

CENTRAL KAROO

District Municipality
Distriksmunisipaliteit
Umasipala Wesithili



Section 72 Report:

**Mid-Year Budget and
Performance
Assessment**

2019/20

"Working together in development and growth"

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CENTRAL KAROO DISTRICT MUNICIPALITY



Mid-year Budget and Performance Assessment Report (MFMA
Section 72, including Section 52 (d))

21 January 2019

Prepared in terms of the Local Government: Municipal Finance
Management Act (56/2003): Municipal Budget and Reporting
Regulations, Government Gazette 32141, 17 April 2009



1. **GLOSSARY**

- 1.1 **Adjustment budget –** Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
- 1.2 **Allocations –** Money received from Provincial or National Government or other municipalities.
- 1.3 **Budget –** The financial plan of the Central Karoo District Municipality.
- 1.4 **Budget Related Policy –** Policy of the municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.
- 1.5 **Capital Expenditure –** Spending on assets such as land, buildings, furniture, computer equipment and machinery. Any capital expenditure must be reflected as a non-current asset on the Municipality's balance sheet.
- 1.6 **Cash Flow Statement –** A statement including only actual receipts and expenditure by the Municipality. Cash payments and receipts do not always coincide with budgeted timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.
- 1.7 **DORA –** Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.
- 1.8 **Equitable Share –** A general grant paid to Municipalities.

1.9	Fruitless and Wasteful Expenditure –	Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
1.10	GFS –	Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between Municipalities.
1.11	GRAP –	Generally Recognised Accounting Practice. The new standard for municipal accounting.
1.12	IDP –	Integrated Development Plan. The main strategic planning document of the Municipality.
1.13	MBRR –	Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations.
1.14	MFMA –	Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Herein referred to as the Act.
1.15	MTREF –	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.
1.16	Operating Expenditure –	Spending on the day to day operations of the Municipality such as salaries and wages and general expenses.

- 1.17 **SDBIP –** Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
- 1.18 **Strategic Objectives –** The main priorities of the Central Karoo District Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
- 1.19 **Unauthorised Expenditure –** Generally, is spending without, or in excess of, an approved budget.
- 1.20 **Virement –** A transfer of budget.
- 1.21 **Virement Policy –** The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustment budget.
- 1.22 **Vote –** One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments of the municipality. In Central Karoo District Municipality this means at directorate level. The votes for Central Karoo District therefore are:
- Executive and Council;
 - Budget and Treasury;
 - Corporate Services; and
 - Technical Services.

2. INTRODUCTION

The vision “Working Together in Development and Growth” remains the guiding principle for the leadership of CKDM.

In support of the vision and mission the following strategic objectives were set by our Municipality and the leadership of the Municipality remains committed to these objectives: –

- Facilitate good governance principles and effective stakeholder participation.
- Build a well capacitated workforce, skilled youth and communities.
- Improve and maintain district roads and promote safe road transport.
- Prevent and minimize the impact of possible disasters and improve public safety in the region.
- Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service.
- Promote regional, economic development, tourism and growth opportunities
- Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region.

The Council wants to serve with excellence and pride by working together in an integrated, participative and collaborative manner with all local, provincial and national spheres of government.

The municipality’s budget is being implemented in line with the current SDBIP.

The evaluation done re the projected revenue and expenditure forecasts indicates that an Adjustment Budget will be required.

Additional funding was made available by the Western Cape Provincial Government amounting to R 2.178 million in both new allocations and roll-over approvals and the expenditure estimates must therefore be adjusted.

The Adjustment Budget to be tabled in February 2020 may result in changes that will have to be made to the current SDBIP to ensure alignment. Details of the current status of the SDBIP are contained in the Report.

CKDM continuous to remain grant dependent and cautious implementation of the budget will have to be maintained to ensure that the cash outflows remain in tandem with the cash inflows.

The Municipality is actively pursuing various projects that will enable the Municipality to commence with independent revenue generation.

The annual report challenges remain the strive towards a clean audit and financial independence from government grants. The municipality is focusing on addressing the root causes and risks arising from the audit in support of the improvement of audit results. In addition, various projects are being investigated towards the generation of additional revenue streams for the municipality.

The Audit Action Plan addressing the root causes and risks that prevented the Municipality from obtaining a Clean Audit was compiled and submitted to the Auditor-General for input and will also be monitored closely by the Audit Committee.

3. INTRODUCTION

The recommended Resolution to Council with regard to the December 2019 In-Year Report is:

RESOLVED:

(a) That the Council take note of contents in the in-year report for December 2019 as set out in the schedules contained in Section 4 and the accompanying mid-year performance report:

(i) Table C1 – Monthly Budget Statement Summary;

(ii) Table C2 – Monthly Budget Statement: Financial Performance (Standard Classification);

(iii) Table C3 – Monthly Budget Statement: Financial Performance Standard Classification (Revenue and Expenditure by Municipal Vote);

(iv) Table C4 – Monthly Budget Statement: Financial Performance (Revenue by Source and Expenditure by Type);

(v) Table C5 – Monthly Budget Statement: Capital Expenditure;

(vi) Table C6 – Monthly Budget Statement: Financial Position; and

(vii) Table C7 – Monthly Budget Statement – Cash Flows.

4. LEGISLATION

Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows: –

Mid-year budget and performance assessment

72. (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.

Section 54 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows: –

Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

- (a) consider the statement or report;
- (2) If the municipality faces any serious financial problems, the mayor must—

- (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include–
 - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality’s approved budget;
 - (ii) the tabling of an adjustments budget; or
 - (iii) steps in terms of Chapter 13; and
 - (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Section 28 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows: –

Municipal adjustments budgets

28. (1)A municipality may revise an approved annual budget through an adjustments budget.

- (2) An adjustments budget–
 - (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.

Section 23 of the Municipal Finance Management Act, 2003 (56/2003): Municipal budget and reporting regulations 393 of 2009 stipulates as follows: –

Timeframes for tabling of adjustments budgets

23. (1)An adjustments budget referred to in section 28 (2) (b), (d) and (f) of the Act 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 the current year.

The purpose of this report is to submit the outcome of the assessment carried out in terms of section 72 of the MFMA, for the period 1 July 2019 to 31 December 2019, to the Mayor of the CKDM with a view to:-

- 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.

Further, in terms of section 54 of the MFMA the Mayor must take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

A high-level assessment of the actual results for the period 1 July 2019 to 31 December 2019 was conducted. The purpose of this review was to enable the Accounting Officer to make recommendations as to whether an adjustments budget for the 2019/2020 financial year is necessary.

To ensure successful outcome only a high-level review of the Total Council Summary was undertaken. It should therefore be noted that this report does not provide for an assessment of each individual line item/ vote number contained in the approved budget of CKDM for the 2018/2019 financial year.

This report merely highlights the status quo of key revenue and expenditure items that may require the revision of the approved annual budget through an adjustments budget in terms of section 28 of the MFMA. It must further be noted that the operating expenditure reflects direct expenditure and excludes non-cash transactions e.g. depreciation, provisions and deferred finance charges etc. which expenditure is not accounted for on a monthly basis but rather an annual basis.

In addition, this report does not necessarily provide the detail on how revised projections for revenue and expenditure will be derived at. Such exercise by the management team of the municipality will be a natural outflow of this report being dealt with by the Mayor in terms of section 54 (2) of the MFMA.

All the schedules reflect the following information:

- Original budget;
- Monthly actual figures;

- Year-to-date actual figures;
- Year-to-date budgeted figures.

5. FINANCIAL PERFORMANCE

Section 4 of this report includes the tables with the detailed figures. The detail of this section can be found in Section 4 of this report Table C2 (Summary per GFS); Table C3 (Summary per Municipal Vote) and Table C4 (Summary by Revenue Source and Expenditure Type). The latter is used to provide the executive summary.

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Costs.

The table reflects spending of the capital budget as percentage spent of 2%. The total operating expenditure and revenue reflects percentage spent of 44% and 53% respectively.

The capital underspending will be partly rectified by moving the acquisition of protective clothing to the operating budget.

	Capital Expenditure	Operating Expenditure	Operating Revenue
Original Budget	743 800,00	96 254 785,45	97 236 676,00
Actual spend / received (YTD)	15 214,08	42 586 887,65	51 570 604,71
Percentage Spend (YTD)	2%	44%	53%

Revenue by Source:

The figures represented in this section are the accrued amounts and not actual cash receipts.

The total revenue excluding capital transfers and contributions for the month of December 2019 is R 10.549 million. Refer to figure 1 for more detail.

The comparisons of the major sources of revenue are illustrated in the figure below:

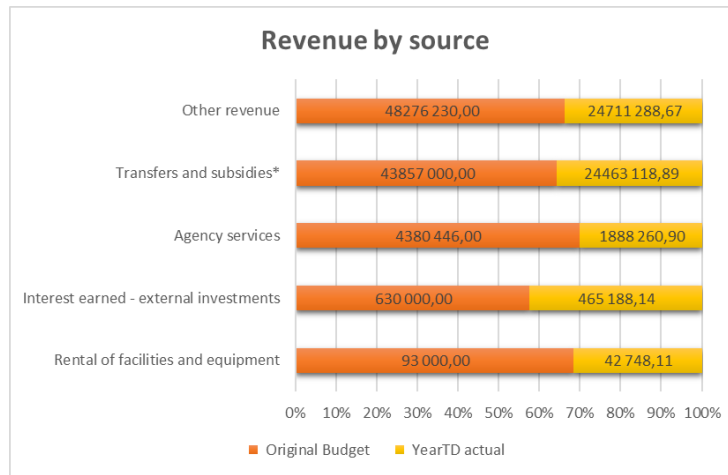


Figure 1 – Revenue by source

Other Revenue:

The amount raised as reflected for the actual year to date represents 51% of the budget amount. The budgeted amount received (Year-to-date) amounts to R 24.138 million.

Interest Earned – External Investments:

The budget amount for Interest earned R 630 000, whilst the year to date actual revenue is R 465 188. Thus, reflecting receipt of 74% at the end of the 2nd quarter.

Operating Expenditure by Type:

The figures in this section represents the accrued amounts; in other words, when the goods have been ordered; received or the invoice has been completed (reconciled with goods received and prices quoted) it should be captured as an expense. Shadow figures are reflected on the financial system once an order is issued. This action serves as a budgetary control mechanism and no actual financial entries are passed. These figures cannot be used for reporting purposes.

Operating Expenditure by Municipal Vote (Figure 2):

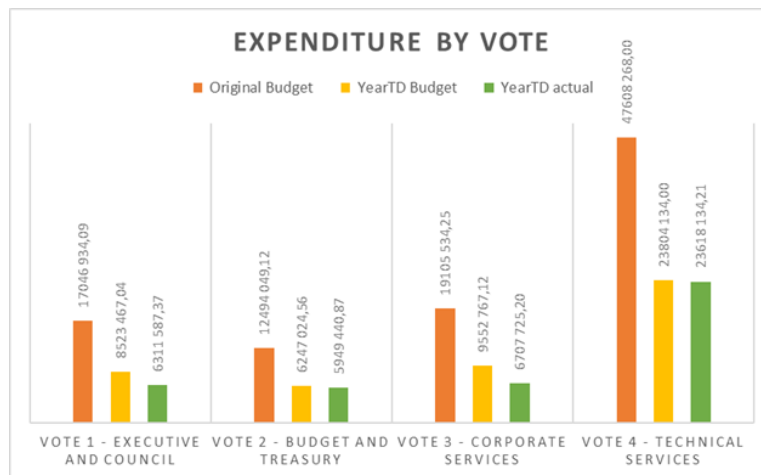


Figure 2 – Breakdown Operating Expenditure by Municipal Vote

Expenditure by Vote	Original Budget	YearTD Budget	YearTD actual	% Spend
Vote 1 - EXECUTIVE AND COUNCIL	17 046 934,09	8 523 467,04	6 311 587,37	37%
Vote 2 - BUDGET AND TREASURY	12 494 049,12	6 247 024,56	5 949 440,87	48%
Vote 3 - CORPORATE SERVICES	19 105 534,25	9 552 767,12	6 707 725,20	35%
Vote 4 - TECHNICAL SERVICES	47 608 268,00	23 804 134,00	23 618 134,21	50%
Total Expenditure by Vote	96 254 785,45	48 127 392,73	42 586 887,65	44%

The annual budget for Technical Service is R 47.608 million of which R 23.618 million has been expended representing 50% of the budget amount.

The annual budget for Corporate Services is R 19.106 million of which R 6.708 million has been expended representing 35% of the budget amount.

The annual budget for Budget and Treasury is R 12.494 million of which R 5.949 million has been expended representing 48% of the budget amount.

The annual budget for Executive and Council is R 17.047 million of which R 6.312 million has been expended representing 37% of the budget amount. The annual increases in the Upper Limits for Councillors had not yet been promulgated.

As a result of the additional revenue allocations, an adjustment budget must be done to account for the associated expenditures.

Capital Expenditure (Figure 3):

There was no capital spending for the month of December 2019. The total capital budget amount is R 743 800, thus reflecting total spending of 2% at the end of the 2nd quarter.

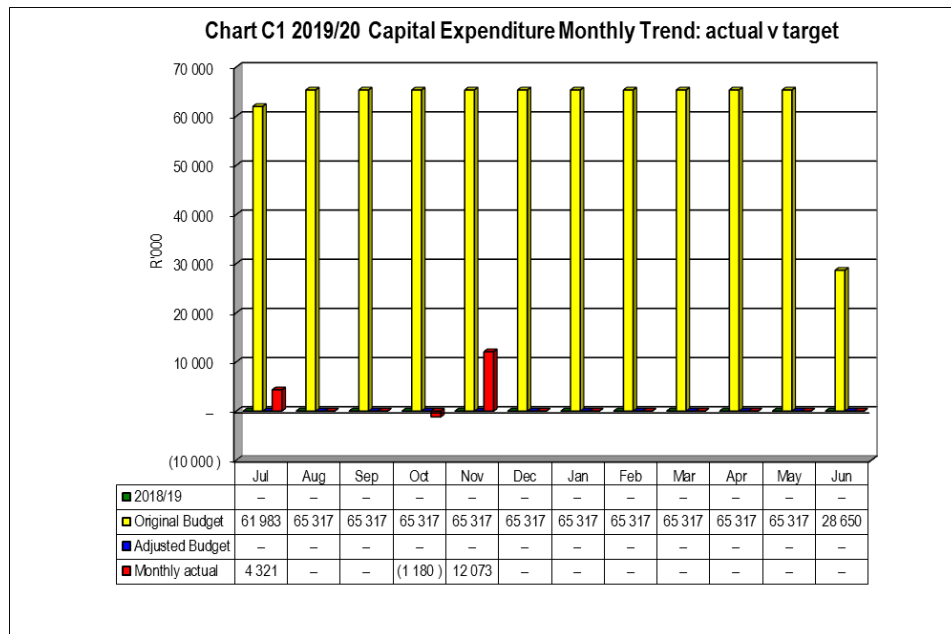


Figure 3 – Breakdown Capital Expenditure by month

1. Cash Flow:

The detail of this section can be found in Section 4 of this report Table C7 (Cashflow statement). The balance at the end of the 2nd quarter for the cash flow statement amounts to R 17.187 million.

6. IN-YEAR BUDGET STATEMENT TABLE:

2. Monthly Budget Statements:

Table C1: Monthly Budget Statement Summary:

The table below provides a summary of the most important information by pulling its information from the other tables to follow.

DC5 Central Karoo - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2018/19	Budget Year 2019/20							
	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	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	630	-	8	465	315	150	48%	-
Transfers and subsidies	-	43 857	-	10 214	24 463	21 929	2 535	12%	-
Other own revenue	-	52 750	-	327	26 642	26 375	267	1%	-
Total Revenue (excluding capital transfers and contributions)	-	97 237	-	10 549	51 571	48 618	2 952	6%	-
Employee costs	-	51 840	-	6 068	24 650	25 920	(1 270)	-5%	-
Remuneration of Councillors	-	3 796	-	355	2 065	1 898	167	9%	-
Depreciation & asset impairment	-	283	-	-	-	141	(141)	-100%	-
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	11 502	-	3	20	5 751	(5 731)	-100%	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	28 834	-	2 078	15 851	14 417	1 434	10%	-
Total Expenditure	-	96 255	-	8 503	42 587	48 127	(5 541)	-12%	-
Surplus/(Deficit)	-	982	-	2 046	8 984	491	8 493	1730%	-
Transfers and subsidies - capital (monetary alloc	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	982	-	2 046	8 984	491	8 493	1730%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	982	-	2 046	8 984	491	8 493	1730%	-
Capital expenditure & funds sources									
Capital expenditure	-	744	1 047	-	15	372	(357)	-96%	-
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	744	-	-	15	372	(357)	-96%	-
Total sources of capital funds	-	744	-	-	15	372	(357)	-96%	-
Financial position									
Total current assets	-	9 443	-	-	24 844	-	-	-	9 443
Total non current assets	-	19 261	-	-	17 992	-	-	-	19 261
Total current liabilities	-	8 218	-	-	10 543	-	-	-	8 218
Total non current liabilities	-	18 091	-	-	15 274	-	-	-	18 091
Community wealth/Equity	-	2 396	-	-	17 019	-	-	-	2 396
Cash flows									
Net cash from (used) operating	-	1 330	-	(1 499)	11 146	665	(10 481)	-1576%	-
Net cash from (used) investing	-	(784)	-	12	(1 059)	(392)	667	-170%	-
Net cash from (used) financing	-	(11)	-	-	-	(6)	(6)	100%	-
Cash/cash equivalents at the month/year end	-	4 140	-	-	17 187	3 873	(13 314)	-344%	7 099
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	(47)	5	17	-	562	678	-	-	1 215
Creditors Age Analysis									
Total Creditors	18	0	-	4	-	-	-	-	22

Table C2: Monthly Budget Statement – Financial Performance (Standard Classification):

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

DC5 Central Karoo - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2018/19	Budget Year 2019/20							
		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>		-	47 086	-	10 546	26 892	23 543	3 349	14%	-
Executive and council		-	37 969	-	10 529	12 734	18 985	(6 251)	-33%	-
Finance and administration		-	9 117	-	18	14 158	4 558	9 600	211%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	45	-	3	40	22	17	77%	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	45	-	3	40	22	17	77%	-
<i>Economic and environmental services</i>		-	50 106	-	-	24 639	25 053	(414)	-2%	-
Planning and development		-	2 331	-	-	27	1 166	(1 139)	-98%	-
Road transport		-	47 775	-	-	24 612	23 888	725	3%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	97 237	-	10 549	51 571	48 618	2 952	6%	-
Expenditure - Functional										
<i>Governance and administration</i>		-	33 790	-	2 587	13 770	16 895	(3 125)	-18%	-
Executive and council		-	8 473	-	690	4 181	4 236	(56)	-1%	-
Finance and administration		-	24 955	-	1 859	9 524	12 477	(2 953)	-24%	-
Internal audit		-	363	-	37	65	181	(116)	-64%	-
<i>Community and public safety</i>		-	6 451	-	705	3 116	3 226	(110)	-3%	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	1 886	-	183	824	943	(119)	-13%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	4 565	-	522	2 292	2 283	9	0%	-
<i>Economic and environmental services</i>		-	55 823	-	5 200	25 684	27 912	(2 227)	-8%	-
Planning and development		-	6 432	-	461	2 064	3 216	(1 152)	-36%	-
Road transport		-	49 391	-	4 738	23 620	24 696	(1 075)	-4%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	190	-	12	17	95	(78)	-82%	-
Total Expenditure - Functional	3	-	96 255	-	8 503	42 587	48 127	(5 541)	-12%	-
Surplus/ (Deficit) for the year		-	982	-	2 046	8 984	491	8 493	1730%	-

Table C3: Monthly Budget Statements – Financial:

The budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality. On the next page, as part of Table C3, a table with the sub-votes is also prepared.

DC5 Central Karoo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	40 300	-	10 529	12 761	20 150	(7 390)	-36,7%	-
Vote 2 - BUDGET AND TREASURY		-	4 398	-	18	14 114	2 199	11 915	541,9%	-
Vote 3 - CORPORATE SERVICES		-	4 763	-	3	83	2 382	(2 298)	-96,5%	-
Vote 4 - TECHNICAL SERVICES		-	47 775	-	-	24 612	23 888	725	3,0%	-
Total Revenue by Vote	2	-	97 237	-	10 549	51 571	48 618	2 952	6,1%	-
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	17 047	-	1 191	6 312	8 523	(2 212)	-26,0%	-
Vote 2 - BUDGET AND TREASURY		-	12 494	-	1 121	5 949	6 247	(298)	-4,8%	-
Vote 3 - CORPORATE SERVICES		-	19 106	-	1 455	6 708	9 553	(2 845)	-29,8%	-
Vote 4 - TECHNICAL SERVICES		-	47 608	-	4 736	23 618	23 804	(186)	-0,8%	-
Total Expenditure by Vote	2	-	96 255	-	8 503	42 587	48 127	(5 541)	-11,5%	-
Surplus/ (Deficit) for the year	2	-	982	-	2 046	8 984	491	8 493	1729,9%	-

Table C4: Monthly Budget Statement – Financial Performance (Revenue and Expenditure):

This table reflects the operating budget and actual figures of the financial performance. The revenue is specifically set out by source due to the fact that Council approves the revenue budget by source and the expenditure budget by vote.

DC5 Central Karoo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2018/19	Budget Year 2019/20							
		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										
Service charges - electricity revenue										
Service charges - water revenue										
Service charges - sanitation revenue										
Service charges - refuse revenue										
Service charges - other										
Rental of facilities and equipment			93		7	43	47	(4)	-8%	
Interest earned - external investments			630		8	465	315	150	48%	
Interest earned - outstanding debtors										
Dividends received										
Fines, penalties and forfeits										
Licences and permits										
Agency services			4 380		315	1 888	2 190	(302)	-14%	
Transfers and subsidies			43 857		10 214	24 463	21 929	2 535	12%	
Other revenue			48 276		5	24 711	24 138	573	2%	
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)			97 237		10 549	51 571	48 618	2 952	6%	
Expenditure By Type										
Employee related costs			51 840		6 068	24 650	25 920	(1 270)	-5%	
Remuneration of councillors			3 796		355	2 065	1 898	167	9%	
Debt impairment										
Depreciation & asset impairment			283				141	(141)	-100%	
Finance charges										
Bulk purchases										
Other materials			11 502		3	20	5 751	(5 731)	-100%	
Contracted services			16 979		65	765	8 490	(7 724)	-91%	
Transfers and subsidies										
Other expenditure			11 855		2 013	15 086	5 928	9 159	155%	
Loss on disposal of PPE										
Total Expenditure			96 255		8 503	42 587	48 127	(5 541)	-12%	
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			982		2 046	8 984	491	8 493	0	
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)										
Transfers and subsidies - capital (in-kind - all)										
Surplus/(Deficit) after capital transfers & contributions			982		2 046	8 984	491			
Taxation										
Surplus/(Deficit) after taxation			982		2 046	8 984	491			
Attributable to minorities										
Surplus/(Deficit) attributable to municipality			982		2 046	8 984	491			
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year			982		2 046	8 984	491			

***Table C5: Monthly Budget Statement – Capital Expenditure
(Municipal Vote, Standard Classification and Funding):***

DC5 Central Karoo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	132	98	-	10	66	(56)	-85%	-
Vote 2 - BUDGET AND TREASURY		-	60	140	-	-	30	(30)	-100%	-
Vote 3 - CORPORATE SERVICES		-	552	709	-	6	276	(271)	-98%	-
Vote 4 - TECHNICAL SERVICES		-	-	100	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	744	1 047	-	15	372	(357)	-96%	-
Total Capital Expenditure		-	744	1 047	-	15	372	(357)	-96%	-
Capital Expenditure - Functional Classification										
Governance and administration		-	195	-	-	11	97	(86)	-89%	-
Executive and council			31	-	-	8	16	(7)	-48%	-
Finance and administration			164	-	-	3	82	(79)	-96%	-
Internal audit			-	-	-	-	-	-	-	-
Community and public safety		-	449	-	-	3	224	(222)	-99%	-
Community and social services			-	-	-	-	-	-	-	-
Sport and recreation			-	-	-	-	-	-	-	-
Public safety			406	-	-	-	203	(203)	-100%	-
Housing			-	-	-	-	-	-	-	-
Health			43	-	-	3	22	(19)	-88%	-
Economic and environmental services		-	101	-	-	2	50	(49)	-97%	-
Planning and development			101	-	-	2	50	(49)	-97%	-
Road transport			-	-	-	-	-	-	-	-
Environmental protection			-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources			-	-	-	-	-	-	-	-
Water management			-	-	-	-	-	-	-	-
Waste water management			-	-	-	-	-	-	-	-
Waste management			-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	744	-	-	15	372	(357)	-96%	-
Funded by:										
National Government			-	-	-	-	-	-	-	-
Provincial Government			-	-	-	-	-	-	-	-
District Municipality			-	-	-	-	-	-	-	-
Other transfers and grants			-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Public contributions & donations	5		-	-	-	-	-	-	-	-
Borrowing	6		-	-	-	-	-	-	-	-
Internally generated funds			744	-	-	15	372	(357)	-96%	-
Total Capital Funding		-	744	-	-	15	372	(357)	-96%	-

Table C6: Monthly Budget Statement – Financial Position:

DC5 Central Karoo - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			4 140		2 408	4 140
Call investment deposits			–		14 779	–
Consumer debtors			3 275		–	3 275
Other debtors			1 315		6 997	1 315
Current portion of long-term receivables					–	
Inventory			713		660	713
Total current assets			–	9 443	–	24 844
Non current assets						
Long-term receivables			10 020		9 401	10 020
Investments					–	
Investment property					–	
Investments in Associate					–	
Property, plant and equipment			9 149		8 479	9 149
Agricultural					–	
Biological					–	
Intangible			93		112	93
Other non-current assets					–	
Total non current assets			–	19 261	–	17 992
TOTAL ASSETS			–	28 704	–	42 836
LIABILITIES						
Current liabilities						
Bank overdraft					–	
Borrowing			39		70	39
Consumer deposits					–	
Trade and other payables			8 179		5 897	8 179
Provisions					4 576	
Total current liabilities			–	8 218	–	10 543
Non current liabilities						
Borrowing			90		21	90
Provisions			18 001		15 254	18 001
Total non current liabilities			–	18 091	–	18 091
TOTAL LIABILITIES			–	26 309	–	26 309
NET ASSETS	2		–	2 396	–	2 396
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 396		17 019	2 396
Reserves			–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	2		–	2 396	–	2 396

Table C7: Monthly Budget Statement – Cash Flow:

DC5 Central Karoo - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2018/19	Budget Year 2019/20								
		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			-					-			
Service charges			-					-			
Other revenue			52 790		4 092	26 642	26 395	247	1%		
Government - operating			43 717		1 201	24 463	21 859	2 605	12%		
Government - capital			-		-	-	-	-			
Interest			600		87	487	300	187	62%		
Dividends			-		-	-	-	-			
Payments											
Suppliers and employees			(95 776)		(6 878)	(40 446)	(47 888)	(7 442)	16%		
Finance charges			-		-	-	-	-			
Transfers and Grants			-		-	-	-	-			
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	1 330	-	(1 499)	11 146	665	(10 481)	-1576%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			-					-			
Decrease (Increase) in non-current debtors			-					-			
Decrease (increase) other non-current receivables			-		-	(1 044)	-	(1 044)	#DIV/0!		
Decrease (increase) in non-current investments			-					-			
Payments											
Capital assets			(784)		12	(15)	(392)	(377)	96%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(784)	-	12	(1 059)	(392)	667	-170%	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-					-			
Borrowing long term/refinancing			-					-			
Increase (decrease) in consumer deposits			-					-			
Payments											
Repayment of borrowing			(11)					(6)	100%		
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	(11)	-	-	-	(6)	(6)	100%	-
NET INCREASE/ (DECREASE) IN CASH HELD			-	535	-	(1 487)	10 088	268			-
Cash/cash equivalents at beginning:			3 605				7 099	3 605			7 099
Cash/cash equivalents at monthly/year end:			4 140				17 187	3 873			7 099

7. SUPPORTING DOCUMENTATION

DEBTORS ANALYSIS:

Supporting Table SC3:

DC5 Central Karoo - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2019/20									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200										-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300										-	-	
Receivables from Non-exchange Transactions - Property Rates	1400										-	-	
Receivables from Exchange Transactions - Waste Water Management	1500										-	-	
Receivables from Exchange Transactions - Waste Management	1600										-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700										-	-	
Interest on Arrear Debtor Accounts	1810										-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820										-	-	
Other	1900	(47)	5	17	-	562	678	-	-	1 215	1 240		
Total By Income Source	2000	(47)	5	17	-	562	678	-	-	1 215	1 240	-	
2018/19 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200										-	-	
Commercial	2300										-	-	
Households	2400										-	-	
Other	2500	(47)	5	17	-	562	678	-	-	1 215	1 240		
Total By Customer Group	2600	(47)	5	17	-	562	678	-	-	1 215	1 240	-	

Table SC3 is the only debtors report required by the MBRR.

Supporting Table SC4:

DC5 Central Karoo - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description	NT Code	Budget Year 2019/20									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	18	0	-	4	-	-	-	-	-	22	
Auditor General	0800										-	
Other	0900										-	
Total By Customer Type	1000	18	0	-	4	-	-	-	-	-	22	-

GRANT RECEIPTS:

Supporting Table SC6 – Grant Receipts:

DC5 Central Karoo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2018/19	Budget Year		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands										
RECEIPTS:	1.2									
Operating Transfers and Grants										
National Government:		-	34 908	-	10 214	26 270	17 454	8 070	46,2%	-
Local Government Equitable Share			30 642		10 214	22 982	15 321	7 661	50,0%	
FMG - Internship Training			1 000		-	1 000	500			
EPWP Incentive			1 231		-	862	616			
Rural Asset Management Grant			2 035		-	1 426	1 018	409	40,1%	
Provincial Government:		-	1 759	-	-	280	880	(550)	-62,5%	-
WK FMG KAPASITEIT AFS										
Disaster Management										
WP Financial Management Support Grant			280			280	140			
WC - FMG CAPACITY			379				190			
WK FMG ERM SYSTEM										
WK FMG PDO COMPLIANCE										
WK FMG ERM SYSTEM ROLL-FORWARD										
WK FMG CAPACITY AUDIT ASSISTANCE										
WK FMG CAPACITY IA SYSTEM										
WOSA			1 100				550	(550)	-100,0%	
LG GEGRADUEERDE INTERNSKAP	4									
District Municipality:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Other grant providers:		-	7 190	-	-	439	3 595	(3 156)	-87,8%	-
CHIETA			1 300			439	650	(211)	-32,4%	
LGSETA			2 850				1 425			
LGSETA MANDATORY GRANT			40				20			
Audit fee			3 000				1 500			
Total Operating Transfers and Grants	5	-	43 857	-	10 214	26 989	21 929	4 364	19,9%	-
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-		-
<i>Other capital transfers [insert description]</i>										
Provincial Government:		-	-	-	-	-	-	-		-
Fire department capacity building										
District Municipality:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-		-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	43 857	-	10 214	26 989	21 929	4 364	19,9%	-

Supporting Table SC7(1) – Grant Expenditure:

DC5 Central Karoo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2018/19	Budget Year 2019/20							
		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:		-	34 908	-	2 748	16 537	17 454	(917)	-5,3%	-
Local Government Equitable Share			30 642		2 554	15 321	15 321	-		
FMG - Internship Training			1 000		99	611	500	111	22,1%	
EPWP Incentive			1 231		96	605	616	(11)	-1,7%	
Rural Asset Management Grant			2 035		-	-	1 018	(1 018)	-100,0%	
Provincial Government:		-	1 759	-	19	401	880	-		-
WK FMG KAPASITEIT AFS					-	-	-	-		
Disaster Management					-	-	-	-		
WP Financial Management Support Grant			280		17	244	140			
WC - FMG CAPACITY			379		-	129	190			
WK FMG ERM SYSTEM					-	-	-			
WK FMG PDO COMPLIANCE					-	-	-			
WK FMG ERM SYSTEM ROLL-FORWARD					-	-	-			
WK FMG CAPACITY AUDIT ASSISTANCE					-	-	-			
WK FMG CAPACITY IA SYSTEM					-	-	-			
WOSA			1 100		2	28	550			
LG GEGRADUEERDE INTERNSKAP					-	-	-			
District Municipality:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Other grant providers:		-	7 190	-	-	16	3 595	(3 579)	-99,6%	-
CHIETA			1 300		-	3	650	(647)	-99,6%	
LGSETA			2 850		-	-	1 425			
LGSETA MANDATORY GRANT			40		-	13	20			
Audit fee			3 000		-	-	1 500	(1 500)	-100,0%	
Total operating expenditure of Transfers and Grants:		-	43 857	-	2 767	16 953	21 929	(4 497)	-20,5%	-
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-		-
Other capital transfers <i>[insert description]</i>										
Provincial Government:		-	-	-	-	-	-	-		-
Fire department capacity building										
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-		-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	43 857	-	2 767	16 953	21 929	(4 497)	-20,5%	-

CAPITAL PROGRAMME PERFORMANCE:

Supporting Table C12:

Supporting Table C12 reconciled with Table C5.

DC5 Central Karoo - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q2 Second Quarter

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July		62		4	4	62	58	93,0%	1%
August		65		-		127	-		
September		65		-		193	-		
October		65		(1)		258	-		
November		65		12	#VALUE!	323	#VALUE!	#VALUE!	#VALUE!
December		65		-		389	-		
January		65				454	-		
February		65				519	-		
March		65				585	-		
April		65				650	-		
May		65				715	-		
June		29				744	-		
Total Capital expenditure	-	744	-	15					

NON-FINANCIAL PERFORMANCE REPORTING – MID-YEAR PERFORMANCE ASSESSMENT (July – December 2019)

Disclaimer

This Mid-Year Performance Assessment Report, w.r.t. the non-financial information, is based on reported information only, and is un-audited. This report is subject to change on finalization of the Internal Performance Audit Report for Quarter 1 and 2 of the 2019/2020 financial year.

Purpose of report

To submit to the Executive Mayor an assessment report on the Municipality's Performance covering the period 1 July 2019 to 31 December 2019.

1. Summary

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 financial year, assess the performance of the Municipality during the first half of the financial year and submit a report on such an assessment to the Mayor of the Municipality, the National Treasury and the relevant provincial treasury. The Mayor must in turn, comply with the provisions of Section 54, which includes submitting the report to Council by 31 January of each year.

2. Constitutional and Policy Implications

The process is driven by our PMS Framework that was approved in 2013. We are currently in the process of reviewing the PMS Policy.

3. Legal Implications

3.1 Section 72 (1), Local Government: Municipal Finance Management Act, 2003 (Act 55 of 2003), **referred to as the MFMA**

3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 200) (Chapter 6 and sections 16 and 26 of Chapters 4 and 5, respectively), as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003)

4. Background

4.1 In terms of Section 72 (1) of the MFMA, 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 the 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 and shared control of the municipality, taking into account report in terms of section 88 from any such entity; 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

4.2 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

5. Service delivery performance analysis

(a) Performance Framework

Performance management is prescribed by Chapter 6 of the Municipal Systems Act (MSA), Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation 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, organized and managed, including determining the responsibilities of the different role players.”* This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP) and individual and service provider performance.

The Central Karoo District Municipality has an approved Performance Management Framework in place which was reviewed in 2013. We are currently in the process of Reviewing the framework for adoption by Council.

(b) Implementation of Performance Management

The IDP 2017/2022 was compiled and approved by Council on 25 May 2017. Performance is evaluated by means of a municipal scorecard (Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) at organisational level and through the Departmental SDBIP at Departmental 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 is implemented. It also allocates responsibilities to Departments to deliver services in terms of the IDP and Budget.

The TL SDBIP was prepared and approved by the Executive Mayor on 19 June 2019.

(c) Monitoring performance

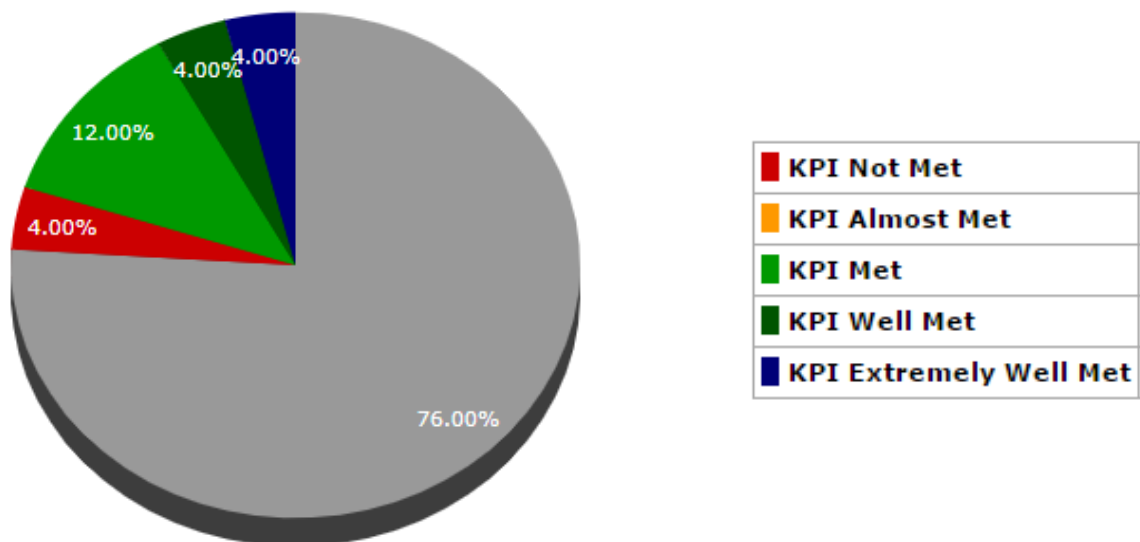
The SDBIP is loaded on an electronic web based system (after approval). The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against Key Performance Indicator (KPI) Targets for the previous month's performance. The actual results against monthly targets set, are discussed in monthly Executive Management Team (EMT) meetings to determine early warning indicators and discuss corrective measures if needed.

Category	Colour	Description
<i>KPI's Not Yet Measured</i>		
<i>KPI's Not Met</i>		$0\% \geq \text{Actual/Target} < 75\%$
<i>KPI's Almost Met</i>		$75\% \geq \text{Actual/Target} < 100\%$
<i>KPI's Met</i>		$\text{Actual/Target} = 100\%$
<i>KPI's Well Met</i>		$100\% > \text{Actual/Target} < 150\%$
<i>KPI's Extremely Well Met</i>		$\text{Actual/Target} \geq 150\%$

5.1 Overall service delivery performance

a) Summary of performance against the National KPA's

The graph below illustrates the performance of the Central Karoo District Municipality against the National Key Performance Area's (NKPA's).

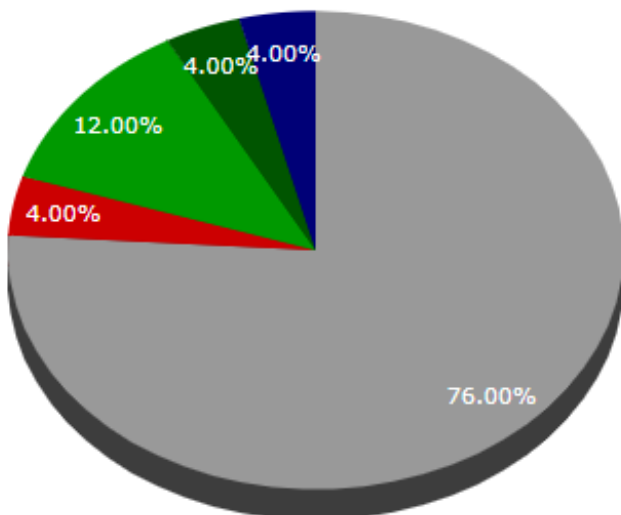


	Central Karoo District Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
Not Yet Applicable	19 (76.00%)	5 (62.50%)	7 (87.50%)	1 (100.00%)	2 (50.00%)	4 (100.00%)
Not Met	1 (4.00%)	-	-	-	1 (25.00%)	-
Almost Met	-	-	-	-	-	-
Met	3 (12.00%)	1 (12.50%)	1 (12.50%)	-	1 (25.00%)	-
Well Met	1 (4.00%)	1 (12.50%)	-	-	-	-
Extremely Well Met	1 (4.00%)	1 (12.50%)	-	-	-	-
Total:	25	8	8	1	4	4
	100%	32.00%	32.00%	4.00%	16.00%	16.00%

b) Summary of performance against the Municipal Strategic Objectives

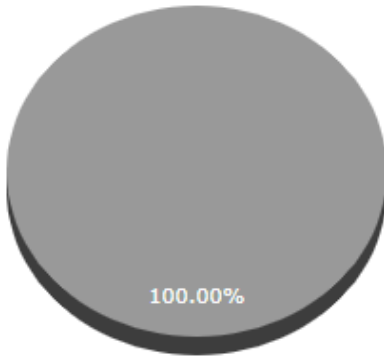
The graph below illustrates the performance of the Central Karoo District Municipality against the Municipality’s Strategic objectives as derived from the Municipality Integrated Development Plan (IDP).

CENTRAL KAROO DISTRICT MUNICIPALITY



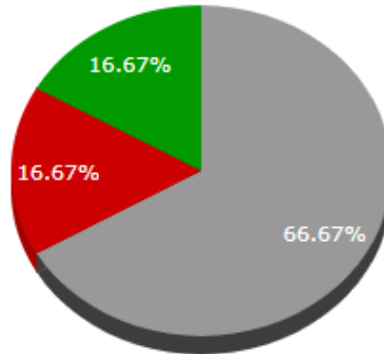
Not Yet Applicable	19 (76%)
Not Met	1 (4%)
Almost Met	0 (0%)
Met	3 (12%)
Well Met	1 (4%)
Extremely Well Met	1 (4%)

Build a well capacitated workforce, skilled youth and communities



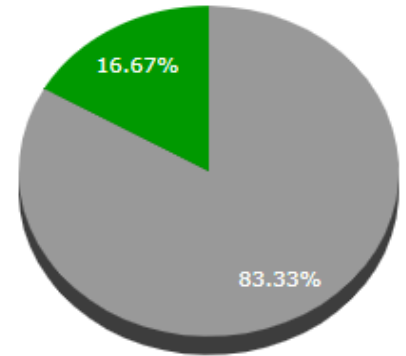
Not Yet Applicable	19 (76%)
Not Met	1 (4%)
Almost Met	0 (0%)
Met	3 (12%)
Well Met	1 (4%)
Extremely Well Met	1 (4%)

Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region



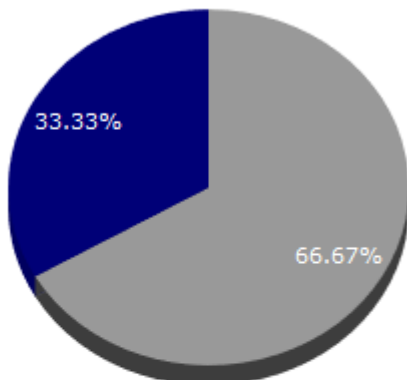
Not Yet Applicable	19 (76%)
Not Met	1 (4%)
Almost Met	0 (0%)
Met	3 (12%)
Well Met	1 (4%)
Extremely Well Met	1 (4%)

Facilitate good governance principles and effective stakeholder participation



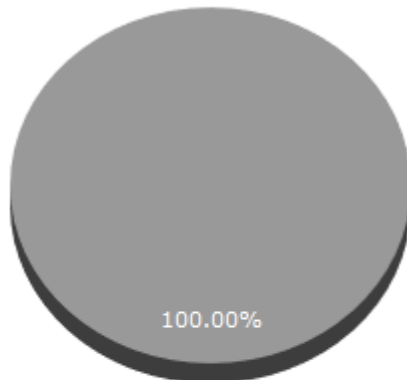
Not Yet Applicable	19 (76%)
Not Met	1 (4%)
Almost Met	0 (0%)
Met	3 (12%)
Well Met	1 (4%)
Extremely Well Met	1 (4%)

Improve and maintain district roads and promote safe roads transport



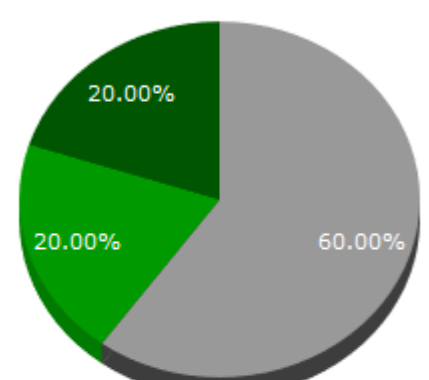
Not Yet Applicable	19 (76%)
Not Met	1 (4%)
Almost Met	0 (0%)
Met	3 (12%)
Well Met	1 (4%)
Extremely Well Met	1 (4%)

Promote regional, economic development, tourism and growth opportunities



Not Yet Applicable	19 (76%)
Not Met	1 (4%)
Almost Met	0 (0%)
Met	3 (12%)
Well Met	1 (4%)
Extremely Well Met	1 (4%)

Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service



Not Yet Applicable	19 (76%)
Not Met	1 (4%)
Almost Met	0 (0%)
Met	3 (12%)
Well Met	1 (4%)
Extremely Well Met	1 (4%)

6. Adjustment 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.”

A revised Top Layer SDBIP will be submitted with the Adjustment budget to Council by 28 February 2019 with the necessary motivation where key performance indicators require adjustment/amendment/s as a result of the Adjustment budget.

7. Summary

Appendix A is the unaudited Top Layer SDBIP for the first half of the financial year 2019/20 ending 31 December 2019, which measures the Central Karoo District Municipality’s Overall Performance – July – December 2019 per MKPA. The report, furthermore, includes the corrective measures indicated for targets not achieved.

The Central Karoo District Municipality is committed to ensuring that our vision of “Working together in development and growth” becomes a reality through integrated and informed planning and ensuring that we inculcate a culture of performance excellence within our Municipality.

During the first half of the 2019/20 financial year (July – December 2019) **19 KPI’s were not yet applicable, 1 KPI was not met, 3 KPI’s were met, 1 KPI well met with 1 KPI extremely well met.**

Overall Summary of Results			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	19
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	3
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
Total KPIs:			25

To ensure that the Central Karoo District Municipality is able to achieve its strategic objectives we will be amending some TL KPI’s where required.

Appendix B includes recommendations with regard to the Report.

8. Appendices

Appendix A — Top Layer SDBIP 2019/20 per Municipal Department and assessment of targets achieved per Directorate as well as corrective measures where applicable.

Appendix B — Recommendations

Appendix A — Top Layer SDBIP 2019/20 performance per Municipal Department and assessment of targets achieved

Office of the Municipal Manager

Ref	KPI Name	Description of Unit of Measurement	Source of Evidence	Annual Target	Overall Performance: July – December 2019		
					Target	Actual	Corrective Measures
TL1	Submit the draft Annual Report in Council by 31 January	Draft Annual Report submitted in Council	Proof of submission	1	0	0	
TL2	Spend 90% of the municipal capital budget by 30 June {(Actual amount spent /Total amount budgeted) X100}	% of capital budget spent	Capital expense report generated from the financial system	90.00%	40.00%	0.00%	
TL3	Review and submit the IDP and Budget Process Plan and District Framework to Council by 31 August	IDP and Budget Process Plan and Framework submitted to Council	Proof of submission	1	0	0	
TL4	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June	RBAP revised and submitted to the Audit Committee	Minutes of the Audit Committee meeting	1	0	0	
TL5	Complete 70% of audits as per the RBAP by 30 June [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	% audits completed	RBAP, Quarterly progress reports and minutes of the Audit Committee	70.00%	0.00%	0.00%	
TL6	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June	Number of full time equivalent (FTE's) created	Signed contracts	20	0	0	
TL7	Review the delegation register and submit to Council for approval by 30 June	Delegation registered reviewed and submitted to Council	Proof of submission	1	0	0	
TL8	Review the organisational structure (Macro) and submit to Council for approval by 31 May	Organisational structure reviewed and submitted to Council	Proof of submission	1	0	0	

Ref	KPI Name	Description of Unit of Measurement	Source of Evidence	Annual Target	Overall Performance: July – December 2019		
					Target	Actual	Corrective Measures
TL9	Conduct a feasibility study on regional waste management and submit to Council by 30 June	Regional Waste Management Study submitted	Proof of submission	1	0	0	
TL10	Submit a Water Conservation and Demand Strategy to Council by 30 June	Water Conservation and Demand Strategy submitted	Proof of submission	1	0	0	

Corporate Services

Ref	KPI Name	Description of Unit of Measurement	Source of Evidence	Annual Target	Overall Performance: July – December 2019		
					Target	Actual	Corrective Measures
TL11	Review Corporate and HR policies and submit to Council for approval by 30 June	Number of policies reviewed and submitted	Proof of submission	5	0	0	
TL12	Spend 0.5% of the municipality's personnel budget on training by 30 June [(Total Actual Training Expenditure/ Total personnel Budget) x100]	% of the personnel budget spent on training	Report generated from the financial system	0.50%	0.00%	0.00%	
TL13	Review the Workplace Skills Plan and submit to LGSETA by 30 April	Workplace Skills Plan reviewed and submitted	Proof of submission	1	0	0	
TL14	The number of people from the employment equity target groups employed (appointed) in the three highest levels of management in compliance with the municipality's approved Equity Plan as at 30 June	Number of people employed	Signed of Excel spread sheet – File Name: Personnel	0	0	0	
TL15	Compile and submit a bi-annual Water Quality Evaluation Reports with recommendation to Water Service Authorities	Number of Water Quality Evaluation Reports submitted	Reports & proof of dispatch via email to Water Service Authorities (WSA's)	6	3	3	
TL16	Compile and submit annual Waste Management Report with recommendation to Local Authorities by 30 June	Number of Waste Management Report submitted	Reports & proof of dispatch via email to Local Authorities	3	0	0	
TL17	Compile and distribute a Municipal Health Newsletter to Local Authorities by 30 June	Number of Newsletters submitted	Newsletter & proof of dispatch via email to Local Authorities	1	0	1	

Financial Services

Ref	KPI Name	Description of Unit of Measurement	Source of Evidence	Annual Target	Overall Performance: July – December 2019		
					Target	Actual	Corrective Measures
TL18	Review 15 budget related policies and submit to Council for approval by 31 May	Number of policies reviewed and submitted	Proof of submission to Senior Clerk: Committee Services	15	0	0	
TL19	Review and submit the MFMA delegation register to Council for approval by 31 May	MFMA delegation registered reviewed and submitted	Proof of submission to Senior Clerk: Committee Services	1	0	0	
TL20	Compile and submit the financial statements to the Auditor-General by 31 August	Financial statements compiled and submitted	Proof of submission to the Auditor-General	1	0	0	
TL21	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue – Op	% of debt coverage	Annual Financial Statements and calculation sheet	10.00%	0.00%	0.00%	
TL22	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June ((Cash and Cash Equivalents – Unspent Conditional Grants – Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	Annual Financial Statements and calculation sheet	25	0	0	

Roads and Infrastructure Services

Ref	KPI Name	Description of Unit of Measurement	Source of Evidence	Annual Target	Overall Performance: July – December 2019		
					Target	Actual	Corrective Measures
TL23	Create temporary job opportunities in terms of identified road projects by 31 March (Calculations of the number of jobs created will be over the 12 months coincided the financial year of the Provincial Department of Transport)	Number of temporary jobs created	Statistics submitted and temporary worker employment contracts	22	0	0	
TL24	Spend 95% of the total allocated approved Roads budget by 31 March [(Actual expenditure divided by approved allocation received) x100] (Spending calculated over 12 months which coincide with the Financial year of the Provincial Department of Transport)	% of total allocated approved Roads budget spent	Summary of Road Capital Expenses from ABAKUS (Claimed)	95.00%	50.00%	78.57%	
TL25	Regravel 40 kilometres of road by 31 March	Number of kilometres regavelled	Signed off project file	40	0	0	

Corrective Measures per Department

Office of the Municipal Manager

KPI TL2 was not met and no corrective measure was provided by the user Department.

Corporate Services

None

Financial Services

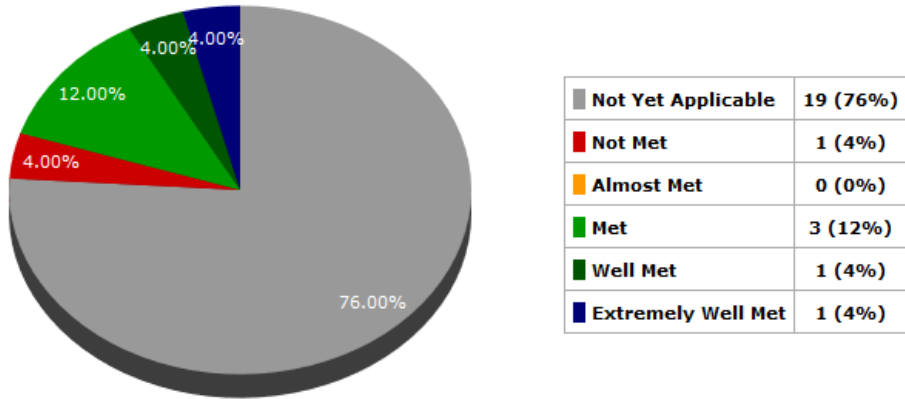
None

Technical Services

None

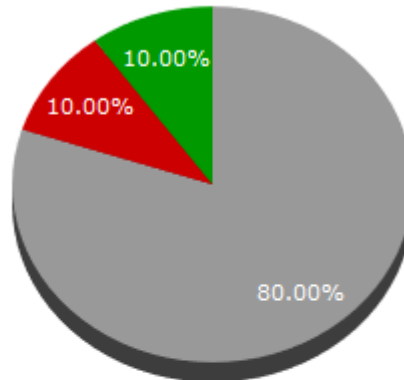
KPI Monitoring and Evaluation graphs – Per Directorate

Overall Performance



KPI Monitoring: Office of the Municipal Manager

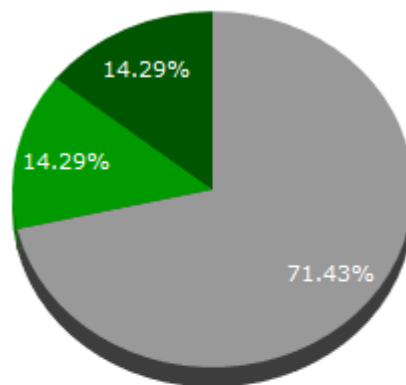
Municipal Manager



Not Yet Applicable	19 (76%)
Not Met	1 (4%)
Almost Met	0 (0%)
Met	3 (12%)
Well Met	1 (4%)
Extremely Well Met	1 (4%)

KPI Monitoring: Corporate Services

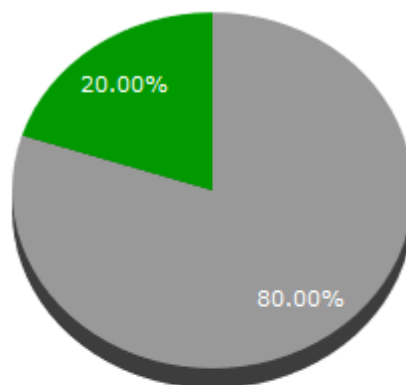
Corporate Services



■ Not Yet Applicable	19 (76%)
■ Not Met	1 (4%)
■ Almost Met	0 (0%)
■ Met	3 (12%)
■ Well Met	1 (4%)
■ Extremely Well Met	1 (4%)

KPI Monitoring: Financial Services

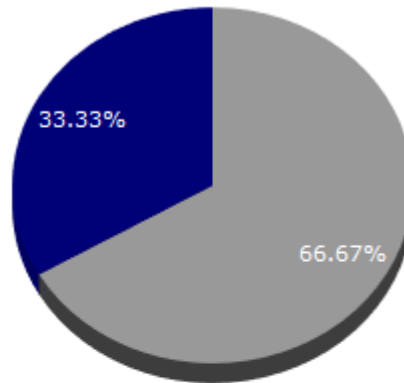
Financial Services



■ Not Yet Applicable	19 (76%)
■ Not Met	1 (4%)
■ Almost Met	0 (0%)
■ Met	3 (12%)
■ Well Met	1 (4%)
■ Extremely Well Met	1 (4%)

KPI Monitoring: Roads and Infrastructure Services

Roads and Infrastructure Services



■ Not Yet Applicable	19 (76%)
■ Not Met	1 (4%)
■ Almost Met	0 (0%)
■ Met	3 (12%)
■ Well Met	1 (4%)
■ Extremely Well Met	1 (4%)

Appendix B – Recommendations

The following recommendations are made with regards to the performance management of Central Karoo District Municipality:

- The Top Level SDBIP be revised where required with the necessary motivation of targets to be adjusted or removed.
- All adjustments to the SDBIP commence during the adjustment budget process and will be approved as follows;
 - Top Level SDBIP – The Executive Mayor for approval
 - That the content of this report be approved by the Executive Mayor and forwarded to the relevant Government Department