

MAGARENG



MUNICIPALITY

**Magareng Local
Municipality**

**2022/2023 Mid-Term Report
for the period ended
31 December 2022**

Glossary

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy(ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings – for example, when an invoice is received by the Municipality it is shown as expenditure in the Quarter it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate loss of RSC levies.

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

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.

Operating Expenditure – The day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and Quarterly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds.

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 Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In Eden District this means the different GFS classification the budget is divided.

DLG&HS – Department of Local Government and Human Settlements

MIG – Municipal Infrastructure Grant

WSIG – Water Services Infrastructure Grant

FMG – Financial Management Grant

MSIG – Municipal Systems Improvement Grant

Legislative Framework

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act – Act No. 56 of 2003

PART 1

IN-YEAR REPORTING

1.1 MAYOR'S REPORT

The Midyear Budget & Performance Report is required in terms of the Section 72 of the MFMA and serves as a measurement tool to assess the performance of this municipality on financial and non-financial matters.

It comes at a time after this municipality has received a qualified opinion report from the Auditor-General and part of the assessment was to reflect on the extent to which the administration has implemented the recommendations of the AG on the 2021/2022 Annual Report. Instead, the recent AG report has indicated that we have not made progress and instead we remained stagnant.

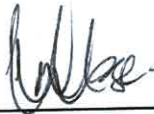
However, this assessment gives this council an opportunity to put in place remedial action by taking note of the Action Plan put up by administration to deal with the AG findings. We have taken a resolution that this Action Plan will be monitored monthly to ensure that it is implemented and visible change is evident to address the findings.

The assessment conducted during the Midyear Review indicates some progress registered with the implementation of the approved SDBIP but not to the level desired. This is against the background of financial strain the municipality is undergoing due to past unilateral withdrawal by National Treasury of part of our MIG and Equitable Share funds. However, much needs to be done to undo the situation and ensure that the municipality is back on track to deliver services to our communities.

I therefore approve this report and hand it over to the MPAC to conduct detailed analysis and report back to council. I also invite all other stakeholders to engage with it and contribute towards addressing the challenges highlighted in the non-financial and financial performance reports.

Cllr N. Mase
Mayor

(Signed by :)



Municipal Manager's Overview

The Midyear Budget & Performance Report is presented to all stakeholders to comply with Section 72 of the MFM. The purpose of the review session is very critical to review the first (1st) and second (2nd) Quarters i.e. respective July – September and October-December 2022, to present the draft 2022/23 Annual Report, to prepare the draft Auditor General's Report Action Plan and also to address measures to improve performance and amend (if necessary) the 2022/2023 SDBIP.

The management has been able to conduct the assessment for the first half of the financial year, and the performance thereof is satisfactory. However, as already alluded by the Executive Mayor, this municipality is facing serious financial challenges which have been caused by non-collection of revenue. This move has had a negative impact on the cash flow situation and creates doubts on the municipality to operate as a going concern.

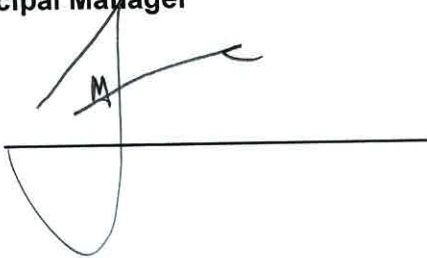
Therefore, the financial situation of this municipality needs thorough turnaround and our key stakeholders such as National Treasury must assist by data cleansing processes on the financial system and increase unconditional grants to cover indigents within the municipal area.

The management has taken into consideration all areas of underperformance and the challenges identified in the current SDBIP as presented by HOs for their various KPAs, KPIs and targets. A remedial action plan has been put in place to deal with these challenges to improve performance for the last six months of the financial year. Part of the action taken, amongst others, was to assess our financial performance by considering recommendations to adjust the budget and present the report to Council in February 2023. In addition, the SDBIP was reviewed and the revised document will also be present during the council meeting.

I am of the view that a collective effort by both management and council shall go a long way to improve our performance in the last half of this financial year. Therefore, this midyear budget and performance report provides an opportunity for all stakeholders to participate in all the initiatives to improve service delivery to our communities.

Acting Municipal Manager
T. M THAGE

(Signed by :)

A handwritten signature in black ink, appearing to be 'T. M THAGE', is written over a horizontal line. The signature is somewhat stylized and includes a large loop at the end.

1.1.1 Implementation of the Budget in line with the SDBIP

The municipality's strives to ensure alignment of the budget to the Service Delivery and Budget Implementation plan (SDBIP) and to ensure that all objectives are provided for. Given the fact that financial resources are never sufficient to address all the needs identified in the departmental wish lists and the service delivery needs as identified by our communities, the process of prioritization of needs had to be strictly done.

Reasonable strides have been done by the municipality to cut costs and to implement a budget that only addresses the planned objectives. There have been serious cuts on non-priority areas and luxuries to afford the municipality to bridge the gap between the needs of our communities and the available resources.

All the objectives set in the SDBIP are aligned to the budget and even though not fully funded. Tables SA4 - SA6 demonstrated this alignment of the budget to the SDBIP.

1.1.2 Council Resolutions

These are the resolutions that will be presented to Council when this In-Year Report is tabled.

1.2 EXECUTIVE SUMMARY

1.2.1 Introduction

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, she must submit the report to council by 31st January in terms of section 54 of the MFMA. This mid-year performance report and supporting tables of the municipality are prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations and illustrate the performance in graphical and tabular format.

1.2.2 CONSOLIDATED OVERVIEW

Dashboard / Performance Summary

Table 1: Performance Summary

1.2.1.1 Against Annual Budget (Original)

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 71 782 000	Bank Balance	(R 2 248 332)
Expenditure	(R 68 604 737)	Call investments (excl. int.)	R 175 573
Operating Deficit/surplus	R 3 176 841	Cash and cash equivalents	(R 16 912 955)
Transfers and Subsidies Recognized – Capital	R 12 000 000	<i>Account Payables</i>	<i>(R 240 582 377)</i>
Surplus/Deficit After Capital Transfers	R 15 176 841		
DEBTORS			
Total debtors' book	R 365 215 357		
Total debtors - Government	R 10 110 633		
Total debtors - Business	R 23 465 289		
Total debtors - Households	R 331 639 435		
Other		SURPLUS / (DEFICIT) PER SERVICE	
		Water	R 2 606 707
		Electricity	R 9 848 234
REPAIRS AND MAINTENANCE		Refuse	R 3 533 383
2020/2021: Exp. = R 5 191 306 which is 86% of the original budget of R 6 005 000.	2021/2022: Exp. = R 8 160 065 which is an over spent of the original budget of R 2 550 000.	Sewerage	R 4 608 256
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
2020/21: Exp. as a % of Adjusted Budget received of R 60 784 492: Exp. = R 57 230 337 % exp. :94%	2021/2022: Exp. as a % of Adjusted Budget received of R 35 620 223: Exp. = R 34 547 125 % exp: 97%	2020/2021: Exp. as a % of Adjusted Budget of R 130 835 559: Exp. = R 176 596 199 There's was an over spent.	2022/2122: Exp. as a % of Adjusted Budget of R 165 272 076: Exp. = R 182 903 706 There was an over spent.
FINANCIAL		HUMAN RESOURCES	
Operating surplus before Capital Transfers	R 3 176 841	Total staff complement	154
		Staff Appointments	3
YTD Grants and subsidies: recognized – Capital	R 12 000 000	Staff Terminations	4
		Total overtime paid (YTD)	R 790 810

1.3BUDGET STATEMENT TABLES

1.3.1Table C1 Monthly Budget Statement – Summary

NC093 Magareng - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	11 733	12 319	12 319	1 019	6 148	6 159	(11)	-0%	12 319
Service charges	36 845	43 325	43 325	2 329	16 077	21 663	(5 585)	-26%	43 325
Investment revenue	6 296	3 122	3 122	912	5 320	1 561	3 760	241%	3 122
Transfers and subsidies	62 864	64 964	64 964	14 196	40 631	32 482	8 149	25%	64 964
Other own revenue	8 204	7 186	7 186	643	3 605	3 593	12	0%	7 186
Total Revenue (excluding capital transfers and contributions)	125 943	130 916	130 916	19 099	71 782	65 458	6 324	10%	130 916
Employee costs	49 810	53 078	52 578	3 393	23 537	26 289	(2 752)	-10%	52 578
Remuneration of Councillors	4 263	4 675	4 655	392	2 332	2 328	4	0%	4 655
Depreciation & asset impairment	27 108	30 431	30 431	2 163	12 995	15 216	(2 221)	-15%	30 431
Finance charges	5 447	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	47 727	38 600	38 570	3 935	7 716	19 285	(11 569)	-60%	38 570
Transfers and subsidies	-	20	20	-	-	10	(10)	-100%	20
Other expenditure	50 844	55 509	56 059	4 558	22 025	28 030	(6 005)	-21%	56 059
Total Expenditure	185 199	182 313	182 313	14 441	68 605	91 157	(22 552)	-25%	182 313
Surplus/(Deficit)	(59 256)	(51 398)	(51 398)	4 657	3 177	(25 699)	28 876	-112%	(51 398)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	30 851	23 612	23 612	-	12 000	11 806	194	2%	23 612
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	3 696	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)	29 070	-209%	(27 786)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)	29 070	-209%	(27 786)
Capital expenditure & funds sources									
Capital expenditure	24 630	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Capital transfers recognised	22 097	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2 533	-	-	-	-	-	-	-	-
Total sources of capital funds	24 630	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Financial position									
Total current assets	(32 032)	(111 496)	(111 496)	-	69 264	-	-	-	(111 496)
Total non current assets	310 859	324 339	324 339	-	309 018	-	-	-	324 339
Total current liabilities	366 150	238 246	238 246	-	242 426	-	-	-	238 246
Total non current liabilities	12 754	3 105	3 105	-	12 754	-	-	-	3 105
Community wealth/Equity	133 045	(27 786)	(27 786)	-	101 244	-	-	-	(27 786)
Cash flows									
Net cash from (used) operating	-	45 165	45 165	2 362	1 063	22 582	21 519	95%	275 601
Net cash from (used) investing	-	(23 611)	(23 612)	(2 517)	(11 154)	(11 806)	(652)	6%	(23 611)
Net cash from (used) financing	-	331	-	10	22	165	143	86%	331
Cash/cash equivalents at the month/year end	6 674	22 461	22 130	-	(16 913)	11 519	28 432	247%	245 476
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	5 210	5 003	4 897	5 014	4 886	4 797	25 254	310 154	365 215
Creditors Age Analysis									
Total Creditors	4 115	5 292	5 434	6 012	10 008	57 875	53 819	98 028	240 582

NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		11 733	12 319	12 319	1 019	6 148	6 159	(11)	0%	12 319
Service charges - electricity revenue		15 185	20 897	20 897	417	4 996	10 449	(5 452)	-52%	20 897
Service charges - water revenue		8 426	8 975	8 975	749	3 995	4 487	(493)	-11%	8 975
Service charges - sanitation revenue		7 569	7 016	7 016	664	4 048	3 508	541	15%	7 016
Service charges - refuse revenue		5 666	6 437	6 437	498	3 038	3 219	(181)	-6%	6 437
Rental of facilities and equipment		4	3	3	-	-	1	(1)	-100%	3
Interest earned - external investments		6 296	3 122	3 122	912	5 320	1 561	3 760	241%	3 122
Interest earned - outstanding debtors		2 749	5 223	5 223	609	3 267	2 612	656	25%	5 223
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		127	46	46	7	26	23	3	15%	46
Licences and permits		(2 187)	-	-	-	-	-	-	-	-
Agency services		76	-	-	-	-	-	-	-	-
Transfers and subsidies		62 864	64 964	64 964	14 196	40 631	32 482	8 149	25%	64 964
Other revenue		7 240	1 914	1 914	27	311	957	(646)	-68%	1 914
Gains		196	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		125 943	130 916	130 916	19 099	71 782	65 458	6 324	10%	130 916
Expenditure By Type										
Employee related costs		49 810	53 078	52 578	3 393	23 537	26 289	(2 752)	-10%	52 578
Remuneration of councilors		4 263	4 675	4 655	392	2 332	2 328	4	0%	4 655
Debt impairment		35 611	37 815	37 815	2 949	17 695	18 908	(1 212)	-6%	37 815
Depreciation & asset impairment		27 108	30 431	30 431	2 163	12 995	15 216	(2 221)	-15%	30 431
Finance charges		5 447	-	-	-	-	-	-	-	-
Bulk purchases - electricity		24 641	24 750	24 750	2 725	5 276	12 375	(7 099)	-57%	24 750
Inventory consumed		23 086	13 850	13 820	1 210	2 440	6 910	(4 470)	-65%	13 820
Contracted services		6 187	6 720	7 220	616	1 346	3 610	(2 264)	-63%	7 220
Transfers and subsidies		-	20	20	-	-	10	(10)	-100%	20
Other expenditure		9 046	10 974	11 024	993	2 984	5 512	(2 528)	-46%	11 024
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		185 199	182 313	182 313	14 441	68 605	91 157	(22 552)	-25%	182 313
Surplus/(Deficit)		(59 256)	(51 398)	(51 398)	4 657	3 177	(25 699)	28 876	(0)	(51 398)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 851	23 612	23 612	-	12 000	11 806	194	0	23 612
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		3 696	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)	-	-	(27 786)
Surplus/(Deficit) after capital transfers & contributions		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)			(27 786)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)			(27 786)
Attributable to minorities		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)			(27 786)
Surplus/(Deficit) attributable to municipality		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)			(27 786)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)			(27 786)

DISCUSSION.

Revenue

The actual year to date total revenue at end of December 2022 amounts to **R 71,7 million.**

The main contributing factors to the under collection/billing includes the following:

- Information produced from the Financial system is not credible and leading to consumers disputing their accounts ;
- Late issuing of monthly billing accounts;

As part of the mid-year report it can be seen from the above C4 table that at 31 December 2022 the following budgeted revenue streams are reflecting negative variances.

- Service charges - Electricity
 - Water
 - Refuse
- Interest earned outstanding debtors
- Licenses and permits
- Agency services
- Transfers and subsidies

A positive variance of **R 6,3 million** has been realized as a result of the revenue categories:

SERVICE CHARGES

Service charges-Electricity revenue

- Electricity revenue shows under billing of **R 5,4 million** as at the end of December 2022
- This negative variance is as a result of over budgeting by the municipality. .

Service charges- Water Revenue

Water revenue indicates a negative variance or under billing of **R 493 000 (Four Hundred and ninety three thousand)**

- This negative variance is as a result of not being able to bill the Ikhutseng community as there is no metering systems in place.
- Currently the municipality is upgrading the Warrenton Water Treatment Plant at a cost of R90 000 000.00 in order to increase its production ability and capacity of Warrenton Water Treatment Plant as a way of ensuring the whole community has access to water.

Service charges- Sanitation Revenue

- *Sanitaion revenue indicates billing of R 4 million*

Service charges- Refuse Revenue

- Refuse revenue indicates a negative variance of **R 181 000.00** as at the end of December 2022.
- The negative variance is due to over budgeting and under collection of revenue on services rendered.
- The municipality will have to adjust the budgeted figures downwards or work towards implementing revenue collection strategy regularly and address any service delivery related challenges that are a contributing to a culture of non payment.

Interest earned outstanding debtors

- The year to date actual amounts to **R 3,2 million** and the year to date budget amounts to **R 2,6 million** which results in a positive variance of **R 656 000.00** as at the end of December 2022.
- Illegal connections/meter tampering and illegal reconnection by customer's where the supply is services are reconnected without any payment of penalty fees.
- Implement Debt & Credit Control Policy as well as Property rates policy fully for all outstanding debtors. .

Fines, Penalties and forfeits

- Fines, penalties and forfeits indicates a positive variance of **R 3000.00**

Transfers and subsidies

- Transfers and subsidies indicates a positive variance of **R 8,1 million**, the above table shows that the municipality received **R 40,6 million** from the following operating grants grants :
 -
 - **EPWP (R 752 thousand),**
 - **FMG (R 3 million)**
 - **Equitable share (R 36,3 million).**
 - **Library Grant (R 550 thousand)**

Break down of the operating grants is attached below:

Vote	Operating Grant	YTD Actual	Original Budget	Unspend
00001178910000000000	TS_O_M_NG_EPWP GRANT	R -752 000,00	R -1 073 000,00	R -321 000,00
00001178950000000000	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	R -3 000 000,00	R -3 000 000,00	R -
00001179100000000000	TS_O_M_NRF_EQUITABLE SHARE	R -36 329 000,00	R -57 991 000,00	R -21 662 000,00
00001179400000000000	TS_O_M_NAT LIBRARY SA	R -550 000,00	R -1 100 000,00	R -550 000,00
	SUB TOTAL : OPERATIONAL : MONETARY	R -40 631 000,00	R -63 164 000,00	R -22 533 000,00

Other Revenue

- Other Revenue indicates a negative variance of **R 646 thousand**, the below table shows a breakdown of other revenue :

Vote Number	Description	YTD Actual	Original Budget
00001343010000000000	RENT ON LAND: LAND - GRAZING FEES	R -1 655,00	R -6 026,00
00001380620000000000	COMMISSION: TRANSACTION HANDLING FEES	R -1 719,00	R -8 591,00
00001380621000000000	COM: TRANS HANDLING FEES/TEMP PERMITS	R -	R -
00001380622000000000	COM: TRANS HANDLING FEES/DUPL REG CERT	R -1 449,00	R -17 032,00
00001380623000000000	COM: TRANS HANDLING FEES/LEARNERS LIC	R -	R -
00001380624000000000	COM: TRANS HANDLING FEES/DRIVERS LIC	R -10 055,00	R -52 014,00
00001380625000000000	COM: TRANS HANDLING FEES/ROADWORTHY CERT	R -4 327,30	R -10 046,00
00001380626000000000	COM: TRANS HANDLING FEES/MOTOR VEH REG	R -6 047,30	R -38 587,00
00001385230000000000	REQ INFO - PLAN PRINTING & DUPLICATES	R -	R -
00001385330000000000	SKILLS DEVELOPMENT LEVY REFUND	R -	R -
00001420610000000000	CEMETERY & BURIAL	R -45 518,90	R -89 171,00
00001420620000000000	CLEANING & REMOVAL	R -17 392,80	R -
00001420621000000000	CLEANING & REMOVAL/VACCUM BUSINESS	R -159 183,92	R -1 635 576,00
00001424510000000000	PHOTOCOPIES & FAXES	R -	R -
00001424530000000000	PLAN & DEV: APPLICAT FEES FOR LAND USAGE	R -	R -
00001424560000000000	PLAN & DEV: CLEARANCE CERTIFICATES	R -12 214,00	R -15 984,00
00001425400000000000	SALE OF: AGRIC PROD - CATTLE CRAZING	R -	R -
00001425510000000000	SALE OF: PUBLICATION - TENDER DOCUMENTS	R -	R -26 724,00
00001426300000000000	VALUATION SERVICES	R -51 311,10	R -14 663,00
	Total	R -310 873,32	R -1 914 414,00

Operating Expenditure

The year-to-date operational expenditure as at end of December 2022 amounts to **R 68,6 million** and the year-to-date budget is **R 91,2 million**. This reflects an under spending of **R 22,6 million** that

translates to **25%**.the variance is attributed to under spending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

All other expenditure line items are under performing except for Remuneration of councilors which has a variance of **0%**.

Capital expenditure

The year-to-date capital expenditure as at end of December 2022 amounts to **R 11,1 million** and the year-to-date budget is **R 11.8 million** which reflects an under spending of **R 652 thousand** with a negative 6% variance

Debtors

Outstanding debtors are comprised of consumer and sundry debtors. The total outstanding debtors as at the end of December 2022 amounts to **R 365,2 million** and this shows an increase of **R 22 million** as compared to **R 342,9 million** as at the end of 2021/22 financial year

Creditors

The outstanding creditors as at the end of December 2022 amounts to **R 240,5 million** and this shows a decrease of **R 18,8 million** as compared to **R 221,7 million** as at the end of 2021/22 financial year.

1.3.2. Table C2 Monthly Budget Statement – Financial Performance per Classification

Standard

NC093 Magareng - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		81 333	80 404	80 404	16 483	53 410	40 202	13 208	33%	80 404
Executive and council		54 507	59 064	59 064	14 196	37 081	29 532	7 549	26%	59 064
Finance and administration		26 826	21 340	21 340	2 287	16 329	10 670	5 659	53%	21 340
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 533	1 329	1 329	14	640	665	(24)	-4%	1 329
Community and social services		1 216	1 189	1 189	7	596	595	1	0%	1 189
Sport and recreation		58	-	-	-	-	-	-	-	-
Public safety		258	140	140	7	45	70	(25)	-36%	140
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		(3 731)	450	450	-	-	225	(225)	-100%	450
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		(3 731)	450	450	-	-	225	(225)	-100%	450
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		81 355	72 344	72 344	2 602	17 730	36 172	(18 442)	-51%	72 344
Energy sources		15 546	21 361	21 361	417	4 996	10 680	(5 684)	-53%	21 361
Water management		49 876	33 037	33 037	749	3 995	16 518	(12 524)	-76%	33 037
Waste water management		8 985	9 101	9 101	684	4 225	4 551	(326)	-7%	9 101
Waste management		6 948	8 845	8 845	752	4 514	4 422	91	2%	8 845
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	160 490	154 528	154 528	19 099	71 780	77 264	(5 484)	-7%	154 528
Expenditure - Functional										
<i>Governance and administration</i>		103 010	48 038	48 038	3 811	18 275	24 019	(5 744)	-24%	48 038
Executive and council		14 133	13 024	13 024	789	4 685	6 512	(1 827)	-28%	13 024
Finance and administration		88 877	35 015	35 015	3 022	13 590	17 507	(3 917)	-22%	35 015
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		12 773	12 438	12 438	787	5 610	6 219	(609)	-10%	12 438
Community and social services		2 526	2 850	2 850	165	1 190	1 425	(234)	-16%	2 850
Sport and recreation		3 390	4 212	4 212	231	1 807	2 106	(299)	-14%	4 212
Public safety		4 001	4 230	4 230	309	2 016	2 115	(99)	-5%	4 230
Housing		2 856	1 146	1 146	84	596	573	23	4%	1 146
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 198	7 222	6 857	536	2 394	3 611	(1 217)	-34%	6 857
Planning and development		3 787	5 832	5 832	253	1 573	2 916	(1 343)	-46%	5 832
Road transport		2 411	1 390	1 025	282	821	695	125	18%	1 025
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		63 219	114 616	114 981	9 307	42 326	57 308	(14 981)	-26%	114 981
Energy sources		28 825	44 824	44 804	4 292	14 845	22 412	(7 567)	-34%	44 804
Water management		24 595	28 868	29 433	2 103	10 601	14 434	(3 833)	-27%	29 433
Waste water management		8 649	21 149	20 969	1 572	8 833	10 574	(1 741)	-16%	20 969
Waste management		1 150	19 774	19 774	1 340	8 047	9 887	(1 840)	-19%	19 774
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	185 199	182 313	182 313	14 441	68 605	91 157	(22 552)	-25%	182 313
Surplus/(Deficit) for the year		(24 709)	(27 786)	(27 786)	4 657	3 175	(13 893)	17 068	-123%	(27 786)

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

The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services, Trading services and others. It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3 as prescribed by the MBRR.

1.3.3. Table C3 Budget Statement – Financial Performance (Revenue and Expenditure By Municipal Vote.

NC093 Magareng - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		54 507	59 064	59 064	14 196	37 081	29 532	7 549	25,6%	59 064
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		26 826	21 340	21 340	2 287	16 329	10 670	5 659	53,0%	21 340
Vote 05 - Municipal Infrastructure		77 624	72 794	72 794	2 602	29 730	36 397	(6 667)	-18,3%	72 794
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		1 533	1 329	1 329	14	640	665	(24)	-3,7%	1 329
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	160 490	154 528	154 528	19 099	83 780	77 264	6 516	8,4%	154 528
Expenditure by Vote	1									
Vote 01 - Executive & Council		11 268	10 987	10 987	740	4 346	5 493	(1 148)	-20,9%	10 987
Vote 02 - Office Of The Municipal Manager		1 839	2 037	2 037	49	339	1 018	(679)	-66,7%	2 037
Vote 03 - Corporate Services		12 235	14 279	14 279	1 200	6 646	7 140	(494)	-6,9%	14 279
Vote 04 - Financial Services		76 706	20 736	20 736	1 822	6 945	10 368	(3 423)	-33,0%	20 736
Vote 05 - Municipal Infrastructure		68 120	119 589	119 589	9 644	43 531	59 795	(16 264)	-27,2%	119 589
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		9 717	11 292	11 292	704	5 013	5 646	(632)	-11,2%	11 292
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		5 315	3 394	3 394	283	1 785	1 697	88	5,2%	3 394
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	185 199	182 313	182 313	14 441	68 605	91 157	(22 552)	-24,7%	182 313
Surplus/ (Deficit) for the year	2	(24 709)	(27 786)	(27 786)	4 657	15 175	(13 893)	29 068	-209,2%	(27 786)

The below table indicates the financial performance per department

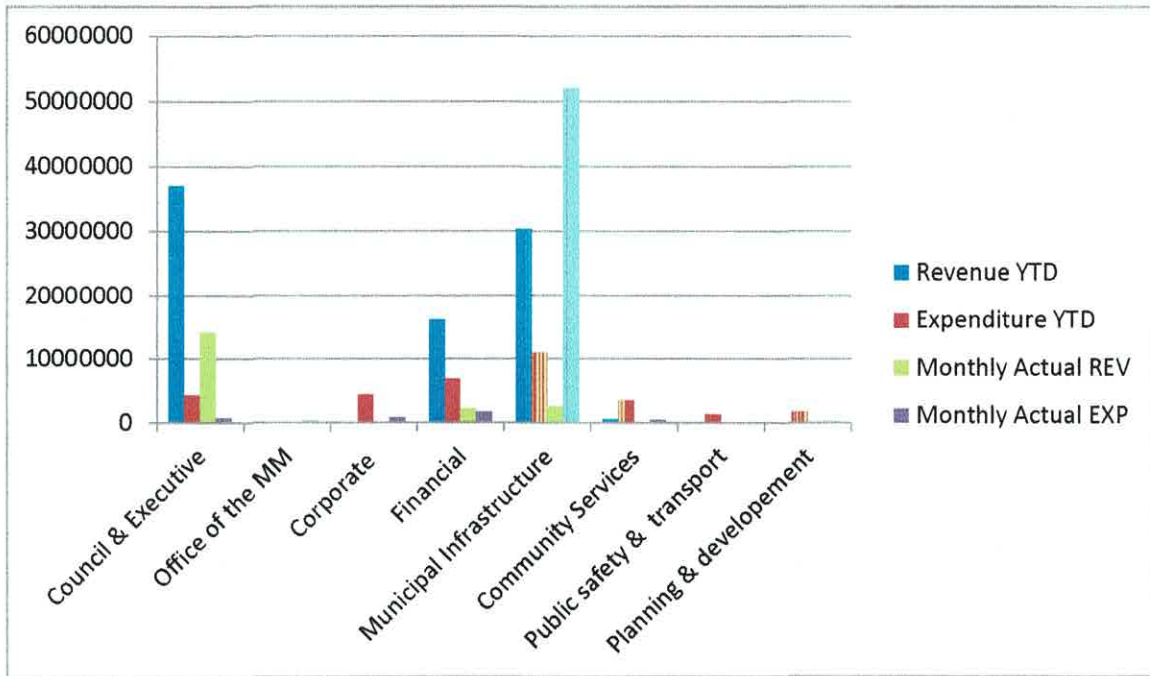


Table C2 and C3 measure the monthly actuals and year to date actuals against the year-to-date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification).

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

NC093 Magareng - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		11 733	12 319	12 319	1 019	6 148	6 159	(11)	0%	12 319
Service charges - electricity revenue		15 185	20 897	20 897	417	4 996	10 449	(5 452)	-52%	20 897
Service charges - water revenue		8 426	8 975	8 975	749	3 995	4 487	(493)	-11%	8 975
Service charges - sanitation revenue		7 569	7 016	7 016	664	4 048	3 508	541	15%	7 016
Service charges - refuse revenue		5 666	6 437	6 437	498	3 038	3 219	(181)	-6%	6 437
Rental of facilities and equipment		4	3	3	-	-	1	(1)	-100%	3
Interest earned - external investments		6 296	3 122	3 122	912	5 320	1 561	3 760	241%	3 122
Interest earned - outstanding debtors		2 749	5 223	5 223	609	3 267	2 612	656	25%	5 223
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		127	46	46	7	26	23	3	15%	46
Licences and permits		(2 187)	-	-	-	-	-	-	-	-
Agency services		76	-	-	-	-	-	-	-	-
Transfers and subsidies		62 864	64 964	64 964	14 196	40 631	32 482	8 149	25%	64 964
Other revenue		7 240	1 914	1 914	27	311	957	(646)	-68%	1 914
Gains		196	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		125 943	130 916	130 916	19 099	71 782	65 458	6 324	10%	130 916
Expenditure By Type										
Employee related costs		49 810	53 078	52 578	3 393	23 537	26 289	(2 752)	-10%	52 578
Remuneration of councillors		4 263	4 675	4 655	392	2 332	2 328	4	0%	4 655
Debt impairment		35 611	37 815	37 815	2 949	17 695	18 908	(1 212)	-6%	37 815
Depreciation & asset impairment		27 108	30 431	30 431	2 163	12 995	15 216	(2 221)	-15%	30 431
Finance charges		5 447	-	-	-	-	-	-	-	-
Bulk purchases - electricity		24 641	24 750	24 750	2 725	5 276	12 375	(7 099)	-57%	24 750
Inventory consumed		23 086	13 850	13 820	1 210	2 440	6 910	(4 470)	-65%	13 820
Contracted services		6 187	6 720	7 220	616	1 346	3 610	(2 264)	-63%	7 220
Transfers and subsidies		-	20	20	-	-	10	(10)	-100%	20
Other expenditure		9 046	10 974	11 024	993	2 984	5 512	(2 528)	-46%	11 024
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		185 199	182 313	182 313	14 441	68 605	91 157	(22 552)	-25%	182 313
Surplus/(Deficit)		(59 256)	(51 398)	(51 398)	4 657	3 177	(25 699)	28 876	(0)	(51 398)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		30 851	23 612	23 612	-	12 000	11 806	194	0	23 612
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		3 696	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)	-	-	(27 786)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)	-	-	(27 786)
Atributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)	-	-	(27 786)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(24 709)	(27 786)	(27 786)	4 657	15 177	(13 893)	-	-	(27 786)

ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Table C4 above presents

Operating Revenue

Operating revenue totals to **R 71,7 million** as at 31 December 2022 this includes the operational grants that the municipality received. **Equitable share R 36,3 million, FMG R 3 million, EPWP R 725 thousand and Library R 550 thousand.**

Expenditure by Type

Expenditure by type reflects the operational budget per main type/category of expenditure and the above pie chart reflects that the bulk of the municipal expense surely lies on the employee related cost followed by other expenditure and bulk purchases.

Operating Expenditure

Total operating expenditure for the 1st six months amounts to **R 68,6 million**. The majority of these expenditure is occurred from Employee related cost **R 23,5 million**, bulk purchases **R 5,3 million**, other expenditure **R 2,9 million**, Depreciation **R 12,9 million** and Debt impairment **R 17,7 million**, these two-line items are non-cash items and these figures are from July to December 2022.

Employee Related costs and Remuneration of Councilors

The year-to-date expenditure as at the end of December 2022 for employee related cost amounts to **R 23,5 million** whilst the remuneration of councilors is **R 2,3 million**.

Bulk Purchases

Table C4 shows that the expenditure incurred for the first six months amounts to **R 5,2 million**.

Other expenditure

Other expenditure includes all other general operational costs of the municipality. The general expense as at the end of December 2022. amounts to **R 2.9 million** which is the fifth highest expenditure after the employee related costs and bulk purchases. **The table below outlines the breakdown of other expenditure.**

Vote	Description	YTD Actual	Original Budget	Unspend
00002300120000000000	OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	R 12 718,26	R 50 000,00	R 37 281,74
00002300150000000000	OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	R -	R 5 000,00	R 5 000,00
00002300152000000000	OC:ADV/PUB/MARK-MUN NEWSL/INTERN READ AL	R -	R 10 000,00	R 10 000,00
00002300170000000000	OC: ADV/PUB/MARK - STAFF RECRUITMENT	R -	R 20 000,00	R 20 000,00
00002300180000000000	OC: ADV/PUB/MARK - TENDERS	R 16 650,43	R 25 000,00	R 8 349,57
00002300190000000000	OC: ASSETS LESS THAN CAPITAL THRESHOLD	R -240 032,87	R 737 247,00	R 977 279,87
00002300200000000000	OC: AUDIT COST: EXTERNAL	R 493 826,49	R 1 500 000,00	R 1 006 173,51
00002300400000000000	OC: BC/FAC/C FEES - BANK ACCOUNTS	R 205 644,63	R 200 000,00	R -5 644,63
00002300490000000000	OC: BURSARIES (EMPLOYEES)	R 244 224,24	R 350 000,00	R 105 775,76
00002301170000000000	OC: COMM - PHONE FAX TELEGRAPH & TELEX	R 111 906,56	R 250 000,00	R 138 093,44
00002301450000000000	OC: DRIVERS LICENCES & PERMITS	R 108 079,10	R 150 000,00	R 41 920,90
00002301610000000000	OC: ENTERTAINMENT - COUNCILLORS	R 8 360,00	R 90 000,00	R 81 640,00
00002301730000000000	OC: EXT COM SERV PROV - INTERNET CHARGE	R -	R 30 000,00	R 30 000,00
00002301750000000000	OC: EXT COM SERV PROV - NETWORK EXTENS	R -	R 20 000,00	R 20 000,00
00002301780000000000	OC: EXT COM SERV PROV - S/WARE LICENCES	R 724 231,00	R 500 000,00	R -224 231,00
00002301781000000000	OC: EXT COM SERV PRO-S/WARE LIC/PAYDAY	R -	R 50 000,00	R 50 000,00
00002301782000000000	OC: EXT COM SERV PRO-S/WARE LIC/BCX	R -	R 800 000,00	R 800 000,00
00002301783000000000	OC: EXT COM SERV PRO-S/WARE LIC/FIN SYST	R -	R 1 500 000,00	R 1 500 000,00
00002301784000000000	OC: EXT COM SERV PROV - S/WARE LICENCES	R 51 447,36	R 80 000,00	R 28 552,64
00002301785000000000	OC: EXT COM SERV PROV-S/WARE /ANTI VIRUS	R -	R 220 000,00	R 220 000,00
00002301810000000000	OC: EXT COM SERV PROV - SYS DEVELOPMENT	R -	R 140 000,00	R 140 000,00
00002301860000000000	OC: HONORARIA (VOLUNTARILY WORKERS)	R 628 096,62	R 1 073 000,00	R 444 903,38
00002302430000000000	OC: INSUR UNDER - INSURANCE CLAIMS	R -	R 250 000,00	R 250 000,00
00002303600000000000	OC: MANAGEMENT FEE	R -	R 100 000,00	R 100 000,00
00002303610000000000	OC: MUNICIPAL SERVICES	R 270 339,26	R 309 000,00	R 38 660,74
00002304510000000000	OC: PRINTING & PUBLICATIONS	R -	R 10 000,00	R 10 000,00
00002304520000000000	OC: PROFESSIONAL BODIES M/SHIP & SUBS	R -	R 30 000,00	R 30 000,00
00002305110000000000	OC: REG FEES NATIONAL	R -300 000,00	R 615 000,00	R 915 000,00
00002305130000000000	OC: REMUNERATION TO WARD COMMITTEES	R 300 000,00	R 720 000,00	R 420 000,00
00002305410000000000	OC: SKILLS DEVELOPMENT FUND LEVY	R 177 407,21	R 688 197,00	R 510 789,79
00002305730000000000	OC: TRANSPORT - EVENTS	R -	R 1 000,00	R 1 000,00
00002305760000000000	OC: T&S DOM - ACCOMMODATION	R 47 506,09	R 119 000,00	R 71 493,91
00002305770000000000	OC: T&S DOM - DAILY ALLOWANCE	R 75 300,01	R 78 000,00	R 2 699,99
00002305810000000000	OC: T&S DOM TRP - W/OUT OPR OWN TRANSPRT	R 39 445,30	R 78 500,00	R 39 054,70
00002305820000000000	OC: T&S DOM TRP - WITH OPER OTH TRP PROV	R 8 092,16	R 25 000,00	R 16 907,84
00002306100000000000	OC: UNIFORM & PROTECTIVE CLOTHING	R 608,52	R 150 000,00	R 149 391,48
	SUB TOTAL : OPERATIONAL COST	R 2 983 850,37	R 10 973 944,00	R 7 990 093,63

Debt Impairment and Depreciation

The Annual Financial Statement figures for Debt impairment and depreciation are used to determine the amount for this two line items, for the first six months expenditure and they are non-financial items.

Debt Impairment – R 17,6 million

Depreciation – R 12,9 million

1.3.5 Table C5 Budget Statement Capital Expenditure (Municipal Vote)

NC093 Magareng - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		261	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		24 369	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatal Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	24 630	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Total Capital Expenditure		24 630	23 612	23 612	2 517	11 154	11 806	(652)	-8%	23 612
Capital Expenditure - Functional Classification										
Governance and administration		261	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		261	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Trading services		24 368	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Energy sources		207	-	-	-	-	-	-	-	-
Water management		22 358	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Waste water management		1 805	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other										
Total Capital Expenditure - Functional Classification	3	24 630	23 612	23 612	2 517	11 154	11 806	(652)	-8%	23 612
Funded by:										
National Government		14 358	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		1 180	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		6 559	-	-	-	-	-	-	-	-
Transfers recognised - capital		22 097	23 612	23 612	2 517	11 154	11 806	(652)	-6%	23 612
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2 533	-	-	-	-	-	-	-	-
Total Capital Funding		24 630	23 612	23 612	2 517	11 154	11 806	(652)	-8%	23 612

The above table (table C5 Capex) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of December 2022, **R 2,7 million** spending was incurred for December 2022 increased the year-to-date expenditure to **R 11.1 million** whilst the year-to-date budget is **R 11.8 million** and this gave rise to under spending variance of **R 625 thousand** for the first six months of **2022/23** financial year.

Capital expenditure by source

Vote	Description	Original Budget	Received	YTD Budget	YTD Expenditure	Unspend
40276445020MCCBWZZWM	(MIG)	R 18 612 000,00	R 8 000 000,00	R 9 306 000,00	R 10 726 546,00	-R 1 306 000,00
40276446020WSCWTZZWM	(WSIG)	R 5 000 000,00	R 4 000 000,00	R 2 500 000,00	R 427 110,00	R 1 500 000,00
	Total	R 23 612 000,00	R 12 000 000,00	R 11 806 000,00	R 11 153 656,00	R 194 000,00

The above table shows the components of sources of finance or funding for capital budget, of the total capital budget of **R 23,6 million** and the breakdown is as follows:

National Government-Received 2022/23

- Municipal Infrastructure Grant (MIG) – **R 8 million**
- Water Service Infrastructure Grant(WSIG) – **R 4 million**

1.3.6 Table C6 Budget Statement Financial Position

NC093 Magareng - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		(101 324)	(253 960)	(253 960)	(6 001)	(253 960)
Call investment deposits		3 826	62 108	62 108	172	62 108
Consumer debtors		12 647	28 402	28 402	19 304	28 402
Other debtors		52 655	51 486	51 486	55 626	51 486
Current portion of long-term receivables						
Inventory		164	467	467	164	467
Total current assets		(32 032)	(111 496)	(111 496)	69 264	(111 496)
Non current assets						
Long-term receivables		0	1	1	0	1
Investments						
Investment property		23 831	23 831	23 831	23 831	23 831
Investments in Associate						
Property, plant and equipment		286 637	300 056	300 056	284 796	300 056
Biological						
Intangible		20	79	79	20	79
Other non-current assets		371	371	371	371	371
Total non current assets		310 859	324 339	324 339	309 018	324 339
TOTAL ASSETS		278 827	212 842	212 842	378 282	212 842
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		191	-	-	165	-
Consumer deposits		1 303	1 254	1 254	1 326	1 254
Trade and other payables		356 914	230 550	230 550	233 195	230 550
Provisions		7 741	6 442	6 442	7 741	6 442
Total current liabilities		366 150	238 246	238 246	242 426	238 246
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		12 754	3 105	3 105	12 754	3 105
Total non current liabilities		12 754	3 105	3 105	12 754	3 105
TOTAL LIABILITIES		378 905	241 351	241 351	255 181	241 351
NET ASSETS	2	(100 077)	(28 509)	(28 509)	123 101	(28 509)
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		133 045	(27 786)	(27 786)	101 244	(27 786)
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	133 045	(27 786)	(27 786)	101 244	(27 786)

The above table shows that community wealth amounts to **R 101,2 million** total liabilities **R 255,1 million** and the total assets **R 378,3 million**. Non-current assets are mainly made up of property plant and equipment and investment property provisions for long service award. Taking the current liabilities and current assets together, the municipality has current ratio of 0.28 which is below the general accepted norm of 1 and this indicates that the municipality will have difficulties in meeting its current obligations

1.3.7. Table C7-CASH FLOW FROM OPERATING ACTIVITIES:

NC093 Magareng - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	4 312	4 312	478	3 052	2 156	896	42%	4 312
Service charges		-	15 509	15 509	1 095	7 914	7 754	160	2%	15 509
Other revenue		-	8 084	8 084	47	594	4 042	(3 448)	-85%	238 520
Transfers and Subsidies - Operational		-	64 964	64 964	14 196	40 081	32 482	7 599	23%	64 964
Transfers and Subsidies - Capital		-	23 612	23 612	-	12 000	11 806	194	2%	23 612
Interest		-	3 122	3 122	-	-	1 561	(1 561)	-100%	3 122
Dividends								-		
Payments										
Suppliers and employees		-	(74 437)	(74 437)	(13 454)	(62 578)	(37 218)	25 360	-68%	(74 437)
Finance charges								-		
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	45 165	45 165	2 362	1 063	22 582	21 519	95%	275 601
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	1	-	-	0	0	(0)	-100%	1
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		-	(23 612)	(23 612)	(2 517)	(11 154)	(11 806)	(652)	6%	(23 612)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(23 611)	(23 612)	(2 517)	(11 154)	(11 806)	(652)	6%	(23 611)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	331	-	10	22	165	(143)	-86%	331
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	331	-	10	22	165	143	86%	331
NET INCREASE/(DECREASE) IN CASH HELD		-	21 884	21 553	(145)	(10 068)	10 942			252 321
Cash/cash equivalents at beginning:		6 674	577	577	1 016	(6 845)	577			(6 845)
Cash/cash equivalents at month/year end:		6 674	22 461	22 130		(16 913)	11 519			245 476

RECEIPTS

Table C7 presents details pertaining to cash flow performance as at end of December 2022 the net cash flow from operating activities is **R 63,6 million** this is mainly because the c-schedule that we extracted from our system included the transfers and subsidies both operational **R 40 million** and capital **R 12 million**, the net cash outflow from investing activities is **(R 11.1 million)** that is mainly comprised of capital expenditure movement. The cash and cash equivalent held at end of December 2022 amounted to **(R 16, 9 million)**.

PART 2

OTHER SUPPORTING INFORMATION

2.1 Debtors Age Analysis

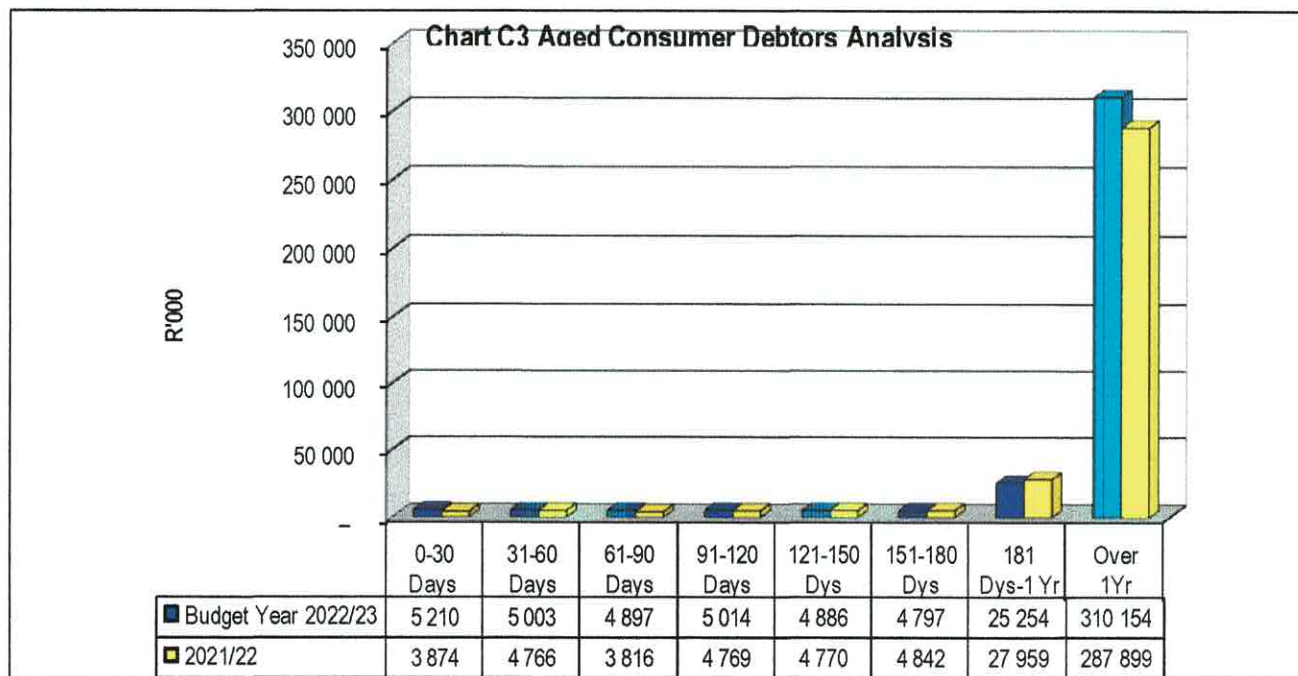
NC093 Magareng - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2022/23									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.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	977	918	809	1 002	761	726	6 120	67 866	67 696	64 934		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	490	377	432	395	414	429	1 495	90 779	34 902	33 616		
Receivables from Non-exchange Transactions - Property Rates	1400	967	912	779	771	933	842	4 119	41 195	60 307	47 749		
Receivables from Exchange Transactions - Waste/Water Management	1500	770	784	773	772	770	752	4 175	46 275	54 034	51 757		
Receivables from Exchange Transactions - Property Rental Debtors	1600	567	573	557	556	567	549	2 904	39 291	39 654	37 956		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	1 629	1 513	1 484	1 474	1 502	1 427	7 267	100 434	116 690	112 154		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	30	26	62	43	40	62	81	1 756	2 079	1 862		
Total By Income Source	2000	5 210	5 003	4 897	5 014	4 886	4 797	25 254	310 154	365 215	350 106		
2021/22 - totals only		3 974	4 766	3 616	4 769	4 770	4 842	27 959	287 599	342 695	330 238		
Debtors Age Analysis By Customer Group													
Organs of State	2200	199	199	234	232	248	205	797	6 007	10 111	9 479		
Commercial	3300	536	520	477	462	630	423	1 639	18 630	29 495	21 933		
Households	3400	4 476	4 285	4 195	4 320	4 109	4 170	22 773	283 316	331 633	318 634		
Other	3500	-	-	-	-	-	-	-	-	-	-		
Total By Customer Group	2600	5 210	5 003	4 897	5 014	4 886	4 797	25 254	310 154	365 215	350 106		

The age analysis for debtors only includes those amounts which are current or past due. It does not include amounts which are due in future.

The total outstanding debtors as at the end of December 2022 amounted to **R 365 million** this indicates an increase of **R 23 million** from last financial in which the debt was **R 342 million**, highlighting approximately **93%** increase from the last financial year.

The below table indicates that the majority of the debt under this category is over one year. Although the municipality has implemented numerous credit control measures to accelerate collections, especially in this old debt category, the numbers continue to significantly increase. The aging of consumer debt is graphically reflected below



During the month, Credit control action and debt collection action was implemented. Challenges that the municipality experienced during the month which continue to affect revenue collection are as follows:

- Illegal connections / Meter Tampering;
- Illegal reconnection by customer's where the supply is reconnected by debtors without the payment of penalties.

2.2 Creditors Age Analysis

The municipalities creditors as at the 31 December 2022 amounted to **R 240 million**. This amount is made up of various creditors which include amongst others the Eskom of **R 91,9 million** and Vaalharts water of **R 123,3 million**. The municipality cannot pay its creditors due to low revenue collection.

NC093 Magareng - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description	NT Code	Budget Year 2022/23									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	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	2 042	3 279	3 397	2 491	3 839	41 369	35 551	-	91 969	
Bulk Water	0200	1 068	1 117	1 150	487	1 818	12 406	14 167	91 116	123 330	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	-	213	201	1 683	3 770	3 688	3 892	6 673	20 120	
Auditor General	0800	1 004	682	685	1 351	581	412	208	239	5 163	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	4 115	5 292	5 434	6 012	10 008	57 875	53 819	98 028	240 582	-

2.3 ABSA PRIMARY ACCOUNT

Table SC4

2.4 As at the end of December 2022, the primary bank account had a cash balance of negative **R 2.2 million**, this figure we got from our expenditure department.

2.5 Investment Portfolio

Regulation 9 of the Investment Regulations requires that:

The Accounting Officer of a municipality or municipal entity must within 10 working days of the end of each month as part of the S71 report required by the Act, submit to council a report describing in accordance with the GRAP the investment portfolio of the municipality as at the end of the month. Regulation 9 (1) further requires that the report must contain at least:

- i) The market value of each investment at the beginning of each period;
- ii) Any changes to the investment portfolio during the reporting period;
- iii) The market value of each and every investment at the end of the period;

The investment portfolio of the municipality as at the 31 December 2022 amounted to as indicated below.

NC093 Magareng - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - Mid-Year Assessment

Investments by maturity Name of Institution & Investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate*	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
MAGARENG LOCAL MUNICIPALITY														
Municipality sub-total														
Entities														
ABSA (9351945665)		3 MONTHS	7 DAYS	YES	Variable				2022/12/15	153	4			157
ABSA (9355671747)		3 MONTHS	7 DAYS	YES	Variable				2023/12/00	18	0			19
ABSA (93556365612)		3 MONTHS	7 DAYS	YES	Variable									-
Entities sub-total														
TOTAL INVESTMENTS AND INTEREST														

2.6 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

NC093 Magareng - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		57 161	62 064	62 064	14 196	40 081	31 032	9 049	29,2%	62 064
Equitable Share		51 086	57 991	57 991	13 713	36 329	28 995	7 334	25,3%	57 991
Expanded Public Works Programme Integrated Grant		1 121	1 073	1 073	483	752	537	215	40,2%	1 073
Local Government Financial Management Grant		2 850	3 000	3 000	-	3 000	1 500	1 500	100,0%	3 000
Municipal Disaster Relief Grant		2 104	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		4 603	1 800	1 800	-	-	900	(900)	-100,0%	1 800
FBDM		4 603	1 800	1 800	-	-	900	(900)	-100,0%	1 800
Other grant providers:		1 100	1 100	1 100	-	550	550	(0)	0,0%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 100	1 100	1 100	-	550	550	(0)	0,0%	1 100
Post Retirement Benefit		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	62 864	64 964	64 964	14 196	40 631	32 482	8 149	25,1%	64 964
Capital Transfers and Grants										
National Government:		30 851	23 612	23 612	-	12 000	11 806	194	1,8%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8 175	18 612	18 612	-	8 000	9 306	(1 306)	-14,0%	18 612
Regional Bulk Infrastructure Grant		18 677	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		4 000	5 000	5 000	-	4 000	2 500	1 500	60,0%	5 000
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		3 698	-	-	-	-	-	-	-	-
Specify (Add grant description)		3 698	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	34 547	23 612	23 612	-	12 000	11 806	194	1,8%	23 612
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	97 411	88 576	88 576	14 196	52 631	44 288	8 343	18,8%	88 576

NC093 Magareng - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		90 704	31 051	30 976	14 208	37 563	15 495	22 068	142,4%	30 976
Equitable Share		84 427	26 991	26 916	13 713	36 329	13 455	22 864	169,8%	26 916
Expanded Public Works Programme Integrated Grant		1 102	1 073	1 073	91	628	537	92	17,1%	1 073
Local Government Financial Management Grant		3 763	2 987	2 987	404	606	1 494	(888)	-59,4%	2 987
Municipal Disaster Relief Grant		1 412	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
FBDM		4 078	1 800	1 800	331	361	900	(539)	-59,9%	1 800
Other grant providers:		1 942	1 100	1 100	-	-	550	(550)	-100,0%	1 100
Education Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
National Library South Africa		1 942	1 100	1 100	-	-	550	(550)	-100,0%	1 100
Total operating expenditure of Transfers and Grants:		92 646	32 151	32 076	14 208	37 563	16 045	21 518	134,1%	32 076
Capital expenditure of Transfers and Grants										
National Government:		14 358	23 612	23 612	2 517	11 154	11 806	(652)	-5,5%	23 612
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		7 935	18 612	18 612	2 205	10 727	9 306	1 421	15,3%	18 612
Water Services Infrastructure Grant		6 423	5 000	5 000	312	427	2 500	(2 073)	-82,9%	5 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		1 180	-	-	-	-	-	-	-	-
Specify (Add grant description)		1 180	-	-	-	-	-	-	-	-
Other grant providers:		6 559	-	-	-	-	-	-	-	-
Pocket Money Households (Cash)		6 559	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		22 097	23 612	23 612	2 517	11 154	11 806	(652)	-5,5%	23 612
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		114 743	55 763	55 688	16 725	48 717	27 851	20 866	74,9%	55 688

The financial system extracted amounts that the municipality received and spent from both the operating and capital grants as at the end of December 2022.

See attached the above tables

The above table reflects the expenditure occurred during the 1st six months

An amount of **R 48,7 million** on year to date actual has been spent on operating and capital grants as end of December 2022, whilst the year to date budget amounts to **R 27,9 million** and this results in a positive variance of **R 20,9 million**. On the year to date actual amount **R 37, 6 million** was spent on operational grants whilst **R 11,2 million** was spent on capital grant.

Conclusion

At the end of midyear, the municipality has been experiencing difficulties in honoring to some of the financial obligations on hand. This is mainly due to financial limitations which resulted in the major creditors (Eskom and Vaalharts) being in arrears and lagging behind in terms of payments.

3. Reasons (Inputs) for the Adjustment Budget.

- Depleted Votes
- Unforeseen and Unavoidable Expenditure

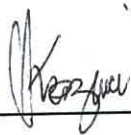
4. Recommendations

It is recommended that: -

4.1 Managers should ensure that they implement the budget in line with the SDBIP and that only items that are budgeted for should be considered.

4.2 That management continues to implement cost containment measures as per the Council Resolution.

4.4 Managers should avoid unauthorized expenditures in their respective departments.



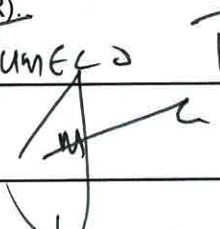
Chief Financial Officer

MAGARENG LOCAL MUNICIPALITY

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, Municipal Manager of Magareng Local Municipality, hereby certify that this report and the supporting documentation are prepared in terms of **Section 71** and **S72** of the MFMA and in line with the in-year monitoring and reporting requirements of the Municipal Budget and Reporting Regulations (MBRR).

Print Name: Tumelo Thage

Signature: 

Date : 24 / 01 / 2023

ACKNOWLEDGEMENT OF RECEIPT BY THE EXECUTIVE MAYOR

(or by any person receiving this report on behalf of the Executive Mayor)

I, THEO MASE the Mayor of Magareng Local Municipality receive this report in line with the Section 71(1) and S72 of the MFMA.

Signature 

Date: _____

Non-Financial Reporting

SUMMARY REPORT PER KEY PERFORMANCE AREA FOR THE FIRST SIXTH MONTHS (JULY-DECEMBER 2022)

2.2.1 KEY PERFORMANCE AREAS REPORT.

National KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

National Key Performance Area 1: Basic Service Delivery and Infrastructure Development – Technical Service Department										
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures	
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Number of bakkies procured by end June 2023	New KPI	1	R 1 500 000	0	0	N/A	Target not for this quarter	N/A	
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Number of service provider appointed to conduct investigation of the adequacy of the Warrenton WWWTW and related bulk sanitation outfall lines submitted to portfolio committee by end	Phase 1 – R900 706.45	1	R 1 800 000	0	0	Not Achieved	The KPI is internally funded. There is no funds to implement.	H.O.D Technical Services recommends that the KPI be removed from SDBIP due to lack of funds.	

National Key Performance Area 1: Basic Service Delivery and Infrastructure Development – Technical Service Department									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	June 2023 – Phase 2								
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Percentage completed on the upgrading of the Warrenton Water Treatment Works by end June 2022		4	R 18 276 110	1	1	Achieved P.O.E Submitted	N/A	N/A
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Percentage completed on the new internal water reticulation network construction in Ditsotshwaneng, Rabaki and Sondewater completed by the end June 2023		4	R 8 000 000	1	1	Achieved P.O.E Submitted	N/A	N/A
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Repairs to the Warrenton WWTW and surrounding pumpstations		4	R5 000 000	1	1	Achieved P.O.E Submitted	N/A	N/A

Section 72 Report for 31 December 2022

National Key Performance Area 1: Basic Service Delivery and Infrastructure Development – Technical Service Department									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Upgrading of Magareng Multipurpose Sporting Facility (Ikhutseng) – Phase 2	New KPI for 2022/23	4	R6 500 000	1	1	Achieved P.O.E Submitted	N/A	N/A
KPI's not measurable:		1							
KPI's not achieved:		1							
KPI's achieved:		4							
Total KPI's:		6							

National Key Performance Area 1: Basic Service Delivery and Infrastructure Development - Community Service Department									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
To maintain and control public amenities and areas to promote a safe and healthy environment	Number of quarterly reports on Parks & recreational activities submitted to council by end June 2023		4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A
To deliver affordable, quality and sustainable services to communities	Number of Quarterly reports traffic law enforcement submitted to council by end June 2023		4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A
To deliver affordable, quality and sustainable services to communities	Number of monthly traffic operations conducted by end June 2023		12	Operational	3	3	Achieved P.O.E Submitted	N/A	N/A
Promote literacy in communities through comprehensive Library Services	Submit quarterly report to council on library services at all municipal libraries by end June 2023		4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A
Promoting a wall of housing	Number of housing Sector		1	Operational	0	0			

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National Key Performance Area 1: Basic Service Delivery and Infrastructure Development - Community Service Department									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
management of all land development activities	Plan developed and approved by council by end March 2023						N/A	Target not for this quarter	N/A
Promoting a wall to wall of management of all land development activities	Number of Spatial Development Framework (SDF) reviewed and submitted to council for approval by end June 2023		1	Operational	0	0	N/A	Target not for this quarter	N/A
Promoting a wall to wall of management of all land development activities	Number of quarterly reports on municipal land audit conducted and submitted to council by end June 2023		4	Operational	1	1	Not Achieved	The KPI is a shared service with FBDM.	The KPI will be deferred to 4 th quarter
Promoting a wall to wall of management of all land development activities	Number of progress reports on establishment of townships compiled by end December 2023		1	Operational	0	0	N/A	Target not for this quarter	N/A
Eradicate backlogs in order to improve access to services and ensure proper	Number of housing consumer awareness campaigns conducted by end June 2023		4	Operational	1	1	Not Achieved	Manager to respond on non-performance	The department have to submit their

National Key Performance Area 1: Basic Service Delivery and Infrastructure Development - Community Service Department									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
operations and maintenance									reports on time.
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Number of quarterly reports on planned and existing housing projects submitted by council by end June 2023		4	Operational	1	1	Not Achieved	Manager to respond on non-performance	The department have to submit their reports on time.
Community Services		Department							
KPI's not measurable		3							
KPI's not achieved:		3							
KPI's achieved:		4							
Total KPI's:		10							

National Key Performance Area 2: Municipal Transformation and Organisational Development - Corporate Service Department									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
To render effective and efficient ICT services	Number of quarterly reports on the ICT uploads performed by end of June 2023		10	Operational	2	3	Achieved P.O.E Submitted	N/A	N/A
To provide health and safety in a workplace	Number of quarterly health and safety reports submitted to the health and safety committee meeting by end June 2023		4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A
To improve administrative and governance capacity	Number of Work Skills Plan Development submitted to LGSETA by April 2021 by end June 2023		1	Operational	0	0	N/A	Target not for this quarter	N/A
To provide bursary scheme for further studies by employees	Number of employees awarded bursary by end June 2023		5	Operational	5	N/A	Annual Target Achieved in Q1	N/A	N/A
To maintain sound labour relations	Number of meetings on functional labour		4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A

National Key Performance Area 2: Municipal Transformation and Organisational Development - Corporate Service Department									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
	forum held by the end June 2023		4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A
To improve administrative and governance capacity	Number of quarterly litigations against the municipality compiled and submitted to portfolio committee meeting by end June 2023		1	Operational	0	0	N/A	Target not for this quarter	N/A
To improve administrative and governance capacity	Number of Employment Equity Reports compiled and submitted to Department of Labour by January 2023		4	Operational	0	1	Achieved P.O.E Submitted	N/A	N/A
To improve administrative and governance capacity	Number of ordinary council meetings coordinated by June 2023		4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A

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National Key Performance Area 2: Municipal Transformation and Organisational Development - Corporate Service Department									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
and governance capacity	79 committee meetings held by June 2023								

Corporate Services	Department
KPI's not measurable:	3
KPI's not achieved:	0
KPI's achieved:	6
Total KPI's:	9

National Key Performance Area 3: Local Economic Development - Community Service Department

Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
Create an environment that promotes development of local economy and facilitate job creation	Number of tourism programmes initiated by end June 2023	2	2	Operational	0	0	Not Achieved	Program was not budgeted for, but due to municipal budget constraint it could not be funded	To partner with FBDM to implement in the 3 rd quarter.
Create an environment that promotes development of local economy and facilitate job creation	Number of SMME'S supported through Skills development by end June 2023	2	2	Operational	1	N/A	Achieved P.O.E Submitted	N/A	Achieved P.O.E Submitted
Create an environment that promotes development of local economy and facilitate job creation	Number of quarterly reports submitted to council on PDI's provided with business support		4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A
Create an environment that promotes development of local economy and facilitate job creation	Number of Quarterly Tourism association meetings held by end June 2023	4	4	Operational	1	1	Achieved P.O.E Submitted	N/A	N/A

economy and facilitate job creation																			
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Community Services (LED)	Department
KPI's not measurable	0
KPI's not achieved:	1
KPI's achieved:	3
Total KPI's:	4

National Key Performance Area 4: Municipal Financial Viability and Management									
Measurable Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Number of Annual Financial Statements submitted to AGSA by 31 August 2022		1	R1 200 000	0	0	N/A	Target not for this quarter	N/A
To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Number of 2022/23 Adjustment Budgets submitted to Council for approval by end February 2023		1	Operational	0	0	N/A	Target not for this quarter	N/A
To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Number of Final Budget submitted to Council by 31 May 2023		1	Operational	0	0	N/A	Target not for this quarter	N/A
To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Number of Section 71 reports tabled in council by 30 June 2023		12	Operational	3	3	Achieved P.O.E Submitted	N/A	N/A
To improve overall financial management in the municipality by	Number of Section 72 reports tabled		1	Operational	N/A	N/A	N/A	Target not for this quarter	N/A

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developing and implementing appropriate Financial Management	in council by 30 June 2023																			
To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Number of Section 52 reports tabled in council by 30 June 2023		4	Operational	0	0	Not achieved	Not submitted by former CFO	All reports will be tabled in Q3											
To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Rate % increment by the end 30 June 2023		12%	Operational	3%	3%	Achieved P.O.E Submitted	N/A	N/A											

BTO	Department
KPI's not measurable in Q:	4
KPI's not achieved:	1
KPI's achieved:	2
Total KPI's:	7

National Key Performance Area 5: Good Governance and Public Participation - Office of the MM

Measurable Objectives	Key Performance indicator	Baseline	Annual Target	Budget	Quarter 1 Target	Quarter 2 Target	Actual Performance	Reasons for Deviation	Corrective Measures
Promote a culture of participatory & good governance	Number of 2023/24 final reviewed IDP Documents submitted to Council by end May 2023	1	1	Operational	0	0	N/A	Target not for this quarter	N/A
Improve organisational cohesion effectiveness	Number of 2021/22 Annual Reports submitted to Council by end January 2023	1	1	Operational	0	0	N/A	Target not for this quarter	N/A
To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Number of mid-term budget performance assessment reports submitted to the Mayor by 25 January 2023	1	1	Operational	0	0	N/A	Target not for this quarter	N/A

MMS OFFICE	Department
KPI's not measurable:	3
KPI's not achieved:	0
KPI's achieved:	0
Total KPI's:	3