

NGQUSHWA LOCAL MUNICIPALITY

MID-YEAR BUDGET AND PERFORMANCE REPORT (SEC 72 MFMA) 2018-2019

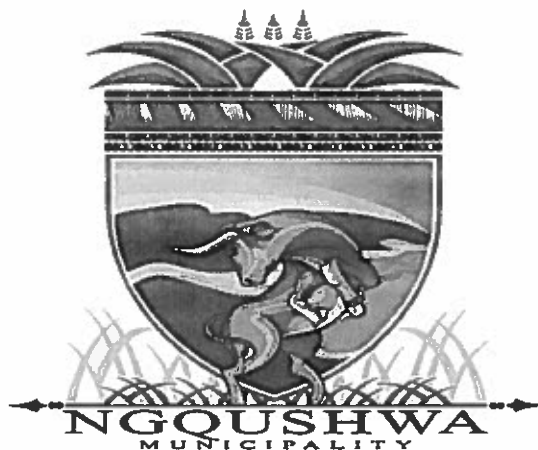


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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

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.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month 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.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would 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.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

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 – Spending on 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 monthly budget 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, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

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 of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. . In Ngqushwa Municipality this means votes such as Executive & Council, Financial Services, Corporate Services, Public Safety etc.

SECTION 1

1.1 Introduction

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

The MBRR highlights the format of the mid-year budget and performance assessment. "A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act."

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act

1.2 Legislative framework

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Section 72,
- And The Municipal Budget and Reporting Regulations, 35.

In accordance with Section 72 of the Municipal Finance Management Act 56 of 2003(MFMA) The accounting officer of a municipality must by

Assess the performance of the municipality during the first half of the financial taking into account, the monthly statements referred to in section 71 for the first half of the financial year; the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan and the past year's annual report, and progress on resolving problems identified in the annual report

This report is to be submitted to the Mayor and National and Provincial Treasury by 25 January 2019.

1.3 Mayors Report

The purpose of this report is to account to public on the 2018/2019 mid-year institutional performance of Ngqushwa local Municipality. The report contains information which is based on the SDBIP formulated for the financial year 2018/2019. The information on the report concentrates on the service delivery performance assessment as contained in the municipality's Service delivery and budget Implementation plan. The report was compiled using 6 months information from the section 71 reports.

EC126 Ngqushwa - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2017/18	Budget Year 2018/19							
	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	25 081	28 780	-	434	28 746	14 390	14 356	100%	-
Service charges	759	755	-	67	402	378	24	6%	-
Investment revenue	755	2 702	-	51	616	1 351	(735)	-54%	-
Transfers and subsidies	135 032	95 935	-	31 822	63 338	47 968	15 370	32%	-
Other own revenue	5 693	16 041	-	387	2 402	8 021	(5 619)	-70%	-
Total Revenue (excluding capital transfers and contributions)	167 320	144 213	-	32 763	95 504	72 107	23 397	32%	-
Employee costs	58 806	66 807	-	6 484	33 639	33 404	236	1%	-
Remuneration of Councillors	9 521	9 439	-	740	4 339	4 720	(381)	-8%	-
Depreciation & asset impairment	33 458	15 053	-	-	-	7 526	(7 526)	-100%	-
Finance charges	886	2 100	-	0	115	1 050	(935)	-89%	-
Materials and bulk purchases	-	1 911	-	449	1 943	956	987	103%	-
Transfers and subsidies	-	25	-	-	-	13	(13)	-100%	-
Other expenditure	43 500	42 545	-	7 961	22 898	21 273	1 626	8%	-
Total Expenditure	146 173	137 881	-	15 634	62 935	68 940	(6 006)	-9%	-
Surplus/(Deficit)	21 148	6 333	-	17 128	32 569	3 166	29 403	929%	-

The municipality has prepared a three year budget, during the year the budget has been implemented the summary above show the variances on the implementation of the budget. Highlighting the few, own revenue shows an under collection, the municipality needs extra effort on increasing the revenue. Interest on investment shows an under collection this shows that the municipality has not yet stretched to a stage to invest on long term. With regards to property rates, the raisings are at the verge full budget amount for 2018- the rapid increase of raisings is due to properties that are raised annually(government departments) and by 46 (rural schools) unregistered properties that did not form part of the original budget from Department of Public Works. Public Works and the municipality has agreed to bill these properties and the variance will be rectified during adjustments budget.

Other expenditure which relates to mainly general expenses and project shows an over expenditure 8% in the first 6 months of the year . This will amount to some of the performance targets may not be met, with low revenue collection and over expenditure, can result in unauthorized expenditure if not if not resolved. Looking at the municipality's performance on a high level, the municipality will have to adjust its budget for 2018-2019 and service delivery Budget and Implementation plan 2018-2019.

Overview of 2017/18 Annual Reports

The Municipality has submitted its set of financial statements and was audited by Auditor General South Africa, the municipality has obtained an unqualified audit opinion with emphasis of matter issues for the 2017/18 financial year. The audit report contains findings on a matters relating to non-compliance with certain legislation, Internal controls, and annual performance. Below is a table detailing the findings?

No	Control Issues	Remedial Action
1.	1. There was no gap analysis performed by the municipality prior to the appointment of consultants.	The municipality should evaluate the gap in resources , after a proper a proper development plan based strategic objectives and then only after determine if external resources are still required.
2.	The municipality does not have a consultancy reduction plan in place.	Develop a consultancy reduction plan
3.	The performance of consultants is not monitored on a monthly basis. No evaluation of performance was performed in the monthly 'Evaluation of Service provider forms' that were completed for consultants. The evaluation forms were just signed by the Head of Department, there was no evaluation conducted.	<ol style="list-style-type: none"> 1. Improve the format of the performance evaluation form just a rating system to include an assessment on the work agreed vs the actual performance. 2.The performance evaluation forms should be signed by section head and reviewed by the HOD to ensure that the business head is satisfied with the service performed on a monthly basis.
4	The SLA or contract with the IT vendor was not monitored in the 17/18 financial year. The monitoring reports provide relate to prior year.	Review and monitor contract/SLA with IT Vendor based on deliverables.
5.	2. Periodic review of user access and privileges was not performed received.	<ol style="list-style-type: none"> 1. Perform periodic reviews of access and rights. 2. Perform access review scans. Scans that perform rule-based evaluations of user entitlements to determine if attestation is needed. 3. Develop a user entitlement record.
6.	IT Vendor has access to the production (live) environment, however their access is not monitored	<ol style="list-style-type: none"> 1. Make a list of your vendors and audit their privileged accounts. 2.Ensure logging and recording remote privileged sessions to ensure security of external remote access.(Monitor) 3.Restrict vendor access to the live environment (on a need - to-know)basis
7.	4. There is no approved backup and retention strategy	<ol style="list-style-type: none"> 1. Draft and document a backup plan in case of disaster or recovery. 2. Implement a backup system, preferably internet based that backs up all system information at least once a day. 3. Physical (Fire) storage for hardcopy documents.
8.	There is no evidence of review that was noted in the Irregular, fruitless and wasteful expenditure registers Designer Lighting	All business units should be responsible for monitoring irregular expenditure and have a record/list. The list should be reviewed and signed off by departmental heads on a quarterly basis.
9.	There should be accuracy checks and reviews of all reports and information on AFS.	There should be accuracy checks and reviews of all reports and information on AFS.
10.	During the audit of consequence	The council should elect /appoint and disciplinary board/ethics committee.

	management, it was identified that the municipality does not have a disciplinary board to investigate allegations of financial misconduct in the municipality and to monitor the institution of disciplinary proceedings against an alleged transgressor	
11.	During the audit, it was identified that the municipality does not have a fraud hotline to anonymously report fraud.	During the audit, it was identified that the municipality does not have a fraud hotline to anonymously report fraud.
12.	1. During the audit it was noted that the expenditure accounting policy was not included in the annual financial statements submitted at 31 August 2018.	All policies to be included in the AFS should be reviewed in order to ensure compliance.
13.	The following differences were noted between expenditure per the general ledger and invoice. Amount inclusive of VAT was recorded in the general ledger.	Finance should ensure that all entries posted in general ledger exclude VAT. 2. Reviews and checks of entries.
14.	.The purchase of computers for new employees has been incorrectly classified as other expenditure instead of being capitalised as assets.	Finance should ensure that entries posted in the general ledger are classified properly.
15	An expenditure item relates to expenditure incurred in the prior year, however it has been incorrectly recorded in the current year.	Finance should ensure that entries posted in the general ledger are recorded in the correct -period
16.	. Finance should ensure that entries posted in the general ledger are recorded in the correct - period	1.Business Units or users of external providers should ensure that service providers are paid within 30 days of receiving invoices , as per regulation. 2.Generate exceptions report/Register that identifies expenses that took longer than 30 days to pay.

17.	During the audit it was noted that the expenditure accounting policy not included in the annual financial statements submitted at 31 August 2018.	1. Finance should ensure that entries posted in the general ledger are classified properly.
18.	There was no confirmation of receipt of services for the transactions relating to Plant & Machinery. Furthermore, it was noted that the hiring of plant and machinery below relates to the construction of Crossroads internal roads and Mgababa internal roads, therefore, the transaction has been incorrectly classified as expenditure instead of property, plant and equipment.	.Classification checks and reviews of general ledger entries. 2.It should be compulsory for all Finance to complete the GRAAP course
19	During the audit it was noted that the following properties are in the name of Ngqushwa Local Municipality in the general valuation roll, however they could not be traced to any of the asset registers.	A resolution needs to be taken in terms of handing over the land to the beneficiaries or remove the members.

Annual Service delivery Performance

Below is summary performance on the targets and achievements by the municipality for 2017/18

2017/18 Priority Area	Total Annual Targets	Total Annual Targets	Targets Partially Achieved	Targets Not Achieved	2017//18 % Achievements
Institutional Development and Design	1	1	0	0	100%
Quality Infrastructure Services and Infrastructure Development	21	13	4	4	62%
Local Economic Development	10	9	0	1	90%
Financial Viability and Management	3	3	0	0	100%
Good Governance and Public participation	17	12	1	4	71%
Spatial Development	5	3	3	0	50%
Total Targets	58	41	8	9	71%

1.4 RESOLUTION

- That the Mayor notes mid –year Budget and Performance Report for 2018/19 financial year.

SECTION 2

EXECUTIVE SUMMARY

This report provides a summary of the main budget issues arising from the budget monitoring process. It compares the progress of the actual previous year and budget in terms of actual income and expenditure to the Projections contained in the Service Delivery and Budget Implementation

Plan. The assessment aims at enhancing managements' decisions and monitoring activities

The following classifications provide an outline of the implementation of the budget and Performance of the Municipality.

2.1 Operating Revenue

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2017/18	Budget Year 2018/19							
		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		25 081	28 780		434	28 746	14 390	14 356	100%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue		759	755		67	402	378	24	6%	
Service charges - other								-		
Rental of facilities and equipment		156	572		14	79	286	(207)	-73%	
Interest earned - external investments		755	2 702		51	616	1 351	(735)	-54%	
Interest earned - outstanding debtors		1 985	4 343		233	1 125	2 172	(1 046)	-48%	
Dividends received								-		
Fines, penalties and forfeits		450	3 900		20	114	1 950	(1 836)	-94%	
Licences and permits		1 715	2 249		88	824	1 124	(301)	-27%	
Agency services		310	509		30	183	255	(71)	-28%	
Transfers and subsidies		135 032	95 935		31 822	63 338	47 968	15 370	32%	
Other revenue		1 078	4 468		3	77	2 234	(2 157)	-97%	
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		167 320	144 213	-	32 763	85 504	72 107	23 397	32%	-

It must also be noted that the billing for property rates and refuse revenue, interest on outstanding debtors includes those properties that are billed annually hence the overbilling compared to projections. The property rates budget for the year is higher compared to the audited figure this is due to the government properties that were unregistered in the previous year. Current year property rates, the raisings are at the verge full budget amount for 2018- the rapid increase of raisings is due to properties that are raised annually(government departments) and by 46 (rural schools) unregistered properties that did not form part of the original budget from Department of Public Works. Public Works and the municipality has agreed to bill these properties and the variance will be rectified during adjustments budget.

Service charges shows an increase in amount billed, due to properties that were affected by supplementary valuation in the previous financial year, that are now categorized as commercial.

The line item "Other revenue" comprise of Building plan fees, Public toilet fees, Cemetery Fees and Billboards. There is a low collection on other own revenue items like, fines, permits rental. Management should take note. Transfers recognized are as per municipal payment schedule and are spread over three tranches in a year. Grants like Financial Management Grant (FMG), are received once off and others are received in three tranches. In as much as the overall of the total revenue seems higher than the budget to date , municipality continues to be grant dependent , management has employed the services of debt collector turn the situation around.

The following ratio as per MFMA circular 71 is measures the extent of actual operating revenue received in relation to Budgeted operating revenue during the financial year under review

Actual operating revenue/Budgeted operating revenueX100

95 503 965 X100 =66% the norm is 95%, the ratio is below than 95%

144 213 363

this does not decorate a good picture, the municipality needs to put extra efforts to turn around the situation.

Below is a breakdown of the collection percentage on services and other revenue compared to the projected budget:-

<u>Description</u>	<u>Original Budget 000</u>	<u>Projections 6Mnths 000</u>	<u>Actuals 6Mnths 000</u>	<u>6Mnths %</u>	<u>Variance %</u>
Revenue By Source					
Property rates	R 28 746	R 14 373	R 25 362	176.45	71.59
Service charges - refuse revenue	R 755	R 378	R 386	102.33	2.33
Rental of facilities and equipment	R 572	R 286	R 69	24.21	-75.79
Interest earned - external investments	R 2 702	R 1 351	R 622	46.07	-53.93
Fines	R 3 900	R 1 950	R 114	5.84	-94.16
Licences and permits	R 2 249	R 1 124	R 823	73.22	-26.78
Agency services	R 509	R 255	R 183	72.04	-27.96
Other revenue	R 4 468	R 2 234	R 4 082	182.70	82.70
Total Revenue	43 901	21 951	31 642	144.14	44.1

- Property Rates: actual vs. projected collection 176% government properties settled their bill just after receiving the annual billing, Refuse removal: actual vs. projected collection 102% and Rental of facilities: actual vs. projected collection was 24.21%. other revenue collection show an over collection, the main contributor to such increase being SARS refunds that were received which some relate to previous periods but were only paid in the period under review. The improvements on collection relates to government departments only paying their accounts in the second quarter The overall collection of own revenue as at 31 December is at 144% compared to the year to date budget/projections exclusive of government transfers.

2.2 Operating Expenditure

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands										
Expenditure By Type									%	
Employee related costs		58 806	66 807		6 484	33 639	33 404	236	1%	
Remuneration of councillors		9 521	9 439		740	4 339	4 720	(381)	-8%	
Debt impairment		545	2 170				1 085	(1 085)	-100%	
Depreciation & asset impairment		33 458	15 053		-	-	7 526	(7 526)	-100%	
Finance charges		886	2 100		0	115	1 050	(935)	-89%	
Bulk purchases			-		-		-	-		
Other materials			1 911		449	1 943	956	987	103%	
Contracted services		16 254	23 482		6 999	16 987	11 741	5 246	45%	
Transfers and subsidies		-	25		-		13	(13)	-100%	
Other expenditure		28 239	16 893		962	5 911	8 447	(2 535)	-30%	
Loss on disposal of PPE		(3 538)	-				-	-		
Total Expenditure		146 173	137 881	-	15 634	62 935	68 940	(6 005)	-9%	-

The budgeted operating expenditure amounts to R 137 m. For the period under review the projected budget target is R 68, 9 m and the actual expenditure is R 62m. Even thou the municipality expenditure is still within the projected overall budget but there are areas where the municipality over and under spent.

Expenditure on contracted services this surely explains that some expenditure line items are sitting with unauthorised expenditure. Management will have to look at this during adjustment budget period and adjust according. Contracted services includes all the work that the municipality sources outside contractors to do on their behalf eg catering, payment of professional fees, repairs and maintenance. Other expenditure includes items such as fleet costs (admin costs, licences), telephone system rental, Microsoft enterprise licences, and advertising and all municipal running costs.

There have been no journal entries to account for depreciation and Debt Impairment the municipality is still busy uploading the asset register on the mSCOA system, however the budgeted amount is currently deemed to be sufficient.

Actual Operating Expenditure X 100

Budgeted operating expenditure

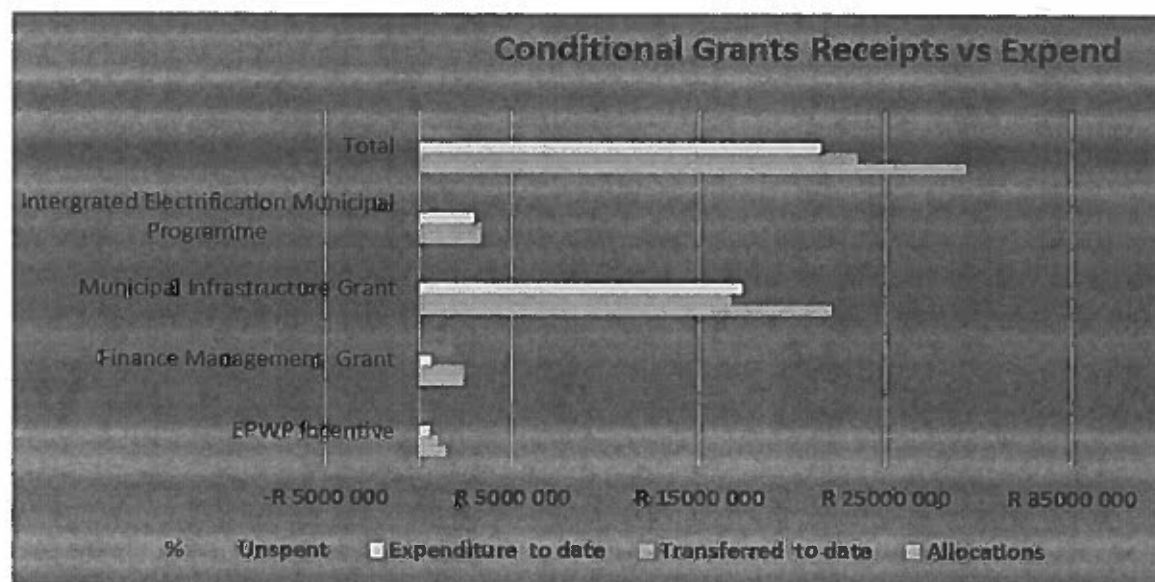
62 934 979 X 100 = 45% the norm is between 95% and 100%

137 880 703 under spending is caused mainly by cash limitation and no provision of depreciation pro- rata actuals.

Below is the summary of Conditional Grant receipts and expenditure as 31 December 2018

Conditional Grants Receipts vs Expenditure					
Grants National	Allocations	Transferred to date	Expenditure to date	Unspent	%
EPWP Incentive	R 1 480 000	R 1 030 000	R 598 193	R 431 807	58.08
Finance Management Grant	R 2 415 000	R 2 415 000	R 660 967	R 1 754 033	27.37
Municipal Infrastructure Grant	R 22 122 000	R 16 775 000	R 17 337 200	-R 562 200	103.35
Intergrated Electrification Municipal Programme	R 5 332 000	R 3 332 000	R 2 962 043	R 369 957	88.90
Total	R 31 349 000	R 23 552 000	R 21 558 403	R 1 993 597	R91.54

The following Graph shows the grants movement



It was reported at 31 December 2018 that the National Grants were allocated and spent by Ngqushwa Local Municipality as follows:

- Expanded Public Works ((EPWP) Incentive: R1, 4 m was allocated for this financial year. Transfers made this period to the Municipality were R 1 030 000. Expenditure reported this quarter is R 598 193

- Financial Management Grant (FMG): R 2.4 m allocated and transferred to Ngqushwa Local Municipality. Expenditure reported this quarter R 660 967
- Municipal Infrastructure Grant (MIG): R22. 1 m was allocated for this financial year. Transfers made this period to the Municipality were R 16.7m Expenditure reported this period R 17.3m
- Integrated Electrification Municipal Grant (INEG): R5.3m is allocated, received this period R 3.3m Expenditure reported to be R2.9m.
- The municipality is working hard to ensure that all conditional grant are at 100% by 30 June 2019
- Looking at the above information, Conditional grants are spent accordingly except for FMG that shows a very slow movement, the grant is being spent according to the grant plan submitted earlier this year and the will not be any unspent at the end of the year.

- **Expenditure against approved rollovers**

The Municipality had no unspent grants in the 2017-2018 Financial year.

Other Grants

Ngqushwa Municipality entered into a Service Level agreement with Services Sector Education and training authority (EDU SETA) on the 14 December 2018. The grant allocated amounts to R 15 840 000 comprising of :

Internships 30 Learners – R 1 080 000

Learner ships 410 Learners – R 14 760 000

The expenditure incurred to date amounts to R 5 558 451.76 which R 4 202 451.76 was for a Services provider and R 1 356 000 was for learner stipends.

An amount of R 6 231 846.36 was raised and we are awaiting the payment from Edu Seta.

2.3 Capital Programme and funding

The following table is a summary of the 2018-2019 Capital budget classified by standard classification.

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		59 619	4 318	-	1 166	1 545	2 159	(614)	-28%	-
Executive and council			10				5	(5)	-100%	
Finance and administration		59 619	4 308		1 166	1 545	2 154	(609)	-28%	
Internal audit								-		
<i>Community and public safety</i>		-	3 400	-	-	453	1 700	(1 247)	-73%	-
Community and social services			1 500		-	453	750	(297)	-40%	
Sport and recreation			1 900				950	(950)	-100%	
Public safety								-		
Housing								-		
Health								-		
<i>Economic and environmental services</i>		30 241	19 631	-	703	16 380	9 815	6 565	67%	-
Planning and development			15				8	(8)	-100%	
Road transport		30 241	19 616		703	16 380	9 808	(9 105)	-93%	
Environmental protection								-		
<i>Trading services</i>		3 900	5 332	-	-	2 962	2 666	296	11%	-
Energy sources		3 900	5 332		-	2 962	2 666	296	11%	
Water management								-		
Waste water management								-		
Waste management								-		
<i>Other</i>								-		
Total Capital Expenditure - Functional Classification	3	93 759	32 681	-	1 869	21 340	16 340	5 000	31%	-
Funded by:										
National Government		34 141	26 348		703	19 795	13 174	6 621	50%	
Provincial Government								-		
District Municipality		47 436						-		
Other transfers and grants								-		
Transfers recognised - capital		81 577	26 348	-	703	19 795	13 174	6 621	50%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds		12 183	6 333		1 166	1 545	3 166	(1 621)	-51%	
Total Capital Funding		93 759	32 681	-	1 869	21 340	16 340	5 000	31%	-

The budgeted capital expenditure amounts to R 32, 6 m. For the period under review planned budget target is R 16, 3 m and the actual is expenditure to date is R 21, 3 m with R 5 m variance. The capital funding is mostly from the National Government transfers mainly Municipal Infrastructure Grant (MIG), INEP and the internal generated funds. This is looks good as the municipality is prioritising infrastructure services. The Municipality has spent most of the its capital expenditure and has where transfer funds are sufficient used the municipality's own funds. The municipality has went as far applying for overdraft services in the month of October-November to pay for MIG related expenditure which was later paidback in December when the second tranche of MIG was received. Capital expenditure budgeted under

Finance and Administration includes :- (IT infrastructure, Computer equipment, municipal vehicles and equipment scanners for barcoding

Community and social services: - Construction of Sportsfield and Community halls

Planning and Development: - Establishment of Cemetery and Equipent to be used by the Planning section

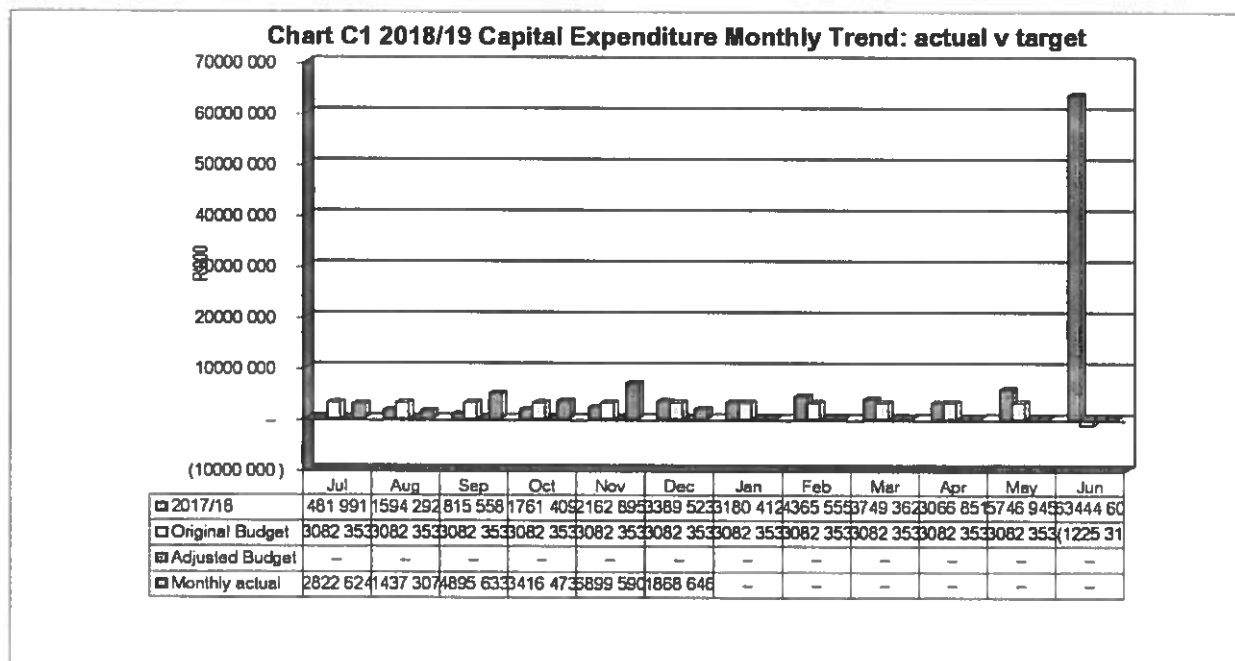
Road Transport: - Infrastructure projects

Electricity: - Electrification project of Villages

The following table indicates the spending pattern per month:

EC126 Ngqushwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December									
Month	2017/18	Budget Year 2018/19							
R thousands	Audited	Original	Adjusted	Monthly	YearTD	YearTD	YTD	YTD %	% spend
Monthly expenditure performance trend									
July	482	3 082		2 823	2 823	3 082	260	8.4%	9%
August	1 594	3 082		1 437	4 260	6 165	1 905	30.9%	14%
September	816	3 082		4 896	9 156	9 247	91	1.0%	30%
October	1 761	3 082		3 416	12 572	12 329	(243)	-2.0%	42%
November	2 163	3 082		6 900	19 472	15 412	(4 060)	-26.3%	64%
December	3 390	3 082		1 869	21 340	18 494	(2 846)	-15.4%	71%
January	3 180	3 082				21 576	-		
February	4 366	3 082				24 659	-		
March	3 749	3 082				27 741	-		
April	3 067	3 082				30 824	-		
May	5 747	3 082				33 906	-		
June	63 445	(1 225)				32 681	-		
Total Capital expenditure	93 759	32 681	-	21 340					

The following indicates the spending pattern per month:



2.5 Cash flow Statement

EC126 Ngqushwa - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		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		40 286	58 798		725	27 055	29 399	(2 344)	-8%	
Service charges		869	1 511		87	388	755	(369)	-49%	
Other revenue		301	12 054		811	12 304	6 027	6 277	104%	
Government - operating		70 173	95 935		25 981	61 296	47 968	13 328	28%	
Government - capital		34 141	26 348		9 409	17 936	13 174	4 762	36%	
Interest		754	7 045		52	623	3 522	(2 899)	-82%	
Dividends			-				-	-		
Payments										
Suppliers and employees		(119 560)	(120 703)		(18 342)	(84 788)	(60 351)	24 437	-40%	
Finance charges			(2 100)				(1 050)	(1 050)	100%	
Transfers and Grants			(25)				(13)	(13)	100%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		35 964	78 864	-	16 722	34 813	39 432	4 619	12%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		944						-		
Decrease (increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments			(31 130)				(15 565)	15 565	-100%	
Payments										
Capital assets		(36 670)	(32 681)		(1 245)	(15 746)	(16 340)	(594)	4%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(35 726)	(63 811)	-	(1 245)	(16 746)	(31 905)	(16 159)	51%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		238	15 053	-	17 477	19 067	7 526			-
Cash/cash equivalents at beginning:		1 266	1 200			1 504	1 200			1 504
Cash/cash equivalents at month/year end:		1 504	16 253	-		20 570	8 726			1 504

This statement reflects the actual cash that was received and utilised by the municipality as at 31 December 2018. Cash on hand opening from the previous year to the period under review, this clearly shows that the municipality is not having cash reserved to boost the cash on hand and other special commitments. The municipality is not able to generate sufficient own revenue through its service charges and is grant dependent. It is important for the municipality to be closely monitored and ensure that sufficient cash is available in the bank to effect payments.

- The municipality is expecting to receive the third last tranche of equitable in March amounting to R 18 m. The municipality has adopted the financial recovery plan which from it Financial recovery implementation plan was drawn. The municipality is busy implanting

the and it is evaluated every quarter. The municipality has disposed some of its assets during this first half of the financial year. Council held an auction of assets during December 2018. The auctioneer is in the process of finalising the auction outcome and supporting documentation, and will be depositing the funds from the auction shortly. The abovementioned table will be updated as soon as the documents are received from the auctioneer.

2.6 Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 504	1 266		22 596	1 266
Call investment deposits			-		-	-
Consumer debtors		5 257	19 546		6 457	19 546
Other debtors		13 488	9 988		21 030	9 988
Current portion of long-term receivables		397	-		397	-
Inventory		9 853	3 346		9 853	3 346
Total current assets		30 498	34 146	-	60 333	34 146
Non current assets						
Long-term receivables			-		-	-
Investments			-		-	-
Investment property		28 003	24 058		28 003	24 058
Investments in Associate			-		-	-
Property, plant and equipment		250 155	185 133		288 998	185 133
Agricultural			-		-	-
Biological			-		-	-
Intangible		871	1 248		965	1 248
Other non-current assets		0	-		0	-
Total non current assets		279 029	210 439	-	297 966	210 439
TOTAL ASSETS		309 528	244 585	-	358 298	244 585
LIABILITIES						
Current liabilities						
Bank overdraft			-		-	-
Borrowing			-		-	-
Consumer deposits			-		222	-
Trade and other payables		20 042	22 346		36 292	22 346
Provisions			-		-	-
Total current liabilities		20 042	22 346	-	36 514	22 346
Non current liabilities						
Borrowing			-		-	-
Provisions		12 806	3 191		12 806	3 191
Total non current liabilities		12 806	3 191	-	12 806	3 191
TOTAL LIABILITIES		32 848	25 537	-	49 320	25 537
NET ASSETS	2	276 680	219 048	-	308 979	219 048
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		276 680	219 048		308 979	219 048
Reserves					-	

The current ratio (as per MFMA circular 71) checking Municipality ability to meet its current or short term obligation.

Current Assets/Current Liabilities =60 332 624/36 573 575=1.6

This is between the norm therefore the municipality is still capable to meet its short term obligations.

SECTION 3

Supporting Documentation

3.1 Debtors age analysis

The tables below show the outstanding debt owed to the Ngqushwa Municipality as at 31 December 2018 per service and by customer group.

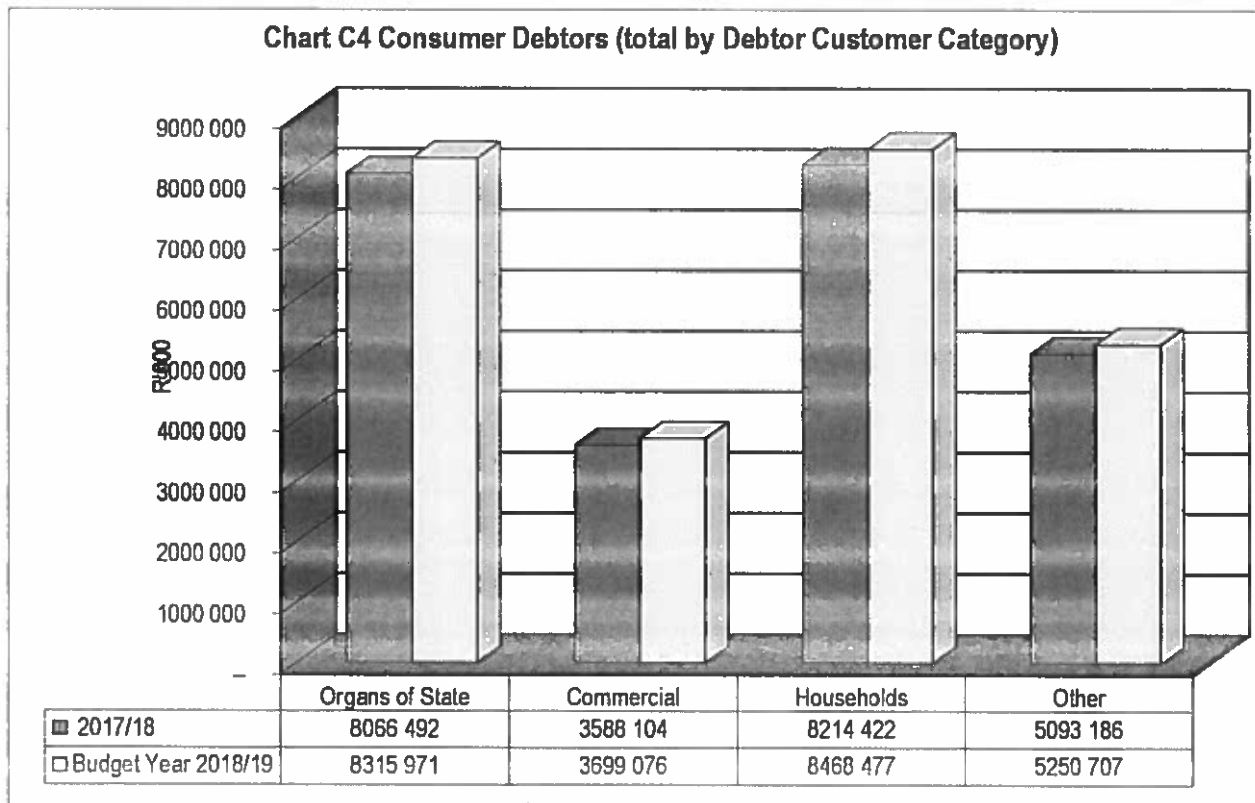
EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 December											
Description	NT Code	Budget Year 2018/19									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	381	203	503	77	213	3 825	404	9 995	15 602	14 515
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	69	51	41	36	27	27	140	858	1 250	1 089
Receivables from Exchange Transactions - Property Rental Debtors	1700	8	-	-	-	-	-	(0)	122	130	122
Interest on Arrear Debtor Accounts	1810	234	232	229	192	189	186	1 048	6 442	8 752	8 057
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	692	486	773	305	429	4 039	1 593	17 418	25 734	23 784
2017/18 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	95	95	72	(15)	126	3 265	273	4 406	8 316	8 054
Commercial	2300	248	111	94	83	77	111	361	2 615	3 699	3 248
Households	2400	295	232	226	196	184	166	726	6 444	8 468	7 716
Other	2500	53	49	381	43	42	497	233	3 953	5 251	4 768
Total By Customer Group	2600	692	486	773	305	429	4 039	1 593	17 418	25 734	23 784

Analyzing debtors per service billed, the largest amount of service billed that is outstanding is property rates followed by interest on services. The bigger portion of the amount owed to the municipality, is Government, Households, businesses and farms.

The municipality has collected rates revenue from various Departments since 2016. The Department of Rural Development and Provincial Public works has paid their outstanding debt, and are still making part payments on their current debt. The interest on the old debt for both these departments were written off in the previous financial year.

The total outstanding amount for debtors is sitting at R25.7M at the end of this period.

The following graph compare the debtor's age analysis by group end of December 2017 and December 2018



Outstanding debtors to revenue=Outstanding debtors/Annual revenue

36.45 %

The outstanding debtors have increase from the previous year 36.45% to17.84

3.3 Free Basic Services

The municipality is offering free basic services into two categories:
The municipality formed an Indigent Steering Committee chaired by the Portfolio head of Finance.

The Committee has to meet once a quarter

- The aim of the committee is as follows:
- Effective implementation of Credible Indigent Policy
- Capacitation of all local free basic services stakeholders including Municipal Officials, Councillors, Ward Committees, Traditional Leaders and Community Development Workers.
- Free basic services awareness campaigns, registration/ application for the benefit, updating and management of indigent register by our municipality
- Develop a credible indigent register for 2018/19

Currently FBS is offered to two categories that is: free 50 kW electricity and refuse removal the tariff is R93.15. The offering of FBS is based on the indigent policy and the number of customers registered in the register.

The municipality is also collecting refuse on all cages that have been installed in low cost housing areas, meaning low cost households are automatically subsidized for refuse and 50klw of electricity.

In July and August 2018, ward committees have conducted door to door for indigent household's registration and submitted the application forms to be captured in the system.

Total number of indigent H/H registered for October to December 2018 as per services offered - 6208

Number of households that are benefiting from Prepaid Electricity = 4200
Number of RDP households benefiting from refuse removal = 1993

The breakdown of the free basic services is as follows:

Service Description	Amount Budget	Amount Spent
Prepaid electricity	2 948 400.00	1 619 852.13
Refuse removal	315 184.00	1 113 887.70
Total	3 263 584.00	2 733 739.83

The FBS unit has a target according to the SDBIP of developing a credible and updating indigent register for 2018/19 financial year.

In the month of October, November and December 2018 ward committees have done indigent registration in 5, 7,8,11 and 12 wards. The Indigent steering committee meeting was held on the 22 November 2018. Key resolutions that were taken:

- It was resolved that the ISC must also include Chief and council of churches
- It was discussed and resolved that in the next meeting we must invite SASSA department regarding proof of income for indigent households
- The ISC meeting dates must be on municipal calendar
- To write a letter to community services requesting assistance for data collection at Power location regarding collection of refuse removal.
- The Municipality will have to develop an FBS communication strategy for FBS awareness, registration and verification for all communities.

- The refuse removal shows over expenditure which is in the form of non-cash items, the over expenditure will be rectified with budget adjustment.

Challenges on free basic services

- Insufficient funding for the subsidy for all indigent households.
- Inaccurate indigent register

3.4 Creditors Age Analysis

The following table reflects the total outstanding creditors owed by the municipality.

Eastern Cape: Ngqushwa Creditors			Report Date: 2018-12-31				
	0 - 30 Days	31 - 60 Days	61 - 90 Days	90 - 120 Days	120 - 150 Days	150 - 180 Days	Total
R thousands	Amount 000	Amount 000	Amount 000	Amount 000	Amount 000	Amount 000	Amount 000
Trade Creditors	R 807	R 262	R 0	R 0	R 0	R 77	R 1 146
Auditor General	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other (Amathole)	R 0	R 0	R 0	R 0	R 0	R 7 132	R 7 132
Total	R 807	R 262	R 0	R 0	R 0	R 7 208	R 8 277

Analysing our creditors per category, the largest amount of creditors are our trade creditors. The table above reflects that the municipality is striving to pay its creditors within 30 days which is in line with section 65 (e) of the MFMA. The line "Other" is Amatole District Municipality (ADM) of which Ngqushwa municipality owes R7.1 The municipality was owing Amathole District Municipality a sum of R 20, m in 2015/16 financial debt back dates from 1 July 2006. This debt relates to fire levy and basic charge for water on municipal vacant land, this includes vacant land that has been earmarked to build low-cost housing serviced and unserviced. Engaging with Amathole District Municipality management and negotiations and it was discovered that the District Municipality was billing Ngqushwa Municipality for unserviced vacant land, through the verification that amount has been reduced to R15 m. The R15m was later revised and reduced to R 6m, explaining The amount was reduced due to the payments made by Ngqushwa Local Municipality, reversal of billing on all the vacant properties earmarked for RDP development in compliance to ADM Credit control & debt collection policy and reversal of billing on all areas where there has been no confirmation that there is no infrastructure such

as Alf Dlamini Heights. Creditors over 180 days amounting to R 7.2 m relates mainly to the Amathole District Municipality (R7.1m) and other creditors.

The following is a ration calculation on Creditors

Creditors Efficiency system= % of Creditors Paid within Terms (within MFMA s 65(e))

=87%

3.5 Grants Receipts and Expenditure

3.5 .1 Grants Receipts

EC126 Ngqushwa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		79 083	80 489	-	25 553	60 906	40 245	19 158	47.6%	-
Local Government Equitable Share		73 615	75 488		25 163	56 616	37 744	18 872	50.0%	
Finance Management		2 345	2 415		-	2 415	1 208			
EPWP Incentive		1 531	1 480		-	1 036	740			
PMU		1 592	1 106		390	839	553	286	51.7%	
Provincial Government:		350	369	-	400	400	184	216	117.1%	-
Sport and Recreation	4	350	369		400	400	184	216	117.1%	
Other transfers and grants (insert description)								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		90	78	-	28	90	39	51	132.1%	-
LG Seta		90	78		28	90	39	51	132.1%	
Total Operating Transfers and Grants	5	79 523	80 935	-	25 981	61 396	40 468	19 425	48.0%	-
Capital Transfers and Grants										
National Government:		34 140	26 348	-	9 409	19 268	13 174	6 094	46.3%	-
Municipal Infrastructure Grant (MIG)		30 241	21 016		7 409	15 936	10 508	5 428	51.7%	
INEP		3 899	5 332		2 000	3 332	2 666	666	25.0%	
Provincial Government:		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	34 140	26 348	-	9 409	19 268	13 174	6 094	46.3%	-
TOTAL RECEIPTS OF TRANSFERS & GRANT	5	113 663	107 283	-	35 390	80 664	53 642	25 519	47.6%	-

3.5.2 Grant Expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

EC:120 Ngqwenwa - Supporting Table SC7(1) Monthly Budget Statement - Transfers and grant expenditure - M06 December										
Description	Ref	2017/18	Budget Year 2018/19							
		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:		78 683	80 489	-	9 342	131 908	40 245	91 663	227.8%	-
Local Government Equitable Share		73 615	75 488		7 641	39 094	37 744	1 350	3.6%	
Finance Management		2 345	2 415		373	46 241	1 208	45 033	3729.5%	
EPWP Incentive		1 531	1 480		208	46 073	748	45 333	6126.1%	
0							-	-		
0							-	-		
0							-	-		
PMU		1 592	1 108		122	499	553	(54)	-9.7%	
Provincial Government:		350	369	-	3	95	184	(89)	-48.5%	-
0										
Sport and Recreation		350	369		3	95	184	(89)	-48.5%	
0										
0										
Other transfers and grants (insert description)										
District Municipality:		-	-	-	-	-	-	-		-
0										
Other grant providers:		90	78	-	-	-	38	(39)	-100.0%	-
0										
LG Seta		90	78				38	(39)	-100.0%	
Total operating expenditure of Transfers and Grants:		79 823	80 935	-	9 345	132 002	40 468	91 535	226.2%	-
Capital expenditure of Transfers and Grants										
National Government:		34 140	26 348	-	703	19 795	13 174	6 621	50.3%	-
Municipal Infrastructure Grant (MIG)		30 241	21 016		703	16 833	10 508	6 325	60.2%	
0										
0										
0										
0										
NEP		3 899	5 332		-	2 962	2 666	296	11.1%	
Provincial Government:		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		34 140	26 348	-	703	19 795	13 174	6 621	50.3%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		113 963	107 283	-	9 048	151 798	53 642	98 156	183.0%	-

3.6 Councillors and Staff Benefits

3.6.1 Councillors Remuneration

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

City of Ngqushwa - Supporting Table 3C Monthly Budget Statement - Councillor and staff benefits - June December										
Summary of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8 623	8 454		553	3 397	4 227	(830)	-20%	
Pension and UIF Contributions		9	-		15	91	-	91	#DIV/0!	
Medical Aid Contributions			-		3	17	-	17	#DIV/0!	
Motor Vehicle Allowance		259	353		80	307	176	131	74%	
Cellphone Allowance		7	633		88	527	316	211	67%	
Housing Allowances			-			-	-	-		
Other benefits and allowances		623	-				-	-		
Sub Total - Councillors		9 521	9 439	-	740	4 339	4 720	(381)	-8%	

The budgeted increases for councillors allowance is 4%, from the previous year budget this increment not yet been effected as the regulating gazette specifying the remuneration packages was only issued by December.

3.6.2 Staff Benefits

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Description of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C					%	D
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3 207	4 642		433	2 660	2 321	339	15%	
Other Municipal Staff										
Basic Salaries and Wages		42 672	52 947		3 891	22 808	26 474	(3 666)	-14%	
Pension and UIF Contributions		5 756	415		594	3 455	207	3 248	1566%	
Medical Aid Contributions		2 149	2 054		208	1 274	1 027	247	24%	
Overtime		323	454		21	142	227	(85)	-37%	
Performance Bonus			3 347		-		1 674	(1 674)	-100%	
Motor Vehicle Allowance		2 659	1 888		215	1 578	944	634	67%	
Cellphone Allowance		326	-		25	188	-	188	#DIV/0!	
Housing Allowances		196	183		-	62	92	(30)	-33%	
Other benefits and allowances		448	-		63	178	-	178	#DIV/0!	
Payments in lieu of leave		655	765		1 019	1 113	382	730	191%	
Long service awards		415	112		15	133	56	77	138%	
Post-retirement benefit obligations	2		-				-	-		
Sub Total - Other Municipal Staff		55 599	62 165	-	6 051	30 930	31 082	(153)	0%	-
% increase	4		11.8%							

3.7 Repairs and Maintenance

EC126 Ngqushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								%	
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	850	-	175	855	425	(430)	-101.1%	-
Roads Infrastructure		-	624	-	175	357	312	(45)	-14.4%	-
Roads		-	624	-	175	357	312	(45)	-14.4%	-
Electrical Infrastructure		-	226	-	-	498	113	(385)	-340.1%	-
Power Plants		-	226	-	-	498	113	(385)	-340.1%	-
HV Substations		-	-	-	-	-	-	-	-	-
Other assets		-	131	-	132	369	66	(304)	-463.7%	-
Operational Buildings		-	131	-	132	369	66	(304)	-463.7%	-
Municipal Offices		-	131	-	132	369	66	(304)	-463.7%	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Computer Equipment		-	78	-	9	85	39	(46)	-117.2%	-
Computer Equipment		-	78	-	9	85	39	(46)	-117.2%	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	150	-	-	-	75	75	100.0%	-
Machinery and Equipment		-	150	-	-	-	75	75	100.0%	-
Transport Assets		-	600	-	134	634	300	(334)	-111.3%	-
Transport Assets		-	600	-	134	634	300	(334)	-111.3%	-
Total Repairs and Maintenance Expenditure	1	-	1 810	-	449	1 943	905	(1 038)	-114.7%	-

3.8 Cash and Cash Equivalents

The below spreadsheet are the cash and cash equivalent balances of the municipality as at 31 December 2018.

ACCOUNT NAME	ACCOUNT NUMBER	CLOSING BALANCE
RATES ACCOUNT	62414349763	855 946
MIAN BANK ACCOUNT	62022000898	16 691 773
INVESTMENTS	74773942899/74	3 022 747
		20 570 465.85

The Municipality is only expecting its next trench of equitable share in March 2019, which means that all departments must sensitize the issue of minimizing spending for example - cutting down on activities that are not service delivery driven. The municipality paid back the overdraft amounting to R10m which was acquired in the month of October-November to pay MIG related expenditure.

It is recommended that Adjustments budget be done during February 2018. The approach must be reducing cost on operations, approval and implementation of three year financial recovery plan and implementation of Credit Control and Debt Management Policy

3.9 Withdrawal Report

In terms of Section 11 of the Municipal Finance Management Act, Act 56 of 2003 refers: The Accounting officer must within 30 days after the end of each quarter table to the Council a consolidated report of all withdrawals made during the quarter. The following table shows the amounts of withdrawal made each month for the period under review:

July	16 033 083.09
August	14 225 175.85
September	15 615 908.49
October	14 741 085.38
November	22 664 270.09
December	22 873 688.15
	106 153 211.05

The above table demonstrates that, in November and December month more withdrawals or expenditure was incurred with comparison to other months of the quarter under review. The expenditure (in August) creditors are mostly from the previous financial year and August monthly commitments. In December comprises of staff benefits costs which included 6.5 days leave encashment of all municipal staff, third party payment other operating expenses, also in December overdraft repayment for an overdraft that was applied for and received in October- November to meet MIG related expenditure which could not be paid due to low transfers made by National Government.

SECTION 4

4.1 MSCOA IMPLEMENTATION PROJECT STATUS

Detailed status report

Ngqushwa Local Municipality has started implementing Mscoa on the 1 Jult 2018. The Municipality has prepared the 2018-2019 budget in accordance with Mscoa and the Annual Financial statements 2017/18 thereof.

Project Schedule

Deliverables	Completion Date	
Sign-off by Project Manager October	2018	

Project Issues

Issues	Impact	Summary
seamless integrationReports	High	We are still experiencing the same problem with the extract of Reports from the financial system. The reports are still done manual by the Budget and Reporting section!

4.2 UPDATE AND STATUS OF MFMA COMPLIANCE AND SYSTEMS OF DELEGATION

The municipality has a System of delegation in place that is reviewed annually.

The municipality is in compliance with all the all the MFMA requirement

4.3 RISK MANAGEMENT- Top 5 Risks Institutional risks

KPA	RISK No	Risk Description	Action to improve management of the risk	Action owner	Timeline
KPA1 : INSTITUTIONAL DEVELOPMENT AND DESIGN	STR01	1. Inadequate Induction of employees to policies and consistent implementation of approved policies by the institution. 2. Lack of monitoring of performance management.	1. Consultation of all relevant stakeholders during the Annual Policy reviewal period. 2. Cascading of Performance management to middle management. 3. Signing of Permanence Agreements for middle management 4. Hold Policy workshops per Department.	1-4. HR Manager	1. 31 March 2019 2-3. 30 September 2018 4. 31 December 2018
KPA 2 :QUALITY BASIC SERVICE DELIVERY AND INFRASTRUCTUR E DEVELOPMENT	STR02	1. Inadequate Infrastructure and backlog infrastructure that need to be services 2. Poor maintenance of existing aging infrastructure.	1. Develop Business Plans to source additional funding.	1. HOD and Line Managers	1. 31 December 2018
KPA3 : LOCAL ECONOMIC DEVELOPMENT AND SPATIAL DEVELOPMENT	STR03	1. Lack of appropriate strategies for implementation of LED 2. Non-Compliance with SPLUMA principles and regulations.	1) Finalizing development of LED Strategy. 2) Develop business plans to source funding 3. Awareness campaigns/workshops on SPLUMA. 4. Finalise the SDF Review to be SPLUMA Compliant	1&2 Manager LED 3-5. Manager Spatial	1. 31 December 2018 2. 31 31 March 2018 3-5. 31 December 2018

KPA 4 : FINANCIAL VIABILITY AND MANAGEMENT	STR04	1.Poor Revenue Generation. 2.Poor financial Management and Planning 3.Non-Compliance with Laws and Regulations	1.Implementation and reporting of the three year financial recovery implementation plan 2. Development of the Land Disposal Policy 3. Training for Bid Evaluation	1. Manager: Revenue 2. Manager: Spatial Manager: Assets 3. Manager SCM 4. Manager SCM 5. Manager SCM	1. Quarterly 2. 30 September 2018 3.30 September 2018 4.30 September
	STR05	1. Limited budget for public participation programmes. 2. Poor planning. 3. Lack of oversight	1. Source Funding from other Governmental Institutions to fund municipal Programmes 2. Revive the Intergovernmental Relations structure to be functional and improve communication and	1. Municipal Manager 2. Manager Communications	1. 30 September 2018 2. Quarterly
KPA 5 :GOOD GOVERNANCE AND PUBLIC PARTICIPATION					

5. The PMS Framework outlines as follows:

5.1 Departmental Reviews

It is intended that Departments review their performance at least monthly; using their Departments SDBIP's and prepares quarterly performance reports.

5.2 Top Management Team Reviews

Directors/Departmental Managers /Divisional managers and Staff reporting directly to MM need to report on their performance in the service scorecard format to the Municipal Manager and other directors/Departmental Managers. The top Management team can delegate task to the IDP and PMS unit in developing and analysis of performance

Prior to Top Management team reviews. Performance Management reviews are conducted on Quarterly bases as per Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly accountable to Municipal Managers.

5.3 ANALYSIS OF THE INSTITUTIONAL PERFORMANCE

- The Municipality's 2018/2019 SDBIP sets the following departments/directorates and Key Performance Indicators that are to be evaluated on; quarterly, mid-term and annual basis:
- Organizational Development and Design.
- Quality Basic Service Delivery and Infrastructure development
- Local Economic Development.
- Financial Viability and Management.
- Good Governance and Public Participation.
- Spatial Development

- In total NLM has adopted 2018/2019 Service Delivery and Budget implementation Plan setting key performance indicators to be realized/achieved in 2018/2019 financial year. All key Performance indicators are in line with the Legislative Framework (Powers and Functions of the municipality) as prescribed in the South African Constitution.
- Departmental performance information for the aforementioned period it illustrates the total overall of targets that are achieved, partially achieved, not achieved and the overall performance for each department and the institution general, where quarter one and quarter two have been combined.
- Ngqushwa Local Municipality average performance for 2018/19 financial year for the Mid-term ending on the 31st December 2018 is **87%**. This shows an improvement by **11%** compared to **76%** of 2017/2018 Mid-term performance.

Methodology

Mid-year performance information as per section 72 (1) (a) (ii) of the Local Government: Municipal Finance Management Act 56 of 2003 is tabled to the Council and municipal relevant structures. The quarter one overall performance for each department has been combined with quarter two overall performance and divided by two (2) to get mid-term performance results as per Key Performance Area and overall institutional performance for the mid-term performance of 2018/19 financial year. The bellow table illustrates quarter one and quartet two performance information for the five (5) municipal Key Performance Areas.

2018/2019 SDBIP MID-TERM INSTITUTIONAL PERFORMANCE REPORT (UNAUDITED) AS AT END DECEMBER 2018.

Mid-term actual performance

Quarter 1 = 96 + Quarter 2 = 77

= 173/2

= 87%

7. FINDINGS AND RECOMMENDATIONS FOR THE MID-TERM 2018/2019 FINANCIAL YEAR AS AT END DECEMBER 2018.

5.4 ANALYSIS OF DEPARTMENTAL/DIRECTORATE PERFORMANCE FOR THE MID-TERM 2018/2019 ENDING 31st DECEMBER 2018

Key Performance Area	First Quarter Total Indicators	First Quarter Achieved Targets	First Quarter Targets Not Achieved	First Quarter Achieved Results	Rating	Second Quarter Total Indicators	Second Quarter Achieved Targets	Second Quarter Targets Not Achieved	Second Quarter Achieved Results	Rating	Overall % for the mid-term
Institutional Design and Development	2	2	0	100%		2	2	0	100%		100%
Quality Basic Services and Infrastructure Development	11	11	0	100%		11	8	3	73%		87%
Local Economic Development and Spatial Development	8	7	1	88%		9	6	3	67%		78%
Financial Viability and Management	2	2	0	100%		1	1	0	100%		100%
Good Governance and Public Participation	5	5	0	100%		3	3	0	100%		100%
Total Targets	28	27	1	96%		26	20	6	77%		87%

ANALYSIS OF DEPARTMENTAL/DIRECTORATE PERFORMANCE FOR THE MID-TERM 2018/2019 ENDING 31 DECEMBER 2018.											
KPA1 : INSTITUTIONAL DEVELOPMENT AND DESIGN WEIGHT : 20											
Strategy	Objective	Key Performance Indicator	Annual Target	Budget	Burden	Quarter One	Actual Target	Score	Reasons for variance	Actual Target	Quarter Two
Improve Organisational Cohesion and Effectiveness	To continuously improve performance at all levels of the municipality by 2018 and beyond	Number of individual performance reviews conducted	100 (2) individual performance reviews to be conducted by the relevant Heads of Departments for each middle manager per department within the Municipality by 30 June 2019	R 0	Performance Review were only conducted for Director and Municipal Manager	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	To ensure continuous implementation of Municipal vision and mission through Human Resource Management plan	Periodic reports on the implementation of Human Resource Management Plan	Implementation of Human Resource Management Plan by 30 September 2018.	R 0	HR Strategy in place	1 Quarterly Report on implementation of Human Resource Management Plan by 30 September 2018.	Achieved	Not Applicable	Not Applicable	Achieved	1 Quarterly Report on implementation of Human Resource Management Plan by 31 December 2018
	To ensure effective and efficient records management	Number of activities implemented in the Records Management System	Implementation of Records Management system (Records Management Policy, File Plan & Procedure Manual) by 30 June 2019	R 155 000	Records Management System in place	1 Quarterly Report on implementation of the Records Management System by 30 September 2018.	Achieved	Not Applicable	Not Applicable	Achieved	1 Quarterly Report on the implementation of the Records Management System by 31 December 2018

KPA3 : LOCAL ECONOMIC DEVELOPMENT AND SPATIAL DEVELOPMENT WEIGHT : 20											
Strategy	Objective	Indicator	Annual Target	Budget & Source	Burden	Quarter One	Actual Target	Score	Reasons for variance	Actual Target	Quarter Two
Strides to ensure the creation of wealth and sustainable economic growth	To create an enabling environment that promotes the development of the local economy and facilitate job creation	Completion of Business Plan for LED activities	Implementation of LED strategy by 30 June 2019	R 0	Dist. LED Strategy	Stakeholder Engagement for Development of Business Plan by 30 September 2018	Achieved	Not Applicable	Not Applicable	Achieved	1 Draft Business Plan developed by 31 December 2018
		Stakeholder engagement for implementation of the BQMA Programme	Skills development of Ngqushwa Entrepreneurs as part of Building Inclusive Green Municipalities (BIGM) Programme by 30 June 2019	R 30 760	Not Applicable	Stakeholder Engagement for Development of Ngqushwa Entrepreneurial Data base by 30 September 2018	Achieved	Not Applicable	Not Applicable	Achieved	Ngqushwa Entrepreneurs Skills Assessment Capacity Building by 31 December 2018
	To ensure effective, efficient and economic coastal management of the environment by 2022 and beyond.	Number of workshops conducted for implementation of coastal management plan	Conduct 4 coastal management workshops by 30 June 2019	R 0	Coastal management plan	Conduct 1 coastal management workshop by 30 September 2018	Achieved	Not Applicable	Not Applicable	Achieved	Conduct 1 coastal management workshop by 31 December 2018
	To manage the rendering of efficient and sustainable waste and law enforcement services to all road users and public.	Number of Roadblocks and Workshops conducted	Eight (8) roadblocks to be conducted and one quarterly workshop to be conducted by 30 June 2019	R 0	4 Roadblocks were conducted	Conduct two (2) quarterly roadblock by 30 September 2018	Achieved	Not Applicable	Not Applicable	Achieved	Conduct two (2) quarterly roadblock by 31 December 2018

<p>To ensure that spatial planning and Land Use Management responds to Social, economic, environmental and cultural needs to promote sustainable growth in accordance with SPLUMA principles and the NDP</p>	To review and implement a well to wall SPLUMA compliant Spatial Development Framework (SDF).	Direct reviewed Municipal Spatial Development Framework	Reviewed and approved 5 year Municipal SDF by 31 December 2018	R 52 500	Approved 5 year Municipal SDF	First Draft Reviewed SDF by 30 September 2018	Achieved	Not Applicable	Not Applicable	Final Reviewed SDF by 31 December 2018	Not Achieved	Final Reviewed SDF not submitted to Council for approval.	Final Reviewed SDF to be submitted in January 2019 Council Meeting.	SP1
	To create community awareness of planning and building policies and legislation.	Number of awareness campaigns conducted	Conducting 2 awareness campaigns on Planning and Building by 30 June 2018	R 0	One awareness campaign conducted in 2016/17	Not Applicable	Not Applicable	Not Applicable	Not Applicable	One awareness campaign conducted on Planning and Building by 31 December 2018	Achieved	Not Applicable	Not Applicable	SP2
	To ensure effective implementation and Decision making in line with SPLUMA principles and processes.	Direct municipal well to wall Land Use scheme regulations	Approved municipal well to wall Land Use Scheme Regulations by 31 December 2018	R 100 000	Not Applicable	Development of Terms of Reference, advertisement & appointment of Service Provider and Inspection report on the development of municipal well to wall Land Use Scheme Regulations by 30 September 2018.	Not achieved	Not done due to financial constraints.	Will be done in 2019/20 financial year	1st draft and final municipal well to wall Land Use Scheme Regulations by 31 December 2018	Not achieved	Not done due to financial constraints	Will be done in 2019/20 financial year	SP3
	To improve asset register (immovable property), revenue generation and compliance with zoning regulations	Direct Land Audit Survey	Approved Land Audit Survey by 31 December 2018	R 80 000	ADAM Land Audit Survey	Development of Terms of Reference, advertisement & appointment of service provider and inspection report for the land audit survey by 30 September 2018	Achieved	Not Applicable	Not Applicable	1st Draft and Final Land Audit Survey by 31 December 2018	Not achieved	Not done due to financial constraints	Will be done in 2019/20 financial year	SP4
	To review and implement a Housing Sector Plan (HSP) to facilitate planning and development of Human Settlements	Direct reviewed and Adopted Housing Sector Plan	Reviewed and approved 5 year Housing Sector Plan by 30 June 2019	R 27 132	2017/18 Housing Sector Plan	Inspection report for the Housing sector plan review by 30 September 2018	Achieved	Not Applicable	Not Applicable	Stratified analysis report by 31 December 2018	Achieved	Not Applicable	Not Applicable	SP5

KPA 2 :QUALITY BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT WEIGHT : 20

KPA 2 :QUALITY BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT: WEIGHT : 20																	
Strategy	Objective	Indicator	Annual Target	Budget & Source	Baseline	Quarter One	Actual Target	Score	Reasons for variance	Corrective Action	Quarter Two	Actual Target	Score	Reasons for variance	Corrective Action	RPT NO	
To manage quality basic services provisioning in order to ensure rendering of sustainable and affordable services to the communities of Ngqusha by 2022 and beyond	To manage administration and implementation of capital projects for internal roads and community halls	Subsiding of 1.8 km of Peka Town Streets phase 1	Completion of 1.8 km subsiding of Peka Town Streets Phase 1 by June 2019	R 315, 000	Phase 1 Subsiding of Peka Town Streets	Progress report (Site meeting minutes, proof of payment and attendance register) by 30 September 2018.	Achieved		Not Applicable	Not applicable	Progress report (Site meeting minutes, proof of payment and attendance register) by 31 December 2018.	Achieved		Not Applicable	Not Applicable	CBSD 1	
		Subsiding of 1.5 km of Peka Town Streets phase 2	Completion of 1.5 km subsiding of Peka Town Streets Phase 2 (Power) by June 2019.	R 4 000 000	Phase 1 Subsiding of Peka Town Streets	Progress Report (Site meetings minutes, proof of payments and attendance register by 30 September 2018.	Achieved		Not Applicable	Not applicable	Not applicable	Progress report (Site meeting minutes, proof of payment and attendance register) by 31 December 2018.	Not Achieved		Meeting not held	Meeting to be held in next quarter.	CBSD 2
		Number of Community Halls constructed	Construction of one Community Hall in Bhele by 30 June 2019	R 500 000	Not Applicable	Appointment of Contractor for construction of Bhele Community Hall by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Progress report on the construction of Bhele Community Hall by 31 December 2018	Achieved		Not Applicable	Not Applicable	CBSD 3
		Number of Community Halls constructed	Construction of one Community Hall in Shushu by 30 June 2019	R 500 000	Not Applicable	Appointment of Contractor for construction of Shushu Community Hall by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Progress report on the construction of Shushu Community Hall by 31 December 2018	Achieved		Not Applicable	Not Applicable	CBSD 4
		Number of Community Halls constructed	Construction of one Community Hall in Ngquma by 30 June 2019	R 500 000	Not Applicable	Appointment of Contractor for construction of Ngquma Community Hall by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Progress report on the construction of Ngquma Community Hall by 31 December 2018	Achieved		Not Applicable	Not Applicable	CBSD 5
		Number of km constructed	Construction of Chugwela Internal Roads (5km) by 30 June 2019	R 2 200 000	Not Applicable	Appointment of Consultant and Preliminary Design Report for the construction of 5km internal road in Chugwela by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Appointment of Contractor for construction of 5km internal road in Chugwela by 31 December 2018	Achieved		Not Applicable	Not Applicable	CBSD 6
		Number of km constructed	Construction of Mpeketeni Internal Roads (5km) by 30 June 2019	R 2 200 000	Not Applicable	Appointment of Consultant and Preliminary Design Report for the construction of 5km internal road in Mpeketeni by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Appointment of Contractor for construction of 5km internal road in Mpeketeni by 31 December 2018	Not Achieved		Not done due to financial constraints.	Will be done in 2019/2020 financial year.	CBSD 7
		Number of km constructed	Construction of Mankwa Internal Roads (5km) by 30 June 2019	R 2 200 000	Not Applicable	Appointment of Consultant and Preliminary Design Report for the construction of 5km internal road in Mankwa by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Appointment of Contractor for construction of 5km internal road in Mankwa by 31 December 2018	Achieved		Not Applicable	Not Applicable	CBSD 8
		Number of km constructed	Construction of Wesley Internal Roads (5km) by 30 June 2019	R 2 200 000	Not Applicable	Appointment of Consultant and Preliminary Design Report for the construction of 5km internal road in Wesley by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Appointment of Contractor for construction of 5km internal road in Wesley by 31 December 2018	Achieved		Not Applicable	Not Applicable	CBSD 9
		Number of km constructed	Construction of Hamburg Internal Roads (5km) by 30 June 2019	R 2 200 000	Not Applicable	Appointment of Consultant and Preliminary Design Report for the construction of 5km internal road in Hamburg by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Appointment of Contractor for construction of 5km internal road in Hamburg by 31 December 2018	Not Achieved		Not done due to financial constraints.	Will be done in 2019/2020 financial year.	CBSD 10
		Number of households electrified	Electrification of 320 households in the following villages by 30 June 2019: 1) Bhegala (15) 2) Berton (25) 3) Singeni (20) 4) Nkoko (20) 5) Makhalane (25) 6) Hosi (25) 7) Mqababa (25) 8) Mpeketeni (20) 9) Mankwa (20) 10) Shushu (25) 11) Peka (15) 12) Ndaba (20)	R 5 332 000	211 households electrified	Preliminary Design, Advertisement for appointment of Contractor and Planning Report for the electrification of 320 households by 30 September 2018	Achieved		Not Applicable	Not applicable	Not applicable	Appointment of Contractor for delivery of material and construction of electricity infrastructure for the 320 households to be electrified by 31 December 2018	Achieved		Not Applicable	Not Applicable	CBSD 11
	To manage the provision of electrical services to ensure the rendering of efficient, economical and electrical maintenance services														40 P		

KPA 4 : FINANCIAL VIABILITY AND MANAGEMENT WEIGHT: 20

Strategy	Objective	Indicator	Annual Target	Budget & Source	Baseline	Quarter One	Actual Target	Score	Reasons for variance	Corrective Actions	Quarter Two	Actual Target	Score	Reasons for variance	Corrective Actions	KPI NO
To be a financial viable municipality (self-sustainability)	Ensuring sound financial planning and reporting through budget management best practice and interdepartmental coordination.	Draft Annual Financial Statements	Development of GRAP compliant Annual Financial Statements by 31 August 2018	R 1 625 625	2016/17 Audited Annual Financial Statements	Development and Submission of GRAP compliant Annual Financial Statements to Auditor General by 30 September 2018	Achieved		Not Applicable	Not Applicable	Not Applicable	Not Applicable		Not Applicable	Not Applicable	B101
		Draft Interim Financial Statements	Development of GRAP compliant Interim Financial Statements by 31 March 2019		2017/18 Interim Financial Statements	Not Applicable	Not Applicable		Not Applicable	Not Applicable	Not Applicable	Not Applicable		Not Applicable	Not Applicable	
	Implementing sound revenue and debt management Practices through revenue realisation	Draft Three Year Financial Recovery Plan	Development and Implementation of the Final Three Year Financial Recovery Plan by 31 December 2018	R 1 147 113	Draft Three Year Financial Recovery Plan	Development and Submission of Final Three Year Financial Recovery Plan to Council by 31 December 2018	Achieved		Not Applicable	Not Applicable	Progress report on the implementation of approved three year financial recovery plan by 31 December 2018.	Achieved		Not Applicable	Not Applicable	B102

KPA 5 :GOOD GOVERNANCE AND PUBLIC PARTICIPATION WEIGHT : 20

Strategy	Objective	Indicator	Annual Target	Budget & Source	Baseline	Quarter One	Actual Target	Score	Reasons for Inference	Corrective Actions	Quarter Two	Actual Target	Score	Reasons for Inference	Corrective Actions	KPI NO
To provide a culture of good governance and stakeholder involvement	To continuously ensure effective, economical and compliant integrated planning	Review of 2018/2019 GP	Approved Reviewed 2018/2019 GP by 30 June 2019	R 235 000	2017/2022 GP	1 Submission of 2018/2020 MPR/Budget & PLS Process Plan to Council by 30 September 2019 2 Conduct DP/Budget PLS RFP Form by 30 September 2018	Achieved		Not Applicable	Not Applicable	Conduct Situational Analysis by 31st December 2018 2 Conduct DP/Budget PLS RFP Form by 31st December 2018	Achieved		Not Applicable	Not Applicable	GGPP1
	To strengthen communication with internal and external stakeholders by providing accurate, timely, and complete information about municipal policies and programmes	Number of programmes implemented in the Communication Action Plan by 30 June 2019	20 programmes implemented in the Communication Action Plan by 30 June 2019	R 0	2017/18 Communication Action Plan	5 programmes implemented in the Communication Action Plan by 30 September 2018	Achieved		Not Applicable	Not Applicable	5 programmes implemented in the Communication Action Plan by 31 December 2018	Achieved		Not Applicable	Not Applicable	GGPP2
	To continuously ensure that R&I team maintains an effective process of risk management	Unit Institutional Strategic Risk Register	Annual Risk assessment workshop by 30 June 2019	R 67 029	2017/18 Annual Risk Assessment	Conduct a formal Annual Risk assessment workshop by 30 September 2018	Achieved		Not Applicable	Not Applicable	Not Applicable	Not Applicable		Not Applicable	Not Applicable	GGPP3
	To provide value-added and trusted assurance, consulting and advisory services to Council	Draft 2018/19 Annual Internal Audit Plan	Approved 2018/19 Annual Internal Audit Plan by 30 June 2019	R 0	2017/18 Annual Internal Audit Plan	Approval of the 2018/19 Annual Internal Audit Plan by 30 September 2018	Achieved		Not Applicable	Not Applicable	Not Applicable	Not Applicable		Not Applicable	Not Applicable	GGPP4
	To strengthen participatory democracy by ensuring that all stakeholders are involved in decision making	Conduct 2017/18 Annual Report Roadshows	Conduct 2017/18 Annual Report Roadshows by 30 June 2019	R 163 031	2016/17 Annual Report Roadshows	Not Applicable	Not Applicable		Not Applicable	Not Applicable	Municipal Manager Conduct 2017/18 Annual Report Roadshows by 31 December 2018	Achieved		Not Applicable	Not Applicable	GGPP5
	Provide and encourage provision of multiple opportunities for Youth to develop, master and apply critical life and employment skills for sustainability of Youth programmes	Number of Learners enrolled for New Venture Creation Learnership by 30 June 2019	400 Learners enrolled for New Venture Creation Learnership by 30 June 2019	R 10 000 000	Not Applicable	Registration of 400 of learners for New Venture Creation Learnership by 30 September 2018	Achieved		Not Applicable	Not Applicable	Not Applicable	Not Applicable		Not Applicable	Not Applicable	GGPP6

SECTION 7

7.1 Municipal Manager's Quality Certificate

NGQUSHWA LOCAL MUNICIPALITY

MID YEAR BUDGET AND PERFORMANCE REPORT

QUALITY CERTIFICATE

I **Misiwe P Mpahlwa** the Municipal Manager of **Ngqushwa Local Municipality** hereby certify that the Mid-year Budget and Performance report period for 2018/19 financial year has been prepared in accordance with the Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.

M.P. Mpahlwa

M.P Mpahlwa

MUNICIPAL MANAGER

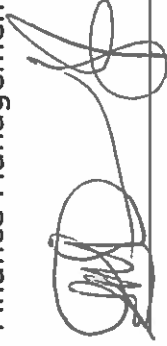
25/01/2019

DATE

7.2 Receipt by Mayor

RECEIPT BY THE MAYOR

I **Mnikelo T Siwisa** the Mayor of **Ngqushwa Local Municipality**, hereby accept the Mid-year Budget and Performance report period for 2018/19 financial year as presented by the Municipal Manager in terms of the Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.



25-01-2019

Cllr. MT. SIWISA

DATE

HONOURABLE MAYOR