliant Draft Annual Budget tabled in Council by 30 June 2021	Council resolution Tabled Budget	Target	Number	1		1	1			Applicable in the 3rd quarter	N/A	N/A	N/A
				Budget	Rand										
		Number of section 71 Reports submitted to the Mayor within 10 days after the end of the month	Section 71 reports & proof of submission	Target	Number	12		12	12	3	3	4	-2	c-schedule for Oct, Nov and Dec 2020 were not submitted, a letter was sent to Treasury.	N/A
				Budget	Rand										
Activity 1.4		Number of Section 11 reports tabled in Council by 30 June 2021	Section 11 reports and council resolutions	Target	Number	4		4	4	1	1		N/A	N/A	N/A
				Budget	Rand										
Activity 1.5		Number of section 52 (d) reports tabled in Council within 30 days after the end of the month	Section 52 (d) Reports & Council resolution	Target	Number	4		4	4	1	1	1	N/A	Only first quarter submitted second quarter was not	N/A

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Page 24 of 38



# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

Payroll Administration																
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken	
Activity 1.1	Sound Financial Management and Reporting Number of updates on the risk register  Updated Risk Register	Number of Payment of salaries by the 25 <sup>th</sup> day of every month	Proof of payment	Target	Number	12	5%	12	12	3	3	6	N/A	N/A	N/A	
Activity 1.2		Number of Clearance of salary related suspense account by 30 June 2021	Monthly reconciliations	Target	Number	12		12	12	3	3	0	-6	IMBALANCE OF ACTUAL BALANCE ON FMS SYSTEM	SUPPORT TO BE REQUESTED FROM SEBATA FOR FMS PAYROLL SYSTEM	
				Budget												
Activity 1.4		Payment of third parties by the 7 <sup>th</sup> day of every month	Proof of payment	Target	Number	12		12	12	3	3	6				
				Budget												
Activity 1.5		Number of Submission of EMP 501 to SARS by 30 June 2021	IRP 5 file & EMP 501 reconciliation	Target	Number	1		1	1	0	0	Applicable in the 4th quarter				
		Budget														
Activity 1.5	Number of Payroll related policies approved by Council by 30 June 2021	S & T policy and Council resolution	Target	Number	1	1	1	1	Applicable in the 4th quarter							
			Budget	Rands												

## DEPARTMENT OF THE MUNICIPAL MANAGER KPA: GOOD GOVERNANCE & PUBLIC PARTICIPATION

INTEGRATED DEVELOPMENT PLANNING															
Plannin g level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measur e	Base line	Weighting	Annual Target	Past year performanc e	Quar ter 1	Quar ter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	To ensure that the municipality is managed in a transparent, equitable and responsible manner	Number of meetings held on the Implementation of the IDP Review Process Plan by 30 June 2021	Notices, attendance registers and minutes	Target:	Number	20		1							
				Budget:				16	20	0	8	6	2	Public reluctance to participate in several wards	An amended programme to rollout in February
Activity 1.2		Number of publications of the approved IDP Review Process Plan 30 June 2021	Media Publications	Target	Number	1		1	1	1	0	1	N/A	N/A	N/A
				Budget											
Activity 1.3		Number of Integrated Development Plan Community Representative forum held 30 June 2021	Notices, attendance registers and minutes	Target	Number	1		1	1				Applicable in the 3rd quarter		
				Budget											
Activity 1.4		Number of approved Draft IDP tabled in Council on or before 31 March of every year submitted to FSCOGTA within a prescribed period	Approved IDP; and proof of submission	Target		1		1	1				Applicable in the 4th quarter		
				Budget											
Activity 1.5		Number of approved Integrated Development Plan adopted by Council by 30 June 2021	Tabled draft Integrated Development Plan and a Council resolution	Target	Number	0		1	0						
				Budget											
Activity 1.6		Number of Integrated Development Plan submitted to submitted to FSCOGTA within 10 days after approval by Council	Approved Integrated Development Plan and a council resolution	Target	Number	1		1	1	0	0		Applicable in the 4th quarter		
				Budget											

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## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

ORGANISATIONAL PERFORMANCE MANAGEMENT, MONITORING AND REPORTING																
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Base line	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken	
Activity 1.9	To promote the culture of performance excellence	Number of Quarterly Review of the Municipal Manager & Senior Manager's Performance by 30 June 2021	Attendance register, Report of the Performance Review Panel	Target	Number	4		4	4	1	1	1	-1	Not yet due	To be conducted in the 3 <sup>rd</sup> quarter	
Activity 2.1		Number of performance quarterly reports submitted to Council for approval by 30 June 2021	Section 52 (d) (non-financial) and Council resolution	Target	Number	4		4	4	1	1	2	N/A	N/A	N/A	
Activity 2.2		Number of annual performance reports submitted to Auditor General of South Africa by the 31 <sup>st</sup> Aug of each year	Draft Annual Report submitted to AGSA and proof of submission to AGSA	Target	Number	1		1	1	1	0	1	N/A	N/A	N/A	
Activity 2.3		Number of performance Agreements of the Senior Managers submitted to FSCOGTA by 31 <sup>st</sup> July 2020	Signed Performance Agreements and proof of submission	Target	Number	5		5	5	1	0	5	N/A	N/A	N/A	
Activity 2.4		Number of MFMA compliant annual reports tabled to Council by 30 June 2021	Tabled annual Report and a Council Resolution	Target	Number	1		1	1	0	0	Applicable in the 3 <sup>rd</sup> quarter				
Activity 2.5		Number of MFMA compliant annual reports submitted to Council for approval by 31 March 2021	Council resolution	Target	Number	1		1	1	0	0	Applicable in the 3 <sup>rd</sup> quarter				
Activity 2.7		Number of oversight reports submitted to Council for consideration by 31 March 2021	Adopted Oversight Reports adopted by Council	Target	Number	1		1	1	0	0	Applicable in the 3 <sup>rd</sup> quarter				
Activity 2.8		Number of monthly reports on the Implementation of Back-to-Basics programme by 30 June 2021	Monthly reports & proof of submission	Target	Number	12		12	12	3	3	4	-2	Late submission of information from various departments	Departments to submit the information on time or extract information from quarterly reports	

Internal Audit & Risk Management Unit																
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Weighting	Base line	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken	
Activity 1	To ensure that the municipality is managed in a transparent, equitable and responsible manner	Number of Audit Committee meetings held by 30 June 2021	Notices, attendance register & minutes	Target	Number	20%	4	4	4	1	1	4	+2	N/A	N/A	
Activity 1.1		Number of reviewed and approved Internal Audit Charter by 30 June 2021	Approved Internal Audit Charter; and signed minutes of the AC	Target	Number		1	1	1	1	0	1	0	N/A	N/A	
Activity 1.4		Number of approved Coverage Plan approved by AC by 30 June 2021	Approved Coverage Plan; and signed minutes of the AC	Target	Number		1	1	1	1	0	1	0	N/A	N/A	
Activity 1.5		Number of engagement letters on quarterly plans drafted by 30 June 2021	Engagement letters; proof of submission to Directors	Target	Number		4	4	4	1	1	2	0	N/A	N/A	
Activity 1.6		Number of progress reports in implementation of coverage Plan submitted to AC by 30 June 2021	Progress reports	Target	Number		4	4	4	1	1	2	0	N/A	N/A	
Activity 1.9		Number of Quarterly audit reports compiled and submitted	Quarterly Audit Reports to Audit Committee	Target	Number		4	4	4	1	1	3	+1	N/A	N/A	
Activity 1.10		Number of follow-up audit reports by 30 June 2021	Follow-up Audit reports	Target	Number		1	1	1			0	0	N/A	N/A	

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# Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

Activity 1.12		Number of audit committee reports submitted to Council by 30 June 2021	Audit Committee Assurance reports and item	Target	Number		4	4	4	1	1	2	0	N/A	N/A
				Budget											
Activity 1.16		Number of Internal Audit Findings Control Registers compiled by 30 June 2021	Internal Audit Findings Control Registers	Target	Number		4	4	4	1	1	2	0	N/A	N/A
				Budget											
Activity 1.17		Number of updates on the Audit Action Plan by 30 June 2021	Updated Audit Action Plan	Target	Number		4	4	4	1	1	2	0	N/A	N/A
				Budget											

RISK MANAGEMENT															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Base line	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	To ensure the effectiveness of Risk Management	Number of Reports submitted to Risk Management Committee for approval by 30 June 2021	Risk Management Reports and attendance register	Target	Number	4	10%	4	4	1	1	1	1	Annual assessment was only conducted in the first quarter due to lockdown restrictions	Request for resources to enable the risk committee to sit regardless of any pandemic restrictions that may occur has been resubmitted to the accounting officer for reconsideration
				Budget											
Activity 1.2		Number of municipal wide risk assessment conducted by 30 June 2021	Annual Risk Assessment Report	Target	Number	1		1	1			1	0	N/A	N/A
				Budget											
Activity 1.3		Number of Risk Management Documents Approved by Council 30 June 2021	Approved Strategic Risk Management Documents and Council resolution	Target	Number	6		6	6	6		6	0	N/A	N/A
				Budget	Rands										
Activity 1.4		Number of Risk Committee meetings held by 30 June 2021	Notice, minutes and attendance register	Target	Number	4		4	4	1	1	2	0		
				Budget	Rands										

Information Communication Technologies															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Base line	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	To develop and maintain IT Infrastructure and security systems	Number of Information Communication Technology Steering Committee meeting held by 30 June 2021	Notice, Minutes and Attendance Register	Target	Number	4	10%	4	4	1	1	0	-2	First quarter meeting could not sit as the municipality were using free software tools to host virtual meeting therefore the security could be compromised	The municipality is now using Microsoft teams which is licence under the municipality
				Budget											

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## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

Activity 1.2	Number of security Patch management reports produced by 30 June 2021	Security patch management reports	Target	Number	12	12	12	3	3	6	0	N/A	N/A
			Budget										
Activity 1.3	Number of Firewall Maintenance Reports Produced by 30 June 2021	Firewall intrusion reports	Target	Number	12	12	12	3	3	6	0	N/A	N/A
			Budget										
Activity 1.4	Number of Antivirus and Microsoft Office 365 license licenses renewed by 30 June 2021	Licenses Certificates	Target	Number	3	3	3	1		2	0	N/A	N/A
			Budget										
Activity 1.5	Number of Disaster Recovery Data restoration test conducted on SEBATA-FMS SERVER by 30 June 2021	Disaster Recovery Data Restoration Test Reports	Target	Number	4	4	4	1	1	2	0	N/A	N/A
			Budget										
Activity 1.7	Number of ICT related policies reviewed by 30 June 2021	Policies & Council resolution	Target	Number	5	5	5			5	0	N/A	N/A
			Budget										
Activity 1.7	Number of uploads on the municipal website by 30 June 2021	Screen shots and register	Target	Number	12	4	12	3	3	6	0	N/A	N/A
			Budget	Rands									

Communication Services															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	Putting People First: Listen and Communicate	Number of reviewed Communication Strategy approved by Council by 30 June 2021	Approved Communication Strategic Documents and Council resolution	Target	Number	1	10%	1	1			Applicable in the 4th quarter	N/A	N/A	N/A
				Budget											
Activity 1.2		Number of media engagements Conducted by 30 June 2021	Attendance registers and report	Target	Number	0		4	0	1	1	2	N/A	N/A	N/A
				Budget											
Activity 1.3		Number of Local Communicators forum meetings held by 30 June 2021	Invitations, attendance register and minutes	Target	Number	0		4	0	1	1	2	N/A	N/A	N/A
				Budget	Rands										
Activity 1.4		Number of press release on Council resolutions by 30 June 2021	Screen shots from official Facebook page; press release to media	Target	Number	0		6	0	2	1	6	+3		
				Budget	Rands										
Activity 1.5		Number of Internal Communicators Forum meetings held by 30 June 2021	Invitations, attendance register and minutes	Target	Number	4		4	4	1	1	2	N/A	N/A	N/A
				Budget	Rands										

Local Economic Development & Tourism															
Planning level	Predetermined Objectives	Key Performance Indicator	Evidence	Type	Unit of Measure	Baseline	Weighting	Annual Target	Past year performance	Quarter 1	Quarter 2	Progress	Variance	Reason for variance	Remedial steps taken or to be taken
Activity 1.1	Provide an enabling environment for Radical Economic Transformation	Number of LED & Tourism related strategies reviewed by Council by 30 June 2021	Approved LED & Tourism Strategies and Council resolution	Target	Number	2	10%	2	2			Applicable in the 4th quarter			
				Budget											
		Number of workshops conducted for local SMME's by 30 June 2021	Invitations, attendance register and report	Target	Number	0		4	0	1	1	9	+7	N/A	N/A
				Budget											
Activity 1.2		Number of engagements with organised local business structures by 30 June 2021	Invitations, attendance register and report	Target	Number	0		4	0	1	1	4	0	N/A	N/A
				Budget											
Activity 1.4		Number of Cooperatives supported by 30 June 2021	Funding applications submitted	Target	Number	5		5	0	1	2	17	+14	N/A	N/A
				Budget											

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## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

Activity 1.5		Number of reports on agricultural development programmes accomplished by 30 June 2021	Agricultural development sector's reports	Target:	Number	4		4	4	1	1	3	+1	N/A	N/A
				Budget											
Activity 1.6		Number of reports on support projects accomplished towards tourism development by 30 June 2021	Tourism development sector's support report	Target:	Number	4		4	4		2	0	-2	No evidence submitted	To submit evidence
				Budget											

### 3.3 SUMMARY AND CHALLENGES

High level assessment of the pre-determined objectives of the Service Delivery & Budget Implementation Plan from 01 July 2020 until 31 December 2020.

DESCRIPTION	KPA 1. BASIC SERVICE DELIVERY	KPA 2. MUNICIPAL TRANSFORMATION & DEVELOPMENT	KPA 3. LOCAL ECONOMIC DEVELOPMENT	KPA 4. MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	KPA 5. GOOD GOVERNANCE & PUBLIC PARTICIPATION	KPA 6. COMMUNITY DEVELOPMENT & SOCIAL COHESION	TOTAL INSTITUTIONAL KPI
2020/2021 SDBIP Targets	24	19	6	40	40	19	147
2020/2021 Mid Year Targets set	21	14	5	30	31	11	116
Targets achieved	0	7	4	10	25	8	66
% Targets achievements	38%	50%	80%	41%	80%	72%	57%

### DEPARTMENT OF TECHNICAL SERVICES

The Department is responsible for ensuring that Water & Waste Water service is provided to all households in accordance with Blue Drop & Green Drop standards; Ensuring the provision of access to basic electricity service, Ensuring Implementation and Compliance with NEM: Waste Act 59 of 2008 leading to Successful Implementation of Sustainable Environmental Management Programmes; To ensure that all Municipal Capital projects are managed within contractual prescripts; and to improve the standard of roads and storm water drainages in the Municipality amongst others. It is charged with the responsibility of ensuring that municipal services are provided within an RDP standard to all residents in a sustainable manner.

### PROJECT MANAGEMENT

The Department is charged with the obligation to ensure that all Municipal Capital projects are managed within contractual prescripts, however, the following projects paints a negative picture regarding the performance of the Department:

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## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

PROJECT NAME	MID YEAR TARGET	STATUS	REASONS CITED FOR NOT MEETING THE TARGET
Percentage of progress made on the Manyatseng Construction of 1.7 km paved roads and storm water in Los-my-cherry and Vukuzenzele by 30 June 2021	100%	77%	Rainfall, contractor had troubles with the suppliers
Percentage of progress made on WC & WDM phase 2 in Hobhouse by 30 June 2021	20%	0%	The appointment of the Contractor took longer than anticipated
Percentage of progress made on WC & WDM phase 1 in Ladybrand and Tweespruit by 30 June 2021	50%	0%	The contractor could not start in Tweespruit, no CLO appointed, residents refusing are resistant towards meters
Percentage of progress made on Rehabilitation of Hobhouse Waste Water Treatment Works with the pump-station by 30 June 2021	20%	0%	The project was re-advertised due to non- responsiveness from bidders
Percentage of progress made on Refurbishment of Hobhouse Water Treatment Works (Chlorine station) by 30 June 2021	100%	0%	The project was re-advertised due to non- responsiveness from bidders
Percentage of progress made on Commissioning of Grey Water System in Boroa by 30 June 2021	50%	0%	The appointment of the contractor took longer than anticipated
Percentage of progress made on the construction of Ladybrand 6ML reservoir and pipeline by 30 June 2021	10%	0%	The appointment of the contractor took longer than anticipated

### ON ROADS AND STORM WATER

In this regard, the Department has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the 2020/2021 Service Delivery Budget and Implementation Plan

PROJECT NAME	MID YEAR TARGET	STATUS	REASONS CITED FOR NOT MEETING THE TARGET
Kilometres of roads re-gravelled by 30 June 2021	1km	0%	Lack of resources like Grader & Tipplers
Kilometres of roads reshaped by 30 June 2021	1km	0%	Lack of resources like Grader & Tipplers
Kilometres of Storm-water channel cleaned by 30 June 2021	3km	2.71km	Shortage of staff in the 1 <sup>st</sup> quarter, however, there was an improvement in the 2 <sup>nd</sup> quarter due to the appointment of EPWP workers to augment the work of the team.

### Department: Chief Financial Officer

The Department is responsible for Financial Viability and Management, Sound Financial Management and Reporting.

#### (a) PERFORMANCE MONITORING AND EVALUATION OF EXTERNAL SERVICE PROVIDERS



## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

No evidence was obtained that the work of the law firm appointed for debt collection was consistently monitored because no progress reports were submitted by the Revenue Division, therefore, no determination could be made whether there is little or no value derived from the contract.

### **(b) COMPLIANCE WITH LEGISLATION/ INTERNAL CONTROL ISSUES**

The following reconciliations were not performed fully during the period under review, Monthly reconciliations of assets between the General Ledger and Fixed Assets and Clearance of salary related suspense account monthly reconciliations, if these reconciliations were performed monthly and quarterly as prescribed, it would have strengthened our internal controls and minimise the role of the external service providers in the compilation of the Annual Financial Statements.

As at the 31<sup>st</sup> December 2020, our collection rate was at its lowest, which is a serious concern in that there appears to be no movement from the 2019/2020 financial year, the situation is compounded by the fact that the 2020/2021 Annual Budget was compiled with an estimated collection rate of 70%, our collection rate as at the end of December 2020 was at 33%, which is far below 70% collection rate which in any event is also lower than the National Norm of 95%.

The low collection rate led to the Municipality to utilise the conditional grants like WSIG to pay salaries and other operational expenses, thus far, about **R13 223 423 million rand** allocated for WSIG was used for salaries and operational expenditure during the period under review.

### **DEPARTMENT OF CORPORATE SERVICES**

The Department is responsible for Development of the institutional corporate Services Excellence,

#### **(a) KEY ISSUES**

The Department failed to prepare a consultative process plan to implement a programme for finalising Job evaluation process including correct placement of staff members and adjustments of post levels where applicable, the process is a prerequisite for cascading organisational performance to all levels, this matter, if not accelerated, will expose the municipality to multiple litigations.

The Department as a custodian of human capital also failed to ensure that all Staff members have job descriptions and that new employees sign the job description prior commencement of employment.

#### **(b) COMPLIANCE WITH LEGISLATION**

The Department failed to comply with the Occupational Health & Safety Act in that no awareness or meetings of the OHS were held during the period under review.

The Department is not performing well regarding finalising the legal cases within the prescribed period, for instance, the disciplinary cases of Mr Matima Andries Liefon and Mrs Lizzy Ntsepe (Mrs Ntsepe's suspension was lifted in December 2020) has been dragging for more than a year as opposed to the national norm of disposing off the disciplinary cases within 90 days.

Furthermore, the matter of Zanoxolo, BR Bricks Works and Nomano Trading are also in the register for pending litigation claims, adding to some of the matters which could not be disposed off within the anticipated period.

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## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

### CHAPTER 4: FINANCIAL PERFORMANCE ANALYSIS

#### 4.1 Cash Management

Amendments to the credit control and indigent policies were proposed by management and were tabled to council. They were approved, the amendments were communicated to the community during the implementation phase. The municipality developed a number of strategies to improve its cash flow position. The effect of these changes on debt collection are visible as shown in Chapter 2

#### 4.2 Outstanding Debtors (Annexure D)

Outstanding debtors group as of 31 December 2020

Totals per Property Use	Total Balance	Current Amount	Current VAT	Current Interest	30 Days Amount	30 Days VAT	30 Days Interest	60 Days Amount	60 Days VAT
Business	18 815 937,55	766 360,03	43 668,63	140 932,57	871 718,43	94 046,83	136 413,19	454 478,35	34 562,48
Church	3 988 541,77	13 993,79	7 623,03	28 030,34	66 388,64	7 904,51	27 701,63	61 370,55	6 936,51
Farm	26 860 204,48	104 109,99	1 700,14	205 073,43	335 977,59	1 668,96	205 315,87	321 663,57	815,00
Government	10 057 884,65	1 483 018,76	36 244,06	30 601,57	1 068 786,45	114 840,38	30 227,87	349 055,51	7 823,39
Industrial	3 315 859,43	17 180,05	7 884,31	24 628,32	87 978,49	7 507,71	24 202,15	74 633,05	5 921,20
Informal House	83 562 486,81	250 079,50	162 680,23	570 779,32	1 253 104,59	161 254,39	559 815,77	896 267,51	117 061,66
Municipal	1 893 689,01	33 899,69	3 407,91	15 549,23	93 007,48	3 248,03	15 284,47	87 457,95	2 415,57
None	64 323,95	1 402,40	23,94	456,57	1 402,40	23,94	454,81	1 402,40	23,94
Residential	452 791 986,07	4 699 646,10	958 480,55	3 230 268,15	6 799 910,15	939 186,28	3 166 943,71	5 305 199,39	723 345,06
School	169 511,11	8 193,45	577,25	1 462,07	8 184,98	577,25	1 414,36	6 499,24	324,39
Small Business	5 774,35	150,00	22,50	48,23	150,00	22,50	46,58	150,00	22,50
<b>Total</b>	<b>601 526 198,18</b>	<b>2 524 522,24</b>	<b>1 222 312,55</b>	<b>4 247 829,80</b>	<b>10 586 609,20</b>	<b>1 330 280,78</b>	<b>4 167 820,41</b>	<b>7 558 177,52</b>	<b>899 251,70</b>

Consumer debtors balances as of December 2020

Totals per Service Type	Total Balance	30 Days Amount	60 Days Amount	90 Days Amount	120 Days Amount
Property Rates	55 542 466,73	1 583 477,28	1 487 505,78	1 435 083,77	1 360 370,37
Sanitation Basic	175 665 251,95	2 370 387,44	2 339 621,73	2 311 250,99	2 297 275,58
Waste Disposal	123 614 533,73	1 641 268,36	1 609 377,91	1 582 506,86	1 567 811,74
Water Basic	29 488 659,89	1 421 439,42	1 407 638,96	1 388 224,99	1 375 278,72
Water Metered	192 518 324,27	3 382 162,36	585 953,85	1 005 338,52	1 230 727,80
<b>Total</b>	<b>576 829 236,57</b>	<b>10 586 609,20</b>	<b>7 558 177,52</b>	<b>7 853 488,70</b>	<b>7 990 101,12</b>

Property rates consumer type balance as of December 2020: R55 542m – Collection rate for the semester 25%

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## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

Sanitation consumer type balance as of December 2020: **R175 655m** – Collection rate for the semester **9%**

Refuse consumer type balance as of December 2020: **R123 614m** – Collection rate for the semester **12%**

Water consumer type balance as of December 2020: **R222 006m** – Collection rate for the semester **12%**

### Electricity

Since the electricity service is undertaken by CENTLEC, reports were obtained from CENTLEC which illustrate electricity purchase, sales/receipts, and billing for the semester.

Total electricity debtors as of December 2020 was **R43 468m** and the collection rate (both prepaid and conventional) was **88%**

Age analysis TOTAL per Debtor type							
Debtor Type	Current	30 Days	60 Days	90 Days	120+ Days	Tot	Number of Accounts
BULK	375 423	32 829	19 362	28 587	143 481	599 682	4
BUSINESS	1 287 602	896 802	405 253	452 955	7 397 560	10 440 172	161
CHURCHES	16 803	16 146	8 477	8 160	177 393	226 979	14
MUNICIPAL	69 243	3 883 352	96 285	210 637	8 624 113	12 883 630	30
RESIDENTIAL	419 406	499 123	275 438	499 584	7 898 536	9 592 086	493
SCHOOLS	14 427	16 473	18 024	12 806	109 018	170 748	5
PROVINCIAL GOVERNMENT	323 508	439 074	484 364	960 569	7 347 876	9 555 390	15
	<b>2 506 411</b>	<b>5 783 799</b>	<b>1 307 202</b>	<b>2 173 298</b>	<b>31 697 976</b>	<b>43 468 686</b>	<b>722</b>

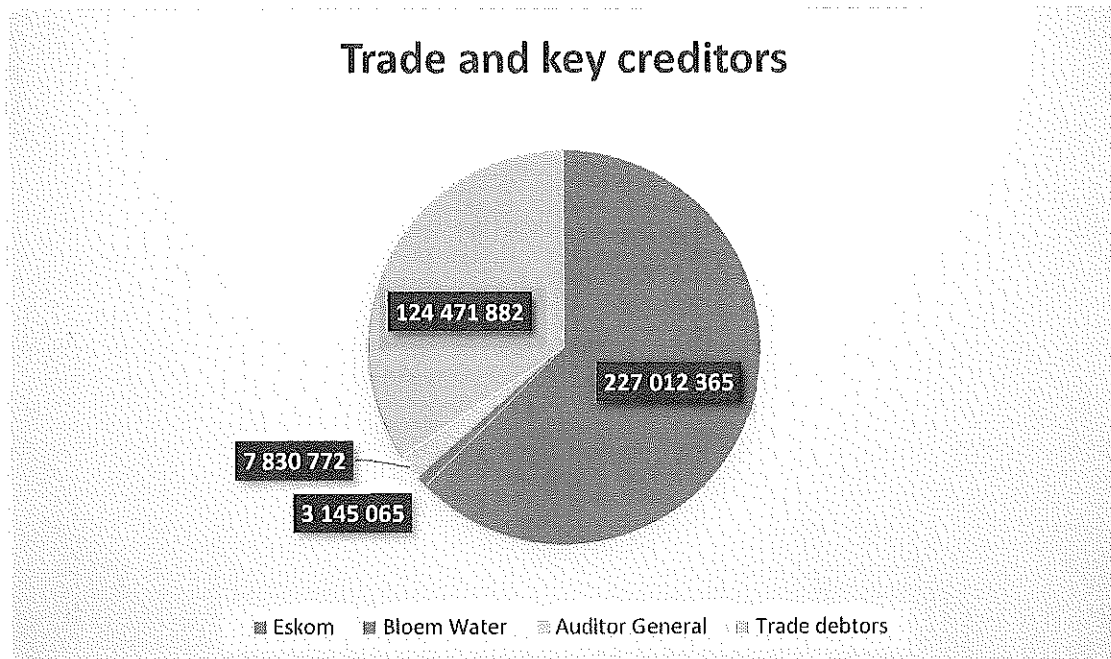
*It must be noted that debtors balance per categories as of December 2020 includes indigents and does not exclude provision for debtor's impairment and write-offs to reflect true nature of the municipality's debtors' book.*

### 4.3 Outstanding Creditors (Annexure C)

Detail	Eskom	Bulk Bloem Water	Auditor General	Pension Ret. Ded	Loan Repayment	Trade Creditors	Total
Dec-20	227 012 365	3 145 065	7 830 772	-	-	124 471 882	237 988 202

Graphic illustration of Creditors Age Analysis from July 2020 – December 2020

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The overall trade creditors balance **R362 460m** is an increase of **60%** from prior year which was **R219 182**, due to cashflow constraints the municipality is unable to pay its creditors within 30 days and is heavily reliant on credit arrangement.

#### **CHAPTER 5: ADJUSTMENTS BUDGET**

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

"An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year."

Accordingly, a report on adjustments to the budget will be submitted for consideration by council before 28 February 2021.

#### **NATIONAL ADJUSTMENT BUDGET**

Due to the 2020 adjusted estimates of national expenditure and its proposed adjustments to the allocations made to provinces, the municipality anticipates a similar effect on its budget.

*TP.*



## CHAPTER 6: ANNUAL REPORT

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### 1. BACKGROUND

In terms of the Local Government: Section 126(1) of the Municipal Finance Management Act, 56 of 2003 prescribes that- the Accounting Officer of a municipality-

*(a) Must prepare the Annual Financial Statements of the municipality and within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.*

The Minister of Cooperative Governance & Traditional Affairs' announcement in March 2020 of the State of the National Disaster in terms of Section 27(5) (c) of the Disaster Management Act of 2002, commencing from lockdown level 5 and were only eased in May 2020 to allow revenue generating staff members to report for duty.

The Lockdown impacted on operations and added to the delays in the ability to prepare MFMA compliant Annual Financial Statements, undertake procedures such as the physical verification of assets, meter reading, revenue management, valuations, finalising supporting documentation and concluding reconciliations.

It also impacted on the quality assurance processes including the Annual Report and Annual Performance Report.

It is for this reason that the Minister of Finance issued the **Local Government: Government Gazette Vol.662 dated 05 August 2020 No.43582** in terms of Section 177(1)(b) of the Municipal Finance Management Act, 56 of 2003 for exemption of the submission dates of the Draft Annual Report and Annual Financial Statements to the Auditor-General.

The context of this exemption by the Minister of Finance flows from the Minister of Cooperative Governance & Traditional Affairs' announcement in March 2020 of the State of the National Disaster in terms of Section 27(5) (c) of the Disaster Management Act of 2002.

The 2019/2020 Draft Annual Report of Mantsopa Local Municipality was prepared in terms of Local Government: Section 121 of the Municipal Finance Management Act No.56 of 2003 and Section 46 of the Municipal Systems Act, 32 of 2000, it was subsequently submitted by the Accounting Officer to the Auditor-General for audit as prescribed in terms of the Local Government: Section 126 of the Municipal Finance Management, Act 56 of 2003 on **04 December 2020**.

The submission of the Draft Annual Report and Annual Financial Statements were preceded through a review and quality control by the Audit Committee and subsequent consideration by Council on **04 December 2020**.

The Auditor-General has commenced with the auditing of the Annual Financial Statements and the Draft Annual Report for the period ending 30 June 2020, it is expected that the Auditor-General will conclude the audit process before the end of April 2021, thereafter a report will be tabled at the Ordinary Council meeting in May 2021 as prescribed in terms of Section 127(2) of the Municipal Finance Management Act, 56 of 2003.

T.P.



## CHAPTER 7: RECOMMENDATIONS

The municipality is currently facing cash flow challenges that may impair the ability of the municipality to honour its contractual obligations as and when they are due. For the remaining period under review the municipality should strive to increase collection on current accounts and reduce its expenditure by implementing austerity measures.

**Based on the contents of this report the following recommendations are made:**

1. That Council approves the 2020/2021 Mid-year Budget Performance Assessment Report and the Annexures.
2. That the current account collection be maximised as a matter of urgency.
3. That austerity measures be implemented in all non-essential items including excessive overtime payments, catering and refreshments, travelling and accommodation costs and transport costs.
4. That the 2020/2021 Adjustment Budget be compiled and tabled before Council by not later than **28 February 2021** as per Municipal Budget and Reporting Regulations.
5. That the 2020/2021 Revised Budget be **adjusted downward** in view of the **33%** mid-year collection rate against the projected annual **70%** collection target.
6. In view of the fact that the Free State Provincial Government has not responded to our request for support dated February 2020, the Mayor be delegated to request the National Treasury and National Department of Cooperative Governance & Traditional Affairs to support the municipality in the preparation of the sustainable Financial Recovery Plan envisaged in terms of the **Local Government: Section 135 of the Municipal Finance Management Act, 56 of 2003**.
7. That the expenditure anticipated as a result of the termination of the Centlec SLA in June 2021 be included in the 2021/2022 Annual Budget commencing from 01 July 2021, such inclusion must be preceded by a comprehensive feasibility study with projected human resources costs and related equipment, to be presented before the tabling of the 2021/2022 Draft Budget.
8. That the Management should take all reasonable steps to ensure that *Manyatseng Construction of 1.7 km paved roads and storm water in Los-my-cherry and Vukuzenzele and all WSIG projects are completed before 30<sup>th</sup> June 2021.*

T.P.



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

***Mantsopa Local Municipality***  
**CERTIFICATION**

**QUALITY CERTIFICATE – JANUARY 2021**

I, Mr. **Thamae Paulus Masejane**, the Municipal Manager of Mantsopa Local Municipality, hereby confirm that –

✓ 2020/2021 Mid-Year Budget and Performance Assessment

For the semester ended December 2020 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act

Mr. T.P Masejane

Mantsopa Local Municipality: FS196

Date: 25/01/2021





## Mantsopa Local Municipality – 2020/21 Mid –Year Budget and Performance Assessment

### **CHAPTER 8    ANNEXURES**

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#### Annexure A: Transfers and Grants Reports

T.P.