

NGQUSHWA LOCAL MUNICIPALITY

MID-YEAR BUDGET AND PERFORMANCE REPORT 2021-2022



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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 purpose of the report is for Council to consider the mid-year budget and performance assessment for the period ending 31 December 2021 in the 2021/2022 financial year. This report is used to assess the 2021/2022 mid-year institutional performance of the municipality.

The report is both financial and non-financial and based on service delivery performance assessment as contained in the municipality's service delivery and budget implementation plan (SDBIP). The report was compiled using municipal financial in year reporting (schedule C) and the SDBIP 1st and 2nd quarter performance information received for the mid-year assessment.

As indicated, the s72 report is a performance report that is required to provide oversight and analysis regarding the manner in which performance targets at institutional have been achieved for the period 1 July 2021 to 31 December 2021, the first 6 months of the financial year (Mid-Year).

This report presents an analysis of performance on two levels. Emphasis was placed on more than just the financial reporting and effectively all aspects of institutional and financial performance reporting were examined. In this regard information relating to the Key Performance Areas (that are aligned to the key national indicators) were examined and reported on. Additionally, consolidated reporting was provided and performance within each Key Performance Area was rated.

In this manner it becomes easy to establish the areas that were more successful in their performance and to identify areas where appropriate interventions to improve performance were and are necessary.

1.2 Legislative framework

This report is prepared in terms of, Municipal Finance Management Act No 56, of 2003.

In terms of Section 72, of the Municipal Finance Management Act No. 56, 2003, the accounting officer of the municipality must by 25 January of each year submit a mid-year performance assessment report of the municipality to the mayor of the municipality.

In terms of the Section 54 (1), (2) and (3) of the Municipal Finance Management Act No. 56, 2003 Chapter 7, the following applies: -

In terms of section 72, the mayor must –

(a) consider the s72 report.

(b) check whether the municipality's approved budget is Implemented in accordance with the service delivery and budget implementation plan.

(d) issue any appropriate instructions to the accounting officer to ensure –

(i) that the budget is implemented in accordance with the service delivery and the budget implementation plan; and

(ii) that spending of funds and revenue collection proceed in accordance with the budget.

(iii) Consider review of institutional targets to address issue of where these targets are to be amended and or where there may be identified areas of non-alignment to IDP pre-determined targets and to ensure alignment with the approved budget/ budget adjustments.

(e) In terms of section 51(1), the mayor must report to the council by the 31st of January of the financial year.,”

(f) In addition to institutional performance report (SDBIP – quarter 1 and qauter 2), the accounting officer must ensure that the financial

performance information reflected as at 31 December 2021 is submitted electronically to National Treasury on the Schedule C template format inclusive of the s72 report.

Mayor's report

The purpose of this report is to account to public on the 2021/2022 Mid-year Institutional Performance of Ngqushwa local Municipality. The report contains information which is based on the SDBIP formulated for the financial year 2021/2022. 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 also compiled using 6 months budget statement reports information from the section 71 reports. Below is the Budget Statement summary for the period ending on 31st December 2021.

2 Executive Summary

The municipality prepared a budget for 2021/2022 in line with National Treasury Circular 107, 108 and other budget assumption.

During the first six months of the year (August 2021) the municipality applied for the rollover of unconditional grants amounting to R10,931m. The rollover related to:

- MIG R6,212m, and
- INEP R4,718m.

Approval for an amount of R4, 049m relating to MIG was granted.

After the receiving this approval letter the municipality prepared the first adjustment budget to take into consideration these additional funds.

This report provides a summary of the main budget issues arising from the budget monitoring process. The assessment aims at enhancing managements' decisions and monitoring activities. =

Financial performance - the municipality for the first six months indicates a surplus of R27,11m compared to year to date budget this is rising from the billed services, operational grants , conditional grants realised and transfers received less operating expenditure.

Capital expenditure projects - the municipality is currently at R11,589m expenditure , which is 37% (vat exclusive) compared to annual budget as at 31 December 2021. The expenditure incurred inclusive of VAT is at 42%.

Having to apply for rollover on other projects created delays in fastracking spending as there was uncertainty whether the approval will be granted. However the priority is to ensure that no unspent funds by the end of the financial year.

Cashflow - shows a favourable closing balance of R91,458m for the first six months, also noting the previous year closing balance of R65,4m at this time.

Debtors book - is currently sitting on R28,1m.

Creditors - are sitting at R 462,980.

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Description	Budget Year 2021/22		
	Original Budget	Adjusted Budget	YearTD actual
R thousands			
Financial Performance			
Property rates	41,322	41,322	23,329
Service charges	1,521	1,521	847
Investment revenue	4,724	4,724	1,236
Transfers and subsidies	98,480	98,480	63,523
Other own revenue	14,910	14,910	3,459
Total Revenue (excluding capital transfers and contributions)	160,958	160,958	92,394
Employee costs	78,868	78,644	37,371
Remuneration of Councillors	10,196	10,196	4,369
Depreciation & asset impairment	15,254	15,254	20,473
Transfers and subsidies	55	55	-
Other expenditure	52,185	51,501	15,664
Total Expenditure	156,558	155,649	77,877
Surplus/(Deficit)	4,400	5,309	14,517
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	22,399	26,448	12,593
Surplus/(Deficit) after capital transfers & contributions	26,799	31,757	27,110
Capital expenditure & funds sources			
Capital expenditure	26,799	31,757	11,859
Capital transfers recognised	22,399	26,448	10,950
Borrowing	-	-	-
Internally generated funds	4,400	5,309	909
Total sources of capital funds	26,799	31,757	11,859
Cash flows			
Net cash from (used) operating	27,123	32,082	46,156
Net cash from (used) investing	(26,799)	(31,731)	(13,539)
Net cash from (used) financing	-	-	-
Cash/cash equivalents at the month/year end	324	46,335	91,458
Debtors & creditors analysis	31-60 Days	61-90 Days	121-150 Dys
Debtors Age Analysis			
Total By Income Source	489	799	413
Creditors Age Analysis			
Total Creditors	459	3	-

The following classifications provide an outline of the implementation of the Budget and Financial Performance of the Municipality with variance explanation.

2.1 Operating Revenue

Description	Ref	2020/21	Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands								
Revenue By Source								
Property rates		41,423	41,322	41,322	403	23,329	20,661	2,668
Service charges - electricity revenue		-	-	-			-	-
Service charges - water revenue		-	-	-			-	-
Service charges - sanitation revenue		-	-	-			-	-
Service charges - refuse revenue		1,425	1,521	1,521	125	847	761	87
Rental of facilities and equipment		465	745	745	41	302	372	(70)
Interest earned - external investments		1,901	4,724	4,724	138	1,236	2,362	(1,126)
Interest earned - outstanding debtors		3,040	5,463	5,463	247	1,461	2,732	(1,271)
Dividends received		-	-	-			-	-
Fines, penalties and forfeits		17	653	653	1	16	326	(310)
Licences and permits		1,911	2,569	2,569	172	1,294	1,284	10
Agency services		418	582	582	35	220	291	(71)
Transfers and subsidies		107,239	98,480	98,480	23,755	63,523	49,240	14,283
Other revenue		658	4,899	4,899	27	165	2,450	(2,284)
Gains		-	-	-			-	-
Total Revenue (excluding capital transfers and contributions)		158,497	160,958	160,958	24,943	92,394	80,479	11,915

Above is the revenue table for property rates and service charges that were billed to consumers and reflect as accrued income in the Statement of Financial Performance. It must also be noted that the billing for property rates and refuse revenue, interest on outstanding debtors includes properties (government) that are billed annually hence there is overbilling compared to year to date budget. The property rates are at R23,329m as at the end of December 2021.

To date the billing is at R 847,434 which is more than what has been budgeted for, this is as results of those household that are billed annually. The municipality billed the household once the refuse has been collected.

The line item "other revenue" comprises of building plan fees, public toilet fees, cemetery fees and billboards and valuations.

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.

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

Description	Ref	Budget Year 2021/22				
		Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance
Revenue By Source						
Property rates		46,785	46,785	21,392	23,393	(2,001)
Service charges - refuse revenue		1,521	1,521	698	761	(63)
Rental of facilities and equipment		745	745	250	372	(122)
Interest earned - external investments		4,724	4,724	1,236	2,362	(1,126)
Fines, penalties and forfeits		653	653	16	326	(310)
Licences and permits		2,569	2,569	1,294	1,284	10
Agency services		582	582	220	291	(71)
Other revenue		4,899	4,899	126	2,450	(2,323)
Gains on disposal of PPE		-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		62,478	62,478	25,233	31,239	(6,006)

- **Property rates:** actual collection is at R23,m and the majority is coming from government departments. The municipality has built good relations with government departments.
- **Rental of facilities:** The R122,467 variance comes from the straight-line rental escalation rate.
- **Fines and penalties:** Also are showing an under collection

2.2 Operating Expenditure

Description	Ref	2020/21	Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands								
Expenditure By Type								
Employee related costs		70,573	78,868	78,644	7,826	37,371	39,322	(1,950)
Remuneration of councillors		9,147	10,196	10,196	740	4,369	5,098	(729)
Debt impairment		-	4,993	4,993	-	-	2,497	(2,497)
Depreciation & asset impairment		26,255	15,254	15,254	10,236	20,473	7,627	12,846
Finance charges		13	-	-	-	0	-	0
Bulk purchases - electricity		-	-	-	-	-	-	-
Inventory consumed		-	-	-	-	-	-	-
Contracted services		20,165	21,978	22,497	1,350	4,981	11,248	(6,268)
Transfers and subsidies		-	55	55	-	-	27	(27)
Other expenditure		21,437	25,214	24,011	1,276	10,683	12,005	(1,322)
Losses		-	-	-	-	-	-	-
Total Expenditure		147,590	156,558	155,649	21,428	77,877	77,825	53

Employee cost - R37,3m with R1,9m, senior manger have not received an increment.

Remuneration of Councillors - R4,3m, upper limits for councillors have not yet issued.

Depreciation and assets impairment – variance of R12,4m

Contracted services: is sitting at R6,268m varaiance . Contracted services includes all the work that the municipality out sources, eg catering, payment of professional fees, repairs and maintenance.

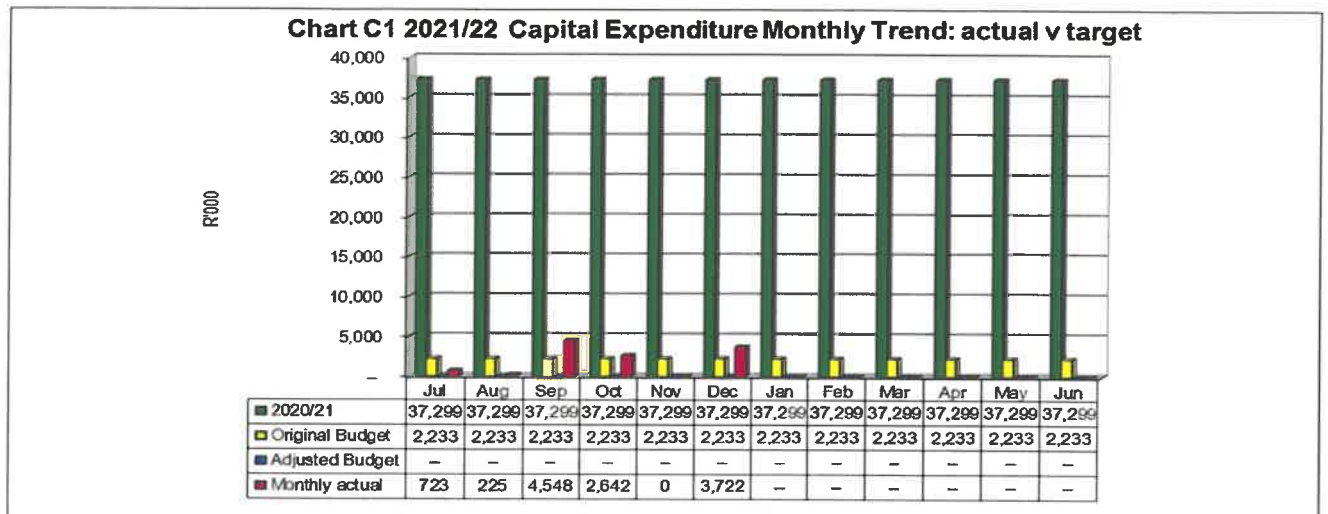
Other expenditure includes items such as fleet costs (admin costs, licences), telephone system rental, microsoft enterprise licences, and advertising and all municipal running costs.

2.3 Capital Programmes and funding:

Vote Description	Ref	2020/21		Budget Year 2021/22				YTD variance
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	
R thousands	1							
Capital Expenditure - Functional Classification								
<i>Governance and administration</i>		413,906	4,400	4,759	727	909	2,380	(1,470)
Executive and council		10	-	-	-	-	-	-
Finance and administration		413,895	4,400	4,759	727	909	2,380	(1,470)
Internal audit		-	-	-	-	-	-	-
<i>Community and public safety</i>		6,171	2,392	402	-	60	201	(141)
Community and social services		6,145	2,392	402	-	60	201	(141)
Sport and recreation		-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-
Housing		26	-	-	-	-	-	-
Health		-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13,200	20,007	26,046	2,996	10,890	13,023	(2,133)
Planning and development		-	-	-	-	-	-	-
Road transport		13,200	20,007	26,046	2,996	10,890	13,023	(2,133)
Environmental protection		-	-	-	-	-	-	-
<i>Trading services</i>		14,310	-	550	-	-	275	(275)
Energy sources		13,882	-	550	-	-	275	(275)
Water management		-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-
Waste management		428	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	447,586	26,799	31,757	3,722	11,859	15,879	(4,019)

The actual expenditure to date is R 11,859m with R 4,019m variance compared to year to date budget.

The graph below indicates the spending pattern per month:



2.3.1 CAPITAL EXPENDITURE SOURCES OF FUNDING

a) The R11,859m capital expenditure relates to both MIG (R10,95m) and own funds (R909 188).

b) Below is detailed capital expenditure (Vat exclusive) as at 31 December 2021: -

- Construction of Peddie internal road R 2,943,619.79
- Construction of Machibi internal road R 342,933.49
- Construction of Peddie internal road R 4,077,115.82
- Construction of Pikoli internal road R 322,292.00
- Construction of Qawukeni internal road R 653,344.09
- Construction of Zondeka internal road R 1,220,458.09
- Construction of Bira internal road R 720,165.50
- Construction of Nyatyora internal road R 59,700.00
- Construction of Mxaxa internal road R 289,575.06
- Construction of Mxaxa internal road R 59,700.00
- Computer acquisitions R 182,586.70
- Server virtualization R 726,601.03

2.4 Financial Position

Description	Ref	2020/21	Budget Year 2021/22		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
R thousands	1				
ASSETS					
Current assets					
Cash		58,806	6,561	70,999	70,999
Call investment deposits		-	39,847	20,459	20,459
Consumer debtors		19,897	13,814	12,215	12,215
Other debtors		10,296	1,500	11,917	11,917
Current portion of long-term receivables		-	995	1,636	1,636
Inventory		15,459	15,459	-	-
Total current assets		104,457	78,176	117,226	117,226
Non current assets					
Investment property		2,031	19,453	40,333	40,333
Investments in Associate		-	-	-	-
Property, plant and equipment		257,184	289,527	234,592	234,592
Biological		1,188	-	-	-
Intangible		577	499	(379)	(379)
Other non-current assets		0	0	0	0
Total non current assets		260,980	309,479	274,547	274,547
TOTAL ASSETS		365,437	387,654	391,773	391,773
LIABILITIES					
Current liabilities					
Consumer deposits		73	-	-	-
Trade and other payables		31,780	4,909	32,326	32,326
Provisions		7,743	569	521	521
Total current liabilities		39,596	5,478	32,847	32,847
Non current liabilities					
Borrowing		-	-	-	-
Provisions		13,970	13,970	14,748	14,748
Total non current liabilities		13,970	13,970	14,748	14,748
TOTAL LIABILITIES		53,566	19,449	47,596	47,596
NET ASSETS	2	311,871	368,206	344,177	344,177
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)		233,525	341,406	344,177	344,177
Reserves		-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	233,525	341,406	344,177	344,177

2.5 Cash Flow Statement:

Description	Ref	2020/21	Budget Year 2021/22				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget
R thousands	1						
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates		-	32,841	32,841	1,074	21,390	16,421
Service charges		-	913	913	168	872	456
Other revenue		-	8,801	8,801	217	4,455	4,400
Transfers and Subsidies - Operational		-	98,480	98,480	23,214	65,958	49,240
Transfers and Subsidies - Capital		-	22,399	26,448		14,401	13,224
Interest		-	-	-	138	1,236	-
Dividends		-	-	-		-	-
Payments							
Suppliers and employees		(5,307)	(136,256)	(135,347)	(11,662)	(62,156)	(67,673)
Finance charges		-	-	-	-	-	-
Transfers and Grants		-	(55)	(55)	-	-	(27)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(5,307)	27,123	32,082	13,148	46,156	16,041
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE		-	-	100		-	50
Decrease (increase) in non-current receivables		-	-	-		-	-
Decrease (increase) in non-current investments		-	-	(73)		-	(37)
Payments							
Capital assets		447,586	(26,799)	(31,757)	(4,230)	(13,539)	(15,879)
NET CASH FROM/(USED) INVESTING ACTIVITIES		447,586	(26,799)	(31,731)	(4,230)	(13,539)	(15,865)
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		442,279	324	351	8,918	32,617	176
Cash/cash equivalents at beginning:		-	-	45,984		58,841	45,984
Cash/cash equivalents at month/year end:		442,279	324	46,335		91,458	46,160

The above statement reflects the actual cash that was received and utilised by the municipality as at 31 December 2021. The municipality cashbalance is sitting at R 91,458m as at the end of the period under review.

The following few ratio as per MFMA circular 71 to assess and compare the financial health and performance of municipality for the period under review:

Description	Ratio	Ratio interpretation
Net Operating Surplus Margin	2.5	The ratio is above the norm which is greater than 0%. This means that the municipality to generate a surplus which will assist to contribute towards its capital funding requirements.
Current ratio	3.5	The ratio is above the norm 1.5 this will enable the Municipality to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels
Cash Coverage	3 months	The norm is 1 to 3 months
Capital Expenditure Budget Implementation Indicator	74%	The norm is 95 % therefore Municipality needs to work hard in fast tracking the capital spending
Current Debtors Collection rate	47%	

2.6 RECOMENDATIONS

- That the committee notes mid-year budget and performance report for 2020/21 financial year.
- That the adjustment budget for the 2020/2021 financial year be prepared and approved by the Council.

PART-2 SUPPORTING DOCUMENTATIONS

3.1 Debtors age analysis:

The tables below show the outstanding debt owed to the Ngqushwa Municipality as at 31 December 2021 per service and by customer group:

Description	NT Code	Budget Year 2021/22									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
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	356	133	165	163	153	5,505	755	8,716	16,948	16,292	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	138	78	69	64	64	139	221	919	1,692	1,408	
Receivables from Exchange Transactions - Property Rental Debtors	1700	34	33	33	31	6	6	43	105	292	192	
Interest on Arrear Debtor Accounts	1810	247	246	532	161	190	198	1,250	6,329	9,170	8,146	
Recoverable unauthorised, irregular, fullness and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	-	-	-	-	-	-	-	-	-	-	
Total By Income Source	2000	778	489	799	449	413	6,836	2,269	16,070	28,101	26,038	
2020/21 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	124	63	252	69	68	5,053	228	3,208	9,083	8,624	
Commercial	2300	240	99	116	90	89	1,131	451	2,151	4,367	3,912	
Households	2400	303	220	271	191	182	211	1,055	6,218	8,651	7,856	
Other	2500	109	106	160	100	75	442	535	4,495	6,020	5,845	
Total By Customer Group	2600	776	489	799	449	413	6,836	2,269	16,070	28,101	26,038	

The municipality is charging property rates and providing refuse removal as the trading service. The municipality has billed all its customers from the beginning of the financial year. All accounts above 90 days are charged 1 % interest.

The largest amount of service billed that is outstanding is property rates followed by interest on services. Government departments and farms are billed annually and they were billed in the month of July in the quarter under review, hence the balance for debtors is so high.

The total outstanding amount of debtor's is R28, m, a huge difference from last quarter's balance of R42m. This is as a result of payments made by government departments in this quarter. The balance percentages per group are as follows:

Debtors	Amount	Percentage
Government	9,063,340	33%
Households	8,650,559	31%
Other (Farms and Public works services)	6,019,707	21%
Business	4,367,363	16%

3.2 Free Basic Services

The municipality is offering free basic services in the form of:

- Refuse removal, and
- free basic electricity.

The municipality is offering of refuse removal on registered indigent household at tariff of R119.00 per household on monthly basis the total number of households benefiting from refuse removal is 1993. Free basic electricity number of households currently registered is 8044 households and the total number of households benefiting is 6194.

The municipality has conducted the indigent registration campaigns from the 19 April 2021 to 21 June 2021 in the following wards:

Ward 6, Ward 2, Ward 1, Ward 9, Ward 7, Ward 12 (only one Village).

Total number of registered indigent households from these wards is 1089 and 878 households are currently benefitting for free basic electricity.

Some indigent household were rejected from free basic Electricity due to their meter numbers not registered on Eskom, others are employed and, or have a spouse who is employed.

3.3 Creditors Age Analysis

The following table reflects the total outstanding creditors owed by the municipality as at 31 December 2021:

Description	NT Code	Budget Year 2021/22									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	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1	459	3	-	-	-	-	-	463	463
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1	459	3	-	-	-	-	-	463	463

The table above reflects that the municipality is striving to pay its trade creditors within 30 days.

The amount on 90 days relates to EPWP labourers which was rejected by the bank and no one has claim it to-date.

6.3.1 SCHEDULE FOR PAYEMENT OF CREDITORS

Budget and Treasury developed a payment schedule for creditors and other suppliers in order to ensure that

- On the 15th and 31st of every month. All submissions by various departments must be with Expenditure Office five (5) days before the payment date.
- Reminders are also done by the section on monthly basis.

An exception to the rule was done for MIG projects to curb under expenditure. The municipality has since improved and that decision has been renounced. All payments now will made as per municipal schedule.

3.4 Grants Receipts and Expenditure

Conditional Grants Receipts vs Expenditure					
Grant Description	Allocations	Received & Transferred to date	Expenditure to date	Unspent	%Spent YTD
EPWP Incentive	R 3,320,000	R 830,000	R 1,357,859	-R 527,859	-63.60
Finance Management Grant	R 3,000,000	R 3,000,000	R 472,829	R 2,527,171	84.24
Municipal Infrastructure Grant	R 23,578,000	R 15,159,000	R 10,584,010	R 4,574,990	10.50
MIG rollover	R 4,049,042	R 4,049,042	R 2,983,063	R 1,065,979	26.33
Total	R 33,947,042	R 23,038,042	R 15,397,761	R 7,640,281	R57.47

Expanded Public Works ((EPWP) Incentive: R3.320 m is allocated for this financial year and the expenditure reported to date R1,357m

Financial Management Grant (FMG): An amount of R3,m was allocated and transferred to expenditure reported this quarter R 472,829.

Municipal Infrastructure Grant (MIG): R22.3m was allocated for this financial year. R15,1m was transferred to date , and an approved rollover amount of R4,049m received this period under review. Expenditure reported to date is at R13,5m including VAT and PMU costs.

Other Grants/ Transfers

Library Subsidy the Municipality allocation of R500,000 was received. Expenditure to date is at R158,426,25.

Equitable Share (ES)

The allocation in the current year is R R90,290,000 and transfers to date is R60,8m. The transfer for this quarter had a shortfall of R6,883m which was offsetting the rollover amount for not approved by national treasury.

3.5 Councillors and Staff Benefits

3.5.1 Councillors Remuneration

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget
R thousands	1	A	B	C			
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages		7,064	7,950	7,950	631	3,809	3,975
Pension and UIF Contributions		69	81	81	-	24	40
Medical Aid Contributions		34	40	40	-	12	20
Motor Vehicle Allowance		-	-	-	21	21	-
Cellphone Allowance		1,043	1,112	1,112	88	174	556
Housing Allowances		-	-	-	-	-	-
Other benefits and allowances		938	1,012	1,012	-	329	506
Sub Total - Councillors		9,147	10,196	10,196	740	4,369	5,098

The variance on the remuneration of Councillors is due to the increase in upper limits not yet paid for the current financial year. Government gazette not yet issued.

3.5.2 Staff Benefits

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget
R thousands	1	A	B	C			
Senior Managers of the Municipality	3						
Basic Salaries and Wages		3,136	3,008	3,008	247	1,480	40
Pension and UIF Contributions		258	141	141	9	56	70
Medical Aid Contributions		288	221	221	35	212	110
Overtime		-	-	-	-	-	-
Performance Bonus		240	400	400	98	238	200
Motor Vehicle Allowance		679	857	857	41	239	428
Cellphone Allowance		44	44	44	4	23	22
Housing Allowances		70	-	-	8	39	-
Other benefits and allowances		1	1	1	0	0	0
Payments in lieu of leave		62	-	-	-	147	-
Long service awards		-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,777	4,672	4,672	443	2,434	872
% increase	4		-2.2%	-2.2%			
Other Municipal Staff							
Basic Salaries and Wages		46,597	54,285	54,285	4,801	24,662	27,142
Pension and UIF Contributions		7,501	7,895	7,670	668	3,891	3,835
Medical Aid Contributions		2,950	3,053	3,053	233	1,394	1,526
Overtime		-	-	644	51	351	322
Performance Bonus		3,520	3,747	3,747	385	1,752	1,874
Motor Vehicle Allowance		1,880	2,082	2,082	159	940	1,041
Cellphone Allowance		316	339	339	26	155	169
Housing Allowances		116	131	131	9	54	65
Other benefits and allowances		737	668	24	3	17	12
Payments in lieu of leave		1,964	1,762	1,762	1,020	1,608	881
Long service awards		217	235	235	27	124	117
Post-retirement benefit obligations	2	-	-	-	-	-	-
Sub Total - Other Municipal Staff		65,796	74,197	73,972	7,384	34,947	36,986
% increase	4		12.8%	12.4%			
Total Parent Municipality		79,721	89,064	88,839	8,566	41,751	42,956

The municipality is has paid a total overtime of R218,450 during the under review. The overtime is from the Community Services department. The Acting allowance paid in the period under review is at R124,079.11

3.6 Repairs and Maintenance

EC126 Ngqushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset

Description	Ref	2020/21	Budget Year 2021/22					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands	1							
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure		571	970	1,070	84	110	535	425
Roads Infrastructure		-	260	360	-	26	180	154
<i>Roads</i>		-	260	360	-	26	180	154
<i>Road Structures</i>		-	-	-	-	-	-	-
<i>Road Furniture</i>		-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-
<i>Drainage Collection</i>		-	-	-	-	-	-	-
<i>Storm water Conveyance</i>		-	-	-	-	-	-	-
<i>Attenuation</i>		-	-	-	-	-	-	-
Electrical Infrastructure		571	710	710	84	84	355	271
<i>Power Plants</i>		571	710	710	84	84	355	271
<i>HV Substations</i>		-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-
Other assets		522	302	1,152	-	35	576	541
Operational Buildings		522	302	1,152	-	35	576	541
<i>Municipal Offices</i>		522	302	1,152	-	35	576	541
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-
Computer Equipment		99	-	43	-	-	-	-
Computer Equipment		99	-	43	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-
Machinery and Equipment		-	-	49	-	-	-	-
Machinery and Equipment		-	-	49	-	-	-	-
Transport Assets		1,032	1,049	1,049	161	790	525	(265)
Transport Assets		1,032	1,049	1,049	161	790	525	(265)
Land		-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	2,224	2,321	3,364	245	936	1,636	700

The municipality still needs to develop and implement an assets maintenance plan. Over the years the municipality has not met the 8% budget required by National Treasury.

3.7 Cashflow Projections

The below are cashflow projections till from January to June 2022

CASH FLOW PROJECTION FOR THE 6 MONTHS ENDING 30 JUNE 2022							
Item description	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	TOTAL
Internal Revenue	1,520,012.00	2,243,110.00	4,012,442.00	2,311,422.00	2,388,214.00	2,041,131.00	14,516,331.00
Equitable Share	-	-	22,572,000.00	-	-	-	22,572,000.00
Vat Refund	1,024,452.00	254,135.00	689,514.00	714,588.00	841,420.00	782,217.00	4,306,326.00
Interest on investment	436,524.00	485,741.00	395,147.00	522,014.00	531,201.00	566,621.00	2,937,248.00
Total Revenue	2,980,988.00	2,982,986.00	27,669,103.00	3,548,024.00	3,760,835.00	3,389,969.00	44,331,905.00
Salaries	6,800,000.00	6,800,000.00	6,800,000.00	6,800,000.00	6,800,000.00	6,800,000.00	40,800,000.00
General Expenditure and MIG	2,012,442.00	3,554,114.00	5,214,239.00	5,012,440.00	6,348,412.00	8,128,850.00	30,270,497.00
Repairs	-	80,177.00	54,887.00	95,241.00	83,541.00	55,774.00	369,620.00
Total	8,812,442.00	10,434,291.00	12,069,126.00	11,907,681.00	13,231,953.00	14,984,624.00	71,440,117.00
Surplus/(Deficit)	(5,831,454.00)	(7,451,305.00)	15,599,977.00	(8,359,657.00)	(9,471,118.00)	(11,594,655.00)	(27,108,212.00)

3.8 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 period under review. The following table shows the amounts of withdrawal made each month for the period under review:

Month	Withdrawal amount
July	11,787,126.32
August	12,512,542.73
September	11,495,856.02
October	16,301,684.81
November	9,690,565.02
December	16,068,169.38
	77,855,944.28

The above table demonstrates that, in October and December month more withdrawals or expenditure was incurred with comparison to other months. In October the increase is due implementation of collective agreement and 3 months backpay paid. A further once off non-pensionable allowance was in December as part of the agreement.

The municipality also agreed for the employees to encash 6 days of their annual leave.

3.9 Supply Chain Management

3.9.1 Supplier Performance Management

The Section 116 (2) (d) report is submitted by the relevant user departments on the management and performance on the appointed contractors whose contracts are still in progress. The project managers need to improve the monitoring of service providers in order to get value for money.

Contract no. & Description	Name of Contractor	Date of Supplier performance assessment	Department	Supplier Performance Assessment Report Compiled		Supplier performance assessment / performance rating
				Yes		
Insurance Services	Lateral Unison	30/09/2021	BTO	Yes		Satisfactory
Financial Support System Performance Payroll System	CCG/VIP	30/09/2021	BTO	Yes		Satisfactory
GRAP Complaint assets register and AFS for 36 months	Mubesko Consulting PTY Ltd	30/09/2021	BTO	Yes		Satisfactory
Travel and Accommodation management services for a period of 2 years	Click n Travel	30/09/2021	BTO	Yes		Satisfactory
Compilation and Maintenance of General Supplementary Valuation Roll	Umhlaba Valuers	30/09/2021	BTO	Yes		Excellent

NB: All other department have not submitted the performance evaluation form for services provider, Technical Services have submitted incomplete forms with no signature of the project manager.

Number of awarded competitive bids (above 200k) 2021-2022 (July-December)

Quarter 1	Quarter 2	Total No
7	4	11

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
18	20	12

BID COMMITTEES MEETING IN THE SECOND QUARTER

Bid Committee Members from July to December 2021

Period	Specification	Evaluation Committee	Adjudication Committee
1st Quarter	Siyabonga Gayiya	Abongile Madalane	Asanda Dlula
	Raymond Mkhontwana	Lundi Nqawa	Siyasanga Ndakisa
	Ncumisa Cakwe	Xatyiswa Maswana	Mkhuseli Mxekezo
	Lulamile Gwayimani	Busisiwe Mfunda	Vuyisa Mbangi
	Zimasa Velemani	Mzamo Pumaphi	Zimkhitha Siwundla
	Weza Ncanywa	Nontlantla Mbekela	Ntombentsha Doloni (alternate)
	Johanna Ngwanduli		

2nd Quarter	Siyabonga Gayiya	Abongile Madalane	Asanda Dlula
	Lundi Nqawa	Kholiswa Nogaga	Siyasanga Ndakisa
	Ncumisa Cakwe	Xatyiswa Maswana	Mkhuseli Mxekezo
	Raymond Mkhontwana	Nolithemba Jakavula	Vuyisa Mbangi
	Styhilelo Gumengu	Lulamile Gwayimani	Zimkhitha Siwundla
	Zimasa Velemani	Busisiwe Mnyovu	Ntombentsha Doloni
		Mzamo Pumaphi	

PART – 3 Other Information

4.1 Mscoa implementation project status

Ngqushwa Local Municipality has started implementing Mscoa on the 1 July 2018. The Municipality has prepared the 2021-2022 budget in accordance with Mscoa and the Annual Financial statements 2021/22 thereof.

The following are the issues with Mscoa system

1. Reporting Module still a challenge
2. Non seamless intergration of payroll
3. Split of reipting between services when receipting
4. Asset Module not function

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.

PART – 4 Non Financial Perfomance Report

5.1 Audit Report 2019/2020

The Municipality submitted a set of financial statements to the Auditor General South Africa (AGSA) by 31 August 2021. The 2020/21 audit has not been completed. AGSA requested requested an extension until the end of January 2022.

The municipality received a qualified audit opinion in 1920/2021 financial. Subequentially, audit action plan was prepared to address issues raised.

Below is an audit action plan .

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate
1	Non-submission of information: Supporting documentation not submitted with the annual financial statement	<p>The following information was not submitted with the annual financial statements at 31 October 2020 as per the above requirement- Year-end bank reconciliations for all bank accounts- The following registers /listings were not submitted with the annual financial statements;</p> <ul style="list-style-type: none"> o Service charges o Rental of facilities and equipment o For other income (RDP water debt written off,) o Licenses and permits o Heritage Assets <p>• Supporting documentation and calculations for the following balance was not submitted with the annual financial statements;</p> <ul style="list-style-type: none"> o Interest earned –outstanding debtors– R 1 410 642 <p>Disclosures of unauthorised expenditure</p>	<p>Financial and performance management: Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.</p>	Internal Control Deficiency	BTO
2	Policies in draft and not approved	<p>When the policies were tested it was identified that some of the policies are in draft /outdated and have not been reviewed for more than 3 years.</p>	<p>Management should ensure policies are reviewed regularly and approved annually to facilitate the changes and any other business factors that might affect the municipality. There should be evidence for the assessment that management has to conclude that no changes are required to the listed policies</p>	Internal Control Deficiency	Corporate Services
2	Planning: No performance reviews done for the second, third and fourth quarters	<p>Quarterly performance reviews for 2019/20 financial year were not performed for senior managers in the second, third and fourth quarters</p>	<p>Management should ensure that quarterly performance reviews are conducted timeously and the Performance Management policy is adhered to throughout the financial year</p>	Internal Control Deficiency	MMO

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate
2	Planning: Audit committee- internal control deficiencies identified	1. There is no evidence that audit committee performed assessment of finance function in order to satisfy itself of the appropriateness of the expertise and adequacy of resources of the municipality's finance function 2. A member of the audit committee (Proff W. Platjies) has served as a member for more than 6 years.	1. The audit committee should ensure that on a yearly basis, evaluates and satisfy itself on the appropriateness of the expertise and adequacy of resources of the auditee's finance function. 2. The following is recommended in order to enhance the audit committee's independence Members should not serve for more than two consecutive terms and no more than six (6) years.	Internal Control Deficiency	MMO
2	Planning: Succession Policy not implemented (ISS.5)	The succession policy is still applicable but is not implemented by the Municipality.	Management should ensure that all applicable policies are applied and reasons for not implementing the policy should be documented or any proof if the policy has been waived or repealed	Internal Control Deficiency	Corporate Services
3	Revenue from exchange transactions: Possible understatement of Revenue from Interest on Debtors due to incorrect processing of total debt written off to the interest account	Total outstanding debts being reversed/written off at year end, were not allocated and reversed to the relevant revenue line item accounts previously recognized and recorded in	It is recommended that management should to review all the customer accounts relating to the debt written off and ensure that the amount being written off for each revenue item charged to the customer is correctly recognized and processed to the correct account in the general ledger	Internal Control Deficiency	BTO/REVENUE
3	Revenue from Exchange Transaction: Interest on Outstanding Debtors - unknown variance identified between the monthly interest schedule and the general ledger	A reconciliation of the monthly schedules on interest charged on overdue debts was performed in comparison with the general ledger and an unknown variance was identified	Management to reconcile transactions processed to general ledger to the underlying supporting documents on monthly records and to ensure that there is consistency between the general ledger and the relevant supporting documents.	Internal Control Deficiency	BTO/REVENUE
4	1. SCM - Interest: Employees who are business partners with municipality suppliers	It was noted that awards were made to the following suppliers who have directors that are business partners with persons in service of the state and whom are employees of the municipality. It was further noted that this interest was not declared Mistwe Mphahwa Municipal Manager Mark Povey Business Partner Seaspirit Trading 4 CC T/A Engine Garage 2019/20 R996 672	Management should have a database or listing of the suppliers whom interest prohibited by the MFMA SCM regulations has been identified to avoid non-compliance with legislation and regulations with the impact of irregular expenditure.	Internal Control Deficiency	BTO/SCM

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate
4	SCM - Motivations for deviations not reasonable and/or justifiable	SCM - Motivations for deviations not reasonable and/or justifiable	Management should always ensure that if they are to deviate from the competitive bidding process it is within the stipulated circumstances as set out in the SCM regulations and internal policies. Management should also ensure that considerations and marketing analysis are adequately done when limited bidding deviations are considered	Internal Control Deficiency	BTO/SCM
4	SCM - Quotations - Less than three quotations were evaluated without written approval	The following quotations were evaluated and awarded even though less than three quotations were received and there was no approval to do so. Advertisement for Construction of Surfacing of Peddie Town Internal Streets 2019/2020 FY Daily Dispatch 15 680,25 One quote obtained	Management to review and monitor compliance with applicable laws and regulations	Internal Control Deficiency	BTO/SCM
5	AOPC: Internal Control Deficiency on validity of reported information on Quarterly reports and relevance of information on the POE file	With reference to the indicator " No. of household provided with constructed infrastructure for electrification by 30 June 2020" with Zero performance achieved as reported on the APR at year end, an internal control deficiency on reported quarterly reports and the relevant supporting documents filed on the POE files was identified as detailed below:	It is recommended that management provides detailed review of quarterly reports being submitted and ensure that POE files are filled with relevant and valid supporting documents.	Internal Control Deficiency	Infrastructure Services
6	Employee costs: Inconsistent disclosure affecting prior year figures	The comparative amount in Note 28, Employee Related Costs does not agree with the signed prior year financial statements and this difference was not disclosed in the prior period error note detailed under note 38 of the current financial statements	Management should properly review the annual financial statements to ensure that there are no discrepancies between the restated figures and figures in the prior year financial statements and where such exists disclosure should be performed under the prior period error note.	Internal Control Deficiency	BTO
6	Employee Costs: Differences between TB and AFS	During the audit it was noted that the Trial Balance does not agree with the amount disclosed on the AFS. The Annual Financial Statements have been understated by a factual amount of R223,023.61 and items have been classified differently in the Annual Financial Statements when compared to the Trial Balance	Management should properly review the annual financial statements to ensure that there are no discrepancies between the TB and should make the necessary adjustments to ensure that the TB amounts agrees to the annual financial statements.	Internal Control Deficiency	BTO/EXPENDITURE
6	Employee Costs: Inaccurate Termination Listing provided	Per testing performed over the terminations listing provided noted the following employee had been included in the list: 970649 - Z Jowela. The termination date per the listing is 16/06/2019 however this employee was included in the 2019/20 financial year listing. Furthermore, the employee file submitted had no supporting documentation to support the termination date.	Management should ensure that proper filing system is implemented to allow for easy access of information and to ensure that the information requested is readily available. Furthermore, the listings should be reviewed to ensure accurate and complete information is included.	Internal control deficiency	Corporate Services

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate
7	PPE: Asset useful lives not in line with the Asset Management Policy	PPE: Asset useful lives not in line with the Asset Management Policy	Management should ensure that they adhere to the guidelines provided in the Asset Management policy	Internal Control Deficiency	BTO
7	PPE: Asset useful lives not in line with the Asset Management Policy (sample)	The following assets were noted to have a Revised useful life that was not in line with the Asset Management Policy: The cause is due to lack of review of the calculation in the new asset register. The results in non-compliance with the Asset Management Policy	Management should ensure that they adhere to the guidelines provided in the Asset Management policy	Internal Control Deficiency	BTO
8	Indigent Debtors: Information requested in RFI 34 not received - Limitation Scope	Information requested in RFI 34 in relation to response on CAATS exceptions identified on the Indigent debtors list received from the municipality for the year 2019/20 financial year. Indigents listed as a deceased person on the NPR database.	Management should find alternative ways of managing the indigent list and keep it updated and in compliance and in line with the indigent policy requirements.	Internal Control Deficiency	BTO/REVENUE
9	SCM: Winning contractor's grading is not suitable for the value of contract and the bid was advertised for less than 30 days	The winning contractor had a grading of 6CE PE CIDB grading which was lower than the required grading per the invitation for bidding documents of 7CE PE grading. Furthermore, the margin with which the tenderer exceeded his/her tender value range is not reasonable as it is more than 15% as stipulated on the CIDB regulation. 2. The bid above was advertised for less than 30 days as it was advertised from 20/05/2019 to 10/06/2019 and is for a bid of more than R10 million. There was no approved deviation to justify the closing date that was less than the 30 days.	Management should ensure that their processes in terms of awarding tenders are aligned with the CIDB regulations in order to ensure that compliance with the CIDB regulations are adhered to. Further ensure that when the closing date for submission of bids is less than the 30 or 14 days' requirement there is a deviation approved in accordance with the SCM policy requirements.	Internal Control Deficiency	BTO/SCM
9	SCM - The performance of the contractor/ provider is monitored	There were no performance evaluation tools performed for the supplier during the 2019/20 financial year, thus performance was not monitored. Furthermore, it could not be confirmed that the contract performance measures and the methods whereby it is monitored are sufficient to ensure effective contract management.	Management should ensure that the performance of contractors/ providers is monitored on a monthly basis and that contract performance measures and the methods whereby it is monitored are sufficient to ensure effective contract management.	Internal Control Deficiency	BTO/SCM

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate
10	PPE: Current year depreciation incorrectly calculated	The following differences were noted when performing the recalculation of the 2020 depreciation: The cause is due to a lack of review of the new asset register's calculations. This results in the the 2020 depreciation being overstated by R530 406 and accumulated depreciation being overstated by R530 406	Management should ensure that the asset register is prepared timeously and reviewed to identify any errors	Internal control deficiency	BTO
10	PPE: Asset useful lives not in line with the Asset Management Policy (noted in depreciation calculation)	The following assets were noted to have a Revised useful life that was not in line with the Asset Management Policy. The cause is due to lack of review of the calculation in the new asset register. The results in non-compliance with the Asset Management Policy.	Management should ensure that they adhere to the guidelines provided in the Asset Management policy	Internal Control Deficiency	BTO
12	Revenue Exchange Transactions: Internal Control Deficiency identified resulting in incorrect treatment of Property lease agreements escalation clause	On inspection of the Property lease agreements entered with IEC dated 06 June 2014, it was confirmed that an escalation clause of 8% was agreed upon effective at the beginning of new lease period (being 1 June). However, on the billing report, we have identified that the escalation percentage was incorrectly applied at the beginning of the financial year, thus resulting to total rent charged being overstated for eleven (11) months by R969.76 in total .	Management to ensure that property rental escalation clauses are correctly captured on the correct accounting month for billing purposes.	Internal Control Deficiency	BTO/REVENUE
12	Revenue Exchange transactions: Errors identified on processing of Hall Hire and Building Plan Revenue in the general ledger	Errors identified on processing of Hall Hire and Building Plan Revenue in the general ledger	Management to improve and implement controls over billing and processing of transactions to the general ledger.	Internal Control Deficiency	BTO
12	Revenue non-exchange Transactions: Fines & Penalties issued not captured on time on the TCS system	A test was performed where tickets issued as per S56 books were randomly selected and traced to the TC system report for the period 2019/20 financial year used to raise revenue and corresponding debt receivable in relations to the fines issued.	Management must have a process implemented that ensures that all tickets issued are captured with the month of issue. Maintain a list of S56 fines and penalties books issued and in circulation during the year, to ensure that completeness of books used can be confirmed and verifiable"	Internal Control Deficiency	BTO

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate								
13	SCM - Winning bidder did not score highest points	<p>The winning bidder awarded the contract had the second highest qualification scores and it was not the bidder recommended by the adjudication and evaluation committee. Calculated points of the bidders are as follows.</p> <p>An approval of tender ZKS & Nam General Trading JV Gxamza Trading not recommended by the BEC and BAC was granted by the accounting officer in terms of section MFMA 114 which was not found to be justifiable.</p> <p>Therefore, the procurement was not economical as the goods/services were not obtained at a reasonable price</p>	Management should ensure that the requirements of the Municipal Finance Management Act are implemented and adhered to.	Internal Control Deficiency	BTO/SCM								
13	SCM - Contract management- Expenditure more than contract Values	The payments in excess of the contract amount result to non-compliance with MFMA SCM regulation 5 and irregular expenditure amounting to R1 188 132	Management should ensure that the projects are monitored, to ensure that the expenditure to date does not exceed the contract value.	Internal Control Deficiency	BTO/SCM								
13	SCM -quotes not evaluated based on predetermined criteria	<p>The following quotes were not selected based on predetermined criteria or evaluated in accordance with the preference point system as prescribed by the PPPF Act, but only based on the lowest quoted price.</p> <table border="0"> <tr> <td>Eland Project Consulting(Pty)Ltd</td> <td>136 000,00</td> </tr> <tr> <td>Empekweni Beach Resort - accommodation with meals and conference room from 01 July-05 July 2019</td> <td>75 193,50</td> </tr> <tr> <td>Sunset Events and Accommodation-Supply of accommodation and shuttle</td> <td>43 400,00</td> </tr> <tr> <td>The Niche Lodge and Restaurant</td> <td>30 600,00</td> </tr> </table>	Eland Project Consulting(Pty)Ltd	136 000,00	Empekweni Beach Resort - accommodation with meals and conference room from 01 July-05 July 2019	75 193,50	Sunset Events and Accommodation-Supply of accommodation and shuttle	43 400,00	The Niche Lodge and Restaurant	30 600,00	Management should ensure that their processes in terms of awarding tenders/quotes are aligned with the preferential procurement regulations in order to ensure that compliance is adhered to. Further ensure that where the expected supplier is not selected, objective criteria is used to justify that reasonable grounds existed not to select the supplier and the deviation is recorded and approved by a delegated official.	Internal Control Deficiency	BTO/SCM
Eland Project Consulting(Pty)Ltd	136 000,00												
Empekweni Beach Resort - accommodation with meals and conference room from 01 July-05 July 2019	75 193,50												
Sunset Events and Accommodation-Supply of accommodation and shuttle	43 400,00												
The Niche Lodge and Restaurant	30 600,00												
15	PPE: Errors noted in WIP transferred to PPE	<p>Errors noted in WIP transferred to PPE:</p> <ol style="list-style-type: none"> Inconsistencies were noted when testing the WIP transferred to PPE Difference between invoices paid and amount "transferred out of WIP" Difference between amount per invoices and amount recognised in the Asset register 	Management should implement controls with regard to the process of transferring amounts from WIP to PPE.	Internal Control Deficiency	BTO								

(SECTION 72 MFMA)

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate
30	Other receivables - Account balances could not be confirmed (ISS.56)	The following balances as reflected under other receivables could not be confirmed. The only supporting information in the accounting file received with the financial statements are GL reports with opening balance, hence their existence and rights could not be confirmed. It was the same issue from the previous financial year 1. D0001/IA02279/F2494/X049/R0842/001/FIN Collections 245,519.89 2. D0001/IA10212/F2494/X049/R0842/001/FIN Cash from Cahiers - 57,982.96 3. D0001/IA10325/F2494/X049/R0842/001/FIN Unidentified deductions from bank account 87,307.60	Management should ensure that they are able to account for all amounts reported in the financial statements and that there is supporting information for all debtors balances as at year end.	Internal Control Deficiency	BTO/REVENUE
32	Agent-principal disclosure shortfall	During the audit of Ngushwa Local Municipality it was noted that the agent – principle disclosure as required by GRAP 109 was not done.	Management should ensure that they confirm completeness of all disclosures as required by GRAP	Internal Control Deficiency	BTO
33	Revenue non-exchange transactions: Information Requested in RFI 53 not received in Fines & Penalties (ISS: 73)	Traffic fines & penalties ticket reference/number as per the S56 Fines and Penalty books for the payments made as reflected in the general ledger were requested in RFI 52, however for the transactions listed below no information was submitted.	Management to liaise with all the relevant stakeholders in relation to collection of revenue through traffic fines and penalties to ensure that there is consistency of recording of information to allow easy flow of information and adequate audit trail.	Internal Control Deficiency	BTO
37	Receivables from exchange - Disagreement: 1. Other receivables: The debtor raised has not occurred (No document confirming that the amount will be paid to the municipality (ISS.80)	The municipality was allocated an amount of R82 696 000 per the Division of Revenue Act for 2019. However, their records indicate that R81 328 000 was transferred to the municipality with the shortfall of R1 368 000. The municipality wrote a formal letter to notify National Treasury on this shortfall. The municipality raised a debtor for the shortfall even though the National Treasury did not confirm that the amount will be paid to the municipality	Management must ensure that a formal documentation exists confirming that there are moneys payable to the municipality before prior to raising a debtor.	Internal Control Deficiency	BTO/REVENUE

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate
39	Incompleteness of the contingent liabilities	During the testing of the contingent liabilities, it was noted that the following cases are not disclosed in the AFSs - Vezokuhle Youth Development project vs Ngqushwa Local Municipality: Dispute between the parties remain unresolved	Management should make sure that all the contingent liabilities are disclosed in the AFSs.	Internal Control Deficiency	MMO/Legal
40	Amount disclosed could not be verified (ISS.79)	The following statement as disclosed under Note 10 of financial statements could not be verified: The properties were generating an average monthly income of R32 543 (June 2019: R32 543). Information and workings in support of these amounts were requested from management but were not submitted	Management must ensure that all information included in the financial statements is verified and updated prior to reporting in financial statements.	Internal Control Deficiency	BTO
41	Risk Management- Financial instrument.	During the testing of the financial instrument, risk management, it was noted that the municipality has disclosed only the following risk: > Liquidity risk > Credit risk.	Management should make sure that all the risks the municipality is exposed to, are disclosed in the AFSs.	Internal Control Deficiency	BTO
42	Statement of Cash flows	The following difference have been noted when performing the recalculations on statement of cash flows. The impact of the finding results in a factual material misstatement on the following cash flow line items of R4 260 044.74.	Management of the Municipality should ensure that financial statements are adequately reviewed to ensure that they are accurate and complete.	Internal Control Deficiency	BTO
46	Cash flow statements: Difference identified on Note 37	The following are the differences noted while auditing note 37 on Cash flows statements: Audited figures Figures per note 37 Difference Long service bonus 476 767,00 823 397,00 346 630,00 Other non-cash items 0 49 317,00 49 317,00 Total 476 767,00 774 080,00 395 947,00	Management should make sure that they review annual financial statements in order to avoid or minimise management oversight.	Internal Control Deficiency	BTO
46	Consequence management: Prior year unauthorized expenditure not authorized on the adjustment budget.	We noted during the audit of Unauthorised expenditure that an amount of R6 954 810 relating to depreciation of unauthorised expenditure was not authorised through an adjustment budget	Management should ensure that compliance with applicable laws and regulations is regularly monitored	Internal Control Deficiency	BTO

EXC #	Exception Heading	Summary of Finding	Suggested Control Improvements	Nature	Directorate
47	Cash flow statements	Cash flow statement: Recalculation difference on note 37 The following are the differences noted while auditing note 37 on Cash flows statements. The finding result in a factual material misstatement of R5 489 943	Management should make sure that they review annual financial statements in order to avoid or minimise management oversight.	Internal Control Deficiency	BTO
48	Segregation of duties.	The is no segregation of duties as the Head of Internal Audit is also responsible for risk management	Internal audit should not manage any of the risks on behalf of management. - Internal audit should provide advice, challenge and support to management's decision making, as opposed to taking risk management decisions themselves. - Internal audit cannot also give objective assurance on any part of the ERM framework for which it is responsible. Such assurance should be provided by other suitably qualified parties.	Internal Control Deficiency	MMO
49	1. Employee benefits: the information on the expert report is not disclosed in the AFSS and it is not presented and disclosure as per GRAP 25.	During the testing of the employee benefits, it was identified that the employee benefit is not presented and disclosure as per requirements of GRAP 25.	Management should make sure that the employee benefits are presented and disclosed as per GRAP 25 requirements.	Internal Control Deficiency	BTO
50	Revenue non exchange - debt write off	During the audit of revenue from non-exchange we could not ascertain why the debt write off was written off against revenue. We did not receive adequate information that this was due to revenue that was raised in the current year needing to be reversed. We are unsure if this relates to prior year or current year debt. No information could be provided to this effect. Per discussion with the CFO this was a write-off to adjust for properties incorrectly billed but we received no corroborating evidence. We also received no evidence that any debt collection processes were followed before write-off as required by their policy, and although this might not be applicable due to the CFO's explanation, we have no corroborating evidence to this effect. Therefore, this is considered a limitation as we are unsure as to whether any adjustment is required for this write-off. This is a limitation of R8,5 million on rates revenue.	Management should ensure that they write off debt in terms of their policies	Internal Control Deficiency	BTO/REVENUE

Annual Service delivery Performance 2020/2021

Ngqushwa Local Municipality overall performance for the 2020/21 financial year is at **69%** which shows improvement by **16 %** as compared to **53 % achieved** in 2019/20 financial year.

Priority Area	Total Annual Targets	Targets Achieved	Targets Not Achieved	% Achievement
Institutional Development and Design	4	4	0	100%
Quality Infrastructure Services and Infrastructure Development	14	7	7	50%
Local Economic Development and Spatial Planning	7	5	2	71%
Financial Viability and Management	5	5	0	100%
Good Governance and Public participation	12	8	4	67%
Total Targets	42	29	13	69%

5.2 Service delivery Performance 2021/2022

Key Performance Area	First Quarter Total Indicators	First Quarter Achieved Targets	First Quarter Targets Not Achieved	First Quarter Achieved Results	Second Quarter Total Indicators	Second Quarter Achieved Targets	Second Quarter Targets Not Achieved	Second Quarter Achieved Results	2021/2022 MID-TERM PERFORMANCE	2021/2022 Overall % for the mid-term	2020/2021 Overall % for the mid term
Institutional Design and Development	11	8	3	73%	16	11	5	69%		71%	74%
Quality Basic Services and Infrastructure Development	23	16	7	70%	23	11	12	48%		59%	34%
Local Economic Development and Spatial Development	9	8	1	89%	10	9	1	90%		90%	59%
Financial Viability and Management	6	6	0	100%	6	5	1	83%		92%	88%
Good Governance and Public Participation	13	13	0	100%	14	12	2	86%		93%	56%
Total Targets	62	51	11	82%	69	48	21	70%		76%	55%

5.2.1 Departmental Reviews

It is intended that Departments review their performance at least monthly; using their departmental SDBIPs and prepares quarterly performance reports.

5.2.2 Top Management Team Reviews

Directors/Departmental Managers /Divisional managers and Staff reporting directly to Municipal Manager will then need to report on their performance in the 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 analysing performance prior to Top Management team reviews. These reviews should at least take place quarterly.

5.3 ANALYSIS OF THE INSTITUTIONAL PERFORMANCE

The Municipality's 2021/2022 SDBIP sets the following departments/directorates and Key Performance Indicators that are to be evaluated on monthly; quarterly and annual basis:

- 4.1 Institutional Development and Design
- 4.2 Quality Basic Services and Infrastructure Development
- 4.3 Local Economic Development and Spatial Development
- 4.4 Financial Viability and Management.
- 4.5 Good Governance and Public Participation.

Ngqushwa Local Municipality has adopted 2021/2022 Service Delivery and Budget implementation Plan setting key performance indicators to be achieved in 2021/2022 financial year. All key Performance indicators are in line with the Legislative Framework.

5.4 ANALYSIS OF DEPARTMENTAL PERFORMANCE FOR THE MID-TERM 2020/2021 ENDING 31st DECEMBER 2021.

Departmental performance information for the aforementioned period it illustrates the total overall of targets achieved, not achieved and the overall performance for each department and institution in general, where quarter one and quarter two have been combined.

Ngqushwa Local Municipality average performance for 2021/2022 financial year for the Mid-term ending on the 31st December 2021 is 76 %. This shows an improvement by 21 % as compared to 55% of 2020/2021 Mid-term performance.

Mid-term actual performance

Quarter 1 = 82 + Quarter 2 = 70

= 152/2

= 76%

Reasons for decline

KPA 2

- Due to late appointment of service providers
- Due to Local Government Elections which resulted to none sitting of Council meeting.

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 2021/2022 financial year. The bellow table illustrates quarter one and quartet two performance information for the five (5) municipal Key Performance Areas.

RECOMMENDATIONS

- It is recommended that departmental PMS champs must ensure that they start consolidating POE's and reports in 2nd month of each quarter in preparation of submission when quarter ends to afford adequate opportunity for the IDP/PMS and Internal Audit sections to assess the files and provide credible reports.

Below is a supporting Departmental score card

KPA 1: INSTITUTIONAL DEVELOPMENT AND DESIGN WEIGHT :20

Strategy	Objective	Key Performance Indicator	Annual Target	Budget	Baseline	Quarter Two (2) Target	Quarter Two (2) Evidence Required	Actual Performance	Reason for variance	Correction Action	Score	CUSTODIAN	KPI NO		
To improve organisational cohesion and effectiveness	To ensure continuous implementation of Municipal Vision and mission through Human Resources Management plan by 2022	Number of reports on vacant positions filled within 3 months developed by 30 June 2022	Four (4) reports produced on vacant positions filled within 3 months by 30 June 2022	R0	Not Applicable	Compile quarterly report on vacant positions filled within 3 months by 31 December 2021	1. Signed report on vacant positions filled within 3 months 2. Proof of advertisement 3. Appointment letters	Achieved	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 1		
		Development/ Review of institutional organogram by 30 June 2022	2022/2023 Final Organogram Developed/Reviewed and approved by the Council by 30 June 2022	R0	2020/2021 Organogram	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 2	
		Number of reports developed for Leave management and reconciliation	Four (4) quarterly reports compiled on leave management and reconciliation	R0	2020/2021 Reports	2020/2021 Reports	Compile quarterly report on leave management and reconciliation by 31 December 2021	1. Signed quarterly report on Leave Management 2. Reconciliation	Achieved	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 3	
		Number of Job Descriptions compiled and submitted to the District by 30 June 2022	126 Job description compiled and submitted to the District by 30 June 2022	R0	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 4
		Reports on number of engagements with District Job Evaluation Committee and Provincial Audit Committee on status of Ngqushwa Job evaluation developed by 30 June 2022	Three (3) quarterly reports developed on engagements with District Job Evaluation Committee and Provincial Audit Committee on status of Ngqushwa job evaluation by 31 December 2021	R0	Not Applicable	Not Applicable	Compile a report on the engagement with the District Job Evaluation Committee and Provincial Audit Committee on status of Ngqushwa job evaluation by 31 December 2021	Signed progress report on Job Evaluation	Achieved	Not Applicable	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 5

To ensure that the Municipality commits itself to the principles of equal opportunities, fair employment practices and people development by 2022	Reports on number of people from employer equity target groups employed in the three (3) highest level of the organogram by 30 June 2022	Four (4) reports developed on number of people from employer equity target groups employed in the three (3) highest level of the organogram by 30 June 2022	R0	Not Applicable	Not Applicable	Compile quarterly report on number of people from employer equity target groups employed in three (3) highest level of the organogram by 31 December 2022	Signed quarterly report on equity target group employed in three (3) highest level of the organogram	Achieved	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 6
	Number of employees who meet the minimum level as prescribed by National Treasury by 30 June 2022	Two (2) reports developed on number of employees who qualify for the minimum level as prescribed by National Treasury by 30 June 2022	R0	Not Applicable	Not Applicable	Compile quarterly report on the number of employees who qualifies for the minimum levels as prescribed by National Treasury by 31 December 2021	Signed quarterly report on number of employees who qualifies for the minimum level as prescribed by National Treasury	Achieved	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 7
	Number of report on the percentage of Municipal Budget actual spent on implementing Workplace Skills Plan (WSP) by 30 June 2022	One (1) report developed on percentage of Municipal budget spent on Workplace Skills Plan (WSP) developed by 30 June 2022	R0	2020/21 WSP	2020/21 WSP	Compile quarterly report on percentage of budget actual spent on implementing Workplace Skills Plan produced by 31 December 2021	Signed quarterly report on percentage of budget spent on Workplace Skills plan	Achieved	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 8
To ensure that the is available skilled individual that can contribute positively to the Municipality and to the Nation as a whole by 2022	Number of report on trainings conducted as per the approved WSP by 30 June 2022	Two (2) quarterly reports on trainings conducted as per the approved WSP by 30 June 2022	R600 000	2020/21 WSP	2020/21 WSP	Compile quarterly report on training conducted as per the approved WSP by 31 December 2021	Report on training conducted as per the approved WSP and proof of attendance	Not Achieved	The attendance register not signed by all attendees	The target deferred to Quarter 3	1	Director Corporate Services	IDD 9
	Number of trainings conducted to ensure effective implementation of Individual Performance Management by 30 June 2022	Two (2) trainings conducted for Individual Performance Management by 30 June 2022	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	0	Director Corporate Services	IDD 10

To create a safe and healthy working environment for all employees by 2022	Number of reports on COVID 19 preventive measures developed and submitted to Council by 30 June 2022	Four (4) reports on COVID 19 preventive measures developed and submitted to Council by 30 June 2022	R0	Not Applicable	Complete quarterly report on municipal COVID 19 preventative measures and submitted to Council by 31 December 2021	1. Signed quarterly report on municipal COVID 19 preventative measures 2. Council agenda	Report not submitted to Council due to none sitting of Council meeting in Quarter 2	The report will be submitted in Quarter 3 Council meeting	1	Director Corporate Services	IDD 11
	Number of reports on Employee Assistance Program (EAP) by 30 June 2022	Two (2) reports on number of employees supported through Employee Assistance Program (EAP) by 30 June 2022	R0	2020/2021 Reports	Complete quarterly report on number of employees supported through EAP by 31 December 2021	Quarterly report on employees supported through EAP signed by Municipal Manager for approval	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 12
	Number of wellness programmes organized and conducted by 30 June 2022	Four (4) quarterly report on wellness programmes organized and conducted by 30 June 2022	R0	2020/2021 Reports	Complete quarter two wellness programmes organized and conducted by 31 December 2021	1. Quarterly report on Wellness program organized and conducted 2. Invitation 3. Agenda 4. Attendance register.	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 13

To continuously improve performance at all levels of	Number of individual performance reviews conducted by 30 June 2022.	Three(3) Individual Performance assessments conducted by Head of Departments on Middle managers by Middle	R0	0 Individual PMS conducted In 2020/21	Drafting and signing of performance agreement for all Middle Managers by 31 December 2021	Report on drafting and signing of performance agreements by all Middle Managers and signed performance agreements	Not Achieved	Target deferred in Quarter 3	1	All Directors/D epartments	IDD 14
To ensure effective and efficient management of records by	Number of consolidated and updated Council and EXCO resolutions register by 30 June 2022.	Four (4) consolidated and updated Council and EXCO resolutions register by 30 June 2022	R0	Not Applicable	2021/22 consolidated and updated Council and EXCO resolutions register by 31 December 2021	Consolidated and updated Council and EXCO resolutions register signed by Municipal Manager	EXCO resolution not submitted	Target deferred in Quarter 3	1	Director Corporate Services	IDD 15
To ensure effective, efficient and economical administration and utilization of Municipal resources on	Development and Implementation of fleet management plan	One (1) Fleet Management Plan approved by MANCO and three(3) reports on implementation of the plan	R0	Not Applicable	Implementation of Fleet Management Plan by 31 December 2021	Compile quarterly report on Implementation of Fleet Management Plan	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 16
To ensure good, sound industrial relations between the employer and the employee	Number of reports produced on General Management of Municipal fleet by 30 September 2022	Four (4) reports produced on General Management of Municipal fleet	R0	2020/21 Reports	Compile quarterly reports on General Management of Municipal fleet by 31 December 2021	Signed quarterly report on General Management of Municipal fleet	Not Applicable	Not Applicable	3	Director Corporate Services	IDD 17
To provide a secure ICT infrastructure which delivers appropriate level of data confidentiality, integrity and availability by	Server consolidation and virtualization Phase 2 by 30 June 2022	Procurement of server consolidation and virtualization phase 2 by 30 June 2022	R200 000	ICT Governance framework	Develop terms of reference for server consolidation, advertisement of server virtualization and virtualization phase 2 by 31 December 2021	1. Server consolidation terms of reference 2. Copy of an advert	Not Achieved	Target deferred in Quarter 3	1	Director Corporate Services	IDD 18
	Number of LLF meetings held by 30 June 2022	Eight (8) LLF meetings held by 30 June 2022	R0	2020/21 Meetings	Conduct two (2) LLF meetings by 31 December 2021	1. Signed quarterly report on LLF meetings held 2. Agenda 3. Attendance register	Strives to have Local Labour Forums were done before Local Government Elections	Target deferred in Quarter 3	1	Director Corporate Services	IDD 19

KPA 2 : QUALITY BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT WEIGHT : 20													
Strategy	Objective	Key Performance Indicator	Annual Target	Budget	Baseline	Quarter Two (2) Target	Quarter Two (2) Evidence Required	Actual Performance	Reason for variance	Correction Action	Score	Custodian	KPI NO
To manage quality basic services provisioning in order to ensure rendering of sustainable and affordable services to the communities of Ngqushwa	To ensure sound financial administration of all infrastructure grants, to manage all planning, implementation and monitoring of all infrastructure projects	Number of km constructed by 30 June 2022	Construction of 5km Internal Gravel Roads (Machibi, Ward 4) by 30 June 2022	R3 800 587	Not Applicable	Appointment of contractor, conduct site meeting, payment for construction of 5km internal road in Machibi by 31 December 2021	1. Contractor Appointment letter. 2. Site meeting minutes with attendance register 3. Proof of payment for construction of 5km Machibi internal road	Met Achievement	Due to late appointment of service provider	Deferred to Quarter 3 of 2021/2022 financial year	1	Director Technical Services	QBSD 1
			Construction of 5km Internal Gravel Roads (Meaza, Ward 7) by 30 June 2022	R3 408 276	Not Applicable	Appointment of contractor, conduct site meeting, payment for construction of 5km internal road in Meaza by 31 December 2021	1. Contractor Appointment letter 2. Site meeting minutes with attendance register 3. Proof of payment for construction of 5km Meaza internal road	Met Achievement	Roller was approved late November 2021 and that has resulted in late appointment of service provider for construction of Meaza internal road.	Deferred to Quarter 3 of 2021/2022 financial year	1	Director Technical Services	QBSD 2
			Construction of 5km Internal Gravel Roads (Polar Park, Ward 8) by 30 June 2022	R3 807 563	Not Applicable	Appointment of contractor, conduct site meeting, payment for construction of 5km internal road in Polar Park by 31 December 2021	1. Contractor Appointment letter 2. Site meeting minutes with attendance register 3. Proof of payment for construction of 5km Polar Park internal road	Met Achievement	Due to late appointment of service provider	Deferred to Quarter 3 of 2021/2022 financial year	1	Director Technical Services	QBSD 3
		Number of km constructed by 30 June 2022	Construction of 5km Internal Gravel Roads (Pikoli, Ward 9) by 30 June 2022	R3 638 684,84	Not Applicable	Appointment of contractor, conduct site meeting, payment for construction of 5km internal road in Pikoli by 31 December 2021	1. Contractor Appointment letter 2. Site meeting minutes with attendance register 3. Proof of payment for construction of 5km Pikoli internal road	Met Achievement	Roller was approved late November 2021 and that has resulted in late appointment of service provider for construction of Pikoli internal road	Deferred to Quarter 3 of 2021/2022 financial year	1	Director Technical Services	QBSD 4
			Construction of 6,5 km Internal Gravel Roads (Zondeka, Ward 2) by 30 June 2022	R1 655,684	Advertisement for construction of Zondeka Internal Road	Compile progress report on construction of 6.5km Zondeka internal road and conduct site meeting by 31 December 2021	1. Signed progress report on construction of Zondeka Internal Road 2. Site meeting minutes and attendance register	Met Achievement	Not Applicable	Not Applicable	3	Director Technical Services	QBSD 5
			Construction of 1 km Internal Paved Roads (Ethembeni(Power), Ward 8) by 30 June 2022	R5,657,009	Advertisement for construction of Ethembeni (Power) Internal Road	Compile progress report on construction of 1 km Internal Road (Power) road and conduct site meeting by 31 December 2021	1. Signed progress report on construction of Power Internal Road 2. Site meeting minutes and attendance register	Met Achievement	Not Applicable	Not Applicable	3	Director Technical Services	QBSD 6
		Number of km completed by 30 June 2022	Completion of 5 km Internal Gravel Roads (Caswukeni, Ward 3) by 30 June 2022	R916,601	Appointment of contractor for construction of Caswukeni Internal Road	Issuing of practical completion certificate to appointed service provider for construction of 5km internal road in Caswukeni by 31 December 2021	Practical completion certificate for 5km Caswukeni internal road.	Met Achievement	Practical completion certificate issued by the 31 December 2021 due to delays by service provider appointed by the institution.	Practical completion certificate for Caswukeni Internal Road will be issued in 3rd Quarter of 2021/2022	1	Director Technical Services	QBSD 7

		Number of km completed by 30 June 2022	Completion of 6 km Internal Road (Birra ,Ward 6) by 30 June 2022	R1,000,637	Appointment of contractor for construction of Birra Internal Road	Issuing of practical completion certificate to contractor for construction of 5km Internal road in Birra by 31 December 2021	Practical completion certificate for 5km Birra Internal road.	Not Applicable	Not Applicable	3	Director Technical Services	CBSD 8
		Number of km completed by 30 June 2022	Completion of 0.5km Gravel Roads (Newwoods, Ward 5) by 30 June 2022	R560,628	0.5km of Newwoods gravel road completed	Issuing of practical completion certificate to appointed service provider for completion of 0.5km Internal road in Newwoods by 31 December 2021	Practical completion certificate for 0.5km Newwoods Internal road	Practical completion certificate issued by 31 December 2021 by service provider appointed by the institution .	Practical completion certificate for Newwoods Internal Road issued in 3rd Quarter of 2021/2022	1	Director Technical Services	CBSD 9
		Surfacing and Paving of 4km of Peddie Town Streets Phase 3 by 30 June 2022	Completion of 4km Surfacing and Paving of Peddie Town Streets Phase 3 by 30 June 2022	R9,081,809	Own Surfacing and Paving of Peddie Town Streets Phase 2	Compile a progress report, conduct site meeting, payment service provider for surfacing and paving of Peddie Town Streets Phase 3 by 31 December 2021	1. Signed progress report 2. Site meeting minutes and attendance register 3. Proof of payment for surfacing and paving of Peddie Town Street Phase 3	Not Applicable	Not Applicable	3	Director Technical Services	CBSD 10
		Number of Hawkers Stalls constructed by 30 June 2022	Construction of 20 Hawkers Stalls in Peddie Town by 30 June 2022	R2,382,000	Not Applicable	Appointment of contractor, conduct site meeting, Hawkers Stalls in Peddie Town by 31 December 2021	1. Contractor Appointment letter 2. Site meeting minutes with attendance register 3. Proof of payment for Construction of 20 Hawkers Stalls in Peddie Town	Due to late appointment of service provider	Deferred to Quarter 3 of 2021/2022 financial year	1	Director Technical Services	CBSD 11

To ensure management of pro active municipal roads and storm water network in order to reduce the municipality's electrical infrastructure and monitoring of electricity supply points to complete projects to applicable quality standards by 2022	Number of km of existing roads maintained through patching by 30 June 2022	Maintenance of 220 km existing roads through dry blading and patching in all wards by 30 June 2022	R260,423	Not Applicable	Compile report on the maintenance of 55km of existing roads through dry blading in 3 wards by 31 December 2021	1. Signed report on road maintained 2. Job card 3. Signed inspection form 4. Signed Completion Form.	Not Applicable	Not Applicable	Not Applicable	3	Director Technical Services	CBSD 12
	Number of High Mast streetlights maintained in the following areas/villages: Peddie Extension Glenmore (1) Common Village Hartburg	Maintenance (replacement of High Mast streetlights) in the following areas/villages: Peddie Extension (10) Glenmore (1) Common Village Hartburg (2) Durban Village (7)	R709,608	Not Applicable	Compile report on the maintenance on 5 High Mast streetlights (replacement of bulbs/cables) by 31 December 2021	1. Signed quarterly report on maintenance of 5 High Mast streetlights 2. Job card 3. Checklist 4. Completion certificate	Not Applicable	Not Applicable	Not Applicable	3	Director Technical Services	CBSD 13
	Number of street lights maintained in Hartburg by 30 June 2022	Four (4) quarterly reports compiled on maintenance (replacement of bulbs) of Hartburg street lights by 30 June 2022		Not Applicable	Compile a quarterly report on procurement of electrical material for maintenance (replacement of bulbs) of Hartburg street lights by 31 December 2021	1. Signed quarterly report on maintenance of Hartburg Street lights 2. Job card 3. Checklist 4. Completion certificate	Due to delays to delays on procurement processes	Deferred to Quarter 3 of 2021/2022 financial year	Deferred to Quarter 3 of 2021/2022 financial year	1	Director Technical Services	CBSD 14
To manage the rendering of Waste Management Services in accordance with applicable legislation, bylaws and standards by 2022	Number of Waste Management campaigns conducted in schools by 30 June 2022	Four (4) waste management campaigns conducted in schools by 30 June 2022	RO	Not Applicable	Conduct one (1) Waste Management campaign by 31 December 2021	1. Signed quarterly report on Waste Management campaign 2. Attendance register 3. Agenda	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	CBSD 15
	Number of households with access to basic level of refuse removal by 30 June 2022	Four (4) quarterly report on household with access to basic level of refuse removal by 30 June 2022	RO	Not Applicable	Compile quarterly report on household with access to basic level of refuse removal by 31 December 2021	1. Signed quarterly report on household with access to basic level of refuse removal 2. Attendance register	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	CBSD 16
To ensure procuring and maintenance of Municipal building and facilities by 2022.	Number of Municipal facilities maintained by 30 June 2022	Four (4) Quarterly report on Municipal facilities of Six (6) Municipality facilities (Corporate Services facility, Main Building, Community Services facility, Technical Services facility and Department facility and	R1,200,000	6 Municipal facilities maintained in 2020/2021	Maintenance of Main Building Offices by 31 December 2021	1. Signed quarterly report on maintenance of Municipal facilities 2. Job card 3. Proof of payment	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	CBSD 17

To create a conducive spatial environment to address the Social, Economic, Environmental and cultural needs of the communities in order to ensure sustainable development in accordance with Spatial planning and Land Use Management Act principles and the National Development Plan.	To ensure effective enforcement of planning and building policies and bylaws in order to achieve orderly development by 2022	Number of building plans submitted and paid within 30 days by 30 June 2022	Submitted and paid building plans approved within 30 days by 30 June 2022	R0	Not Applicable	Building plans submitted and approved within 30 days by 31 December 2021	Copy of building plans submitted and approved	Not Applicable	Not Applicable	QBSD 18
	To promote integrated sustainable Human Settlement by 2022	Number of Title deeds transferred to eligible beneficiaries by 30 June 2022	652 title deeds transferred to eligible beneficiaries by 30 June 2022	R0	Not Applicable	100 title deeds transferred to eligible beneficiaries by 31 December 2021	Signed register by beneficiaries	Due to poor attendance for the collection of title deeds	The required target will be achieved in Quarter 3 financial year	QBSD 19
	To promote integrated sustainable Human Settlement by 2022	Establishment of Ngqushwa Human Settlement Working Committee and review of Human Settlements Sector Plan by 30 June 2022	One (1) Ngqushwa Human Settlement working committee established and reviewed Human Settlements Sector Plan by 30 June 2022	R0	Not Applicable	Establishment of Ngqushwa Human Settlement working committee by 31 December 2021	1. Signed report on the establishment of Ngqushwa Human Settlement working committee 2. Attendance register	The report has to be able to endorse the establishment of Human Settlement Working Committee	The required target will be achieved in Quarter 3 financial year	QBSD 20
	To promote integrated sustainable Human Settlement by 2022	Number of households beneficiaries targeted for housing opportunity by 30 June 2022	Facilitate beneficiary administration (unblocking of projects) by 30 June 2022 1. Military veterans (27) 2. Peddie 500 (105) 3. Ngqushwa 1500 4. Disaster/Destitute (23)	R0	Ngqushwa Housing Sector Plan	One Engagements with Department of Human Settlement and Beneficiaries (unblocking of projects) by 31 December 2021.	Signed progress report on facilitation of beneficiary administration	Not Applicable	Not Applicable	QBSD 21
	To manage planning and land development in line with the General Principles of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) and related legislation by 2022	Number of CBD precinct plan developed by 30 June 2022	Two (2) CBD precinct plan developed for Peddie and Hamburg by 30 June 2022	R0	Municipal Spatial Development Framework (MSDF)	Appointment of service provider and inception meeting for Peddie and Hamburg precinct plan by 31 December 2021	1. Appointment letter 2. Meeting attendance register for Peddie and Hamburg precinct plan.	Due to late appointment of service provider	The target will be adjusted during budget and SDBIP adjustment	QBSD 22
	To manage planning and land development in line with the General Principles of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) and related legislation by 2022	Number of Land Use Schemes developed by 30 June 2022	One (1) Land Use Schemes developed by 30 June 2022	R209 712	Interim Zoning Maps	Public Consultation of the 1st draft Land Use Scheme by 31 December 2021	Meeting invites and attendance registers	Due to late submission of comments from the technical task team	The target will be achieved in Quarter 3 of 2021/2022 financial year	QBSD 23

KPA3 : LOCAL ECONOMIC DEVELOPMENT AND SPATIAL DEVELOPMENT WEIGHT : 20

Strategy	Objective	Key Performance Indicator	Annual Target	Budget	Baseline	Quarter Two (2) Target	Quarter Two (2) Evidence Required	Actual Performance	Reason for variance	Correction Action	Score	Custodian	KPI NO
Strives to ensure the creation of wealth using all available natural resources and strategic partnerships to promote sustainable economic growth.	To create an enabling environment that promotes the participation of SMEs in the Development of Local Economy and Employment creation by 2022	Number of developmental programmes provided for Nqushwa SMEs by 30 June 2022	Four (4) developmental programmes provided for Nqushwa SMEs by 30 June 2022	R100 000	LED Strategy	Conduct Skills Development and Networking session for Nqushwa SMEs by 31 December 2021	Signed quarterly report on the Skills Development and Networking session provided for Nqushwa SMEs and attendance registers	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 1
		Number of Business plan developed and submitted to source Infrastructure grant by 30 June 2022	One (1) Business plan developed and submitted to source Infrastructure grant by 30 June 2022	R0		Business plan submitted to Department of Energy to source Energy Efficiency Demand Side Management (EEDSM) grant by 31 December 2021	Proof of submission to Department of Energy	Not Applicable	RFQs were issued and no submission from Bidders	The target will be deferred to 3rd Quarter of 2021/2022 financial year	1	Director Technical Services	LESDSD 2
		Number of Tourism and Heritage Programmes conducted by 30 June 2022	One (1) Tourism and Two (2) Heritage programmes conducted by 30 June 2022	R388 899,00	LED Strategy	Installation of Christmas lights by 31 December 2021	Signed quarterly report on installation of Christmas lights and Purchase order	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 3
		Number of Agricultural forums held by 30 June 2022	Four (4) Nqushwa Agricultural forums held by 30 June 2022	R0	LED Strategy	Conduct One (1) Nqushwa Agricultural forum with relevant stakeholders by 31 December 2021	Signed quarterly report on Agricultural forum held, Agenda and attendance register	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 4
		Number of Coastal Management Committee meetings held by 30 June 2022	Four Coastal Management Committee meetings held by 30 June 2022	R0	Coastal Management Plan	Conduct One (1) Coastal Management Committee meeting with relevant stakeholders by 31 December 2021	Signed quarterly report on Coastal Management Committee meeting coordinated, Agenda, Minutes and attendance register of the meeting	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 5
		Number of Coastal Management campaigns conducted inline with Status criteria by 30 June 2022	Four (4) Coastal Management campaigns conducted inline with Blue Flag Status criteria by 30 June 2022	R60 000	Not Applicable	Conduct One (1) quarterly Coastal Management campaign by 31 December 2021	Signed quarterly report on Coastal Management campaign conducted, agenda of the campaign and attendance register	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 6
		Number of reports on maintenance of Hamburg and Bira Beach public amenities by 30 June 2022	Four (4) reports on maintenance of Hamburg and Bira Beach public amenities by 30 June 2022	R200 000	Not Applicable	Compile a quarterly report on maintenance of Hamburg and Bira Beach public amenities by 31 December 2021	Signed quarterly report on maintenance of Hamburg and Bira Beach public amenities and job card	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 7
		Number of Nqushwa Community Safety Forums held by 30 June 2022	Four (4) Nqushwa Community Safety Forums held by 30 June 2022	R0	Not Applicable	Conduct One (1) Nqushwa Community Safety Forum with relevant stakeholders by 31 December 2021	Signed quarterly report on Nqushwa Community Safety Forum, Agenda and Minutes of the forum	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 8
		Number of reports on drivers licence testing by 30 June 2022	Four (4) quarterly reports on drivers licence testing	R0	2020/21 NATIS Report	Compile quarterly report drivers licence testing by 31 December 2021	Signed quarterly report on people tested for drivers licence and NATIS report.	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 9
		Number of reports on road offence tickets issued within Nqushwa Local Municipality to road users by 30 June 2022	Four (4) quarterly reports on road offence tickets issued within Nqushwa Local Municipality compiled by 30 June 2022	R0	2020/21 TCS Report	Quarterly report compiled on road offence tickets issued to road users within Nqushwa Local Municipality by 31 December 2021	Signed quarterly report on road offence tickets issued to road users and TCS report	Not Applicable	Not Applicable	Not Applicable	3	Director Community Services	LESDSD 10

KPA 4 : FINANCIAL VIABILITY AND MANAGEMENT WEIGHT: 20															
Strategy	Objective	Key Performance Indicator	Annual Target	Budget	Baseline	Quarter Two (2) Target	Quarter Two (2) Evidence Required	Actual Performance	Reason for variance	Correction Action	Score	Custodian	KPI NO		
To be financial viable municipality (self-sustainability) for effective service delivery.	Ensuring sound financial planning and reporting through budget management best practices and interdepartmental coordination by 2022	Number of Draft Annual Financial Statements developed by 30 June 2022.	One (1) set of GRAP compliant Annual Financial Statements developed by 30 June 2022	R543 200	2019/20 Audited Annual Financial Statements	Development and Submission of 1 set, GrIP compliant Annual Financial Statements to Auditor General by 31 December 2021	Signed AFS and Acknowledgement of receipt by AGSA	Not Applicable	Not Applicable	Not Applicable	3	CFO	BTO 1		
				R0	2020/21 Budget process plan	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	CFO	BTO 2
				R0	Four (4) Section 52d reports developed as per MFMA by 30 June 2022	2020/21 Four Section 52d report developed, signed and submitted to Council by 31 December 2021	Compile 2021/22 Quarter One Section 52d report and Council Resolution	Signed 2021/22 Quarter one Section 52d report and Council Resolution	Not Applicable	There was no Council in the two quarter of the year.	Section 52d report to be submitted in Quarter 3 Council meeting.	1	CFO	BTO 3	
				R0	Four (4) reports on payment of monthly salaries by 30 June 2022	2020/21 Section 66 Report	Compile quarterly report on payment of monthly salaries by 31 December 2021	Signed report on payment of monthly salaries.	Not Applicable	Not Applicable	Not Applicable	3	CFO	BTO 4	
	Ensuring sound Supply Chain Management through development and reviewing of compliance measures and internal controls by 2022	Number of SCM compliance reports by 30 June 2022	Four (4) SCM Compliance reports by 30 June 2022	R0	2020/21 Four (4) SCM Compliance report developed in	Compile 2020/21 Quarter One (1) SCM Compliance Report by 31 December 2021.	Signed 2021/22 Quarter one(1) SCM Compliance Report	Not Applicable	Not Applicable	Not Applicable	3	CFO	BTO 5		
				R0	2020/21 Municipal Procurement Plan compiled and consolidated by 30 June 2022	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	CFO	BTO 6
				R0	Two (2) reports on the updated Assets Register (current and additional) by 30 June 2022	Asset Register	One report on updated Asset Register submitted to Municipal Manager by 31 December 2021	Updated register and proof of submission to Municipal Manager	Not Applicable	Not Applicable	Not Applicable	3	CFO	BTO 7	
				R0	Four (4) reports on actual revenue collected by 30 June 2022	Revenue Strategy	Compile quarterly report on actual revenue collected by 31 December 2021	Quarterly report on actual revenue collected signed by Municipal Manager	Not Applicable	Not Applicable	Not Applicable	3	CFO	BTO 8	

KPA 5 :GOOD GOVERNANCE AND PUBLIC PARTICIPATION WEIGHT : 20

Strategy	Objective	Key Performance Indicator	Annual Target	Budget	Baseline	Quarter Two(2) Target	Quarter Two (2) Evidence Required	Actual Performance	Reason for variance	Correction Action	Score	Custodian	No of KPA's		
To provide a culture of good governance and stakeholder involvement.	To continuously ensure effective, economical and compliant integrated planning by 2022 To strengthen communication with internal and external stakeholders by providing accurate, timely, and complete information about municipal policies and programmes by 2022 To provide value-added and trusted assurance, consulting and advisory services to Council by 2022 and beyond. To continuously ensure that NLM has and maintains an effective process of risk management by 2022	Review of 2021/22 IDP by 30 June 2022.	Approved Final IDP by 30 June 2022	R277 989	2020/21 Final IDP	Implementation of 2022/2023 IDP/Budget process plan (Phase 2) 31 December 2021	Quarterly report on implementation of 2022/2023 process planer Forum Radio Notices.	Not Applicable	Not Applicable	Not Applicable	3	Municipal Manager	GG & PP 1		
		Programmes Implemented in the Communication Action Plan by 30 June 2022	Twenty programmes implemented in the Communication Action Plan by 30 June 2022	R626 043	2020/21 Communication Action Plan	Five programmes implemented in the Communication Action Plan by 31 December 2021	Quarterly report on five Communication Action Plan Programmes	Not Applicable	Not Applicable	Not Applicable	3	Municipal Manager	GG & PP 2		
		Appointment of Co-source partner by 30 June 2022	One appointed Co-source partner by 30 June 2022	R600 000	Not Applicable	Appointment letter	Not Applicable	Not Applicable	Not Applicable	Not Applicable	3	Municipal Manager	GG & PP 3		
		Number of Fraud and Risk meetings by 30 June 2022.	Four (4) Quarterly Fraud and Risk Committee meetings held by 30 June 2022	R0	Two (2) Fraud and Risk Committee Meeting	Conduct one quarterly Fraud and Risk Committee meeting by 31 December 2021	Minutes of the meeting, agenda, attendance register of Fraud and Risk Committee Meeting	Risk meeting not conducted in Quarter 2	Deferred to Quarter 3 of 2021/2022 financial year	1	Municipal Manager	GG & PP 4			
		Number of Strategic and Fraud Risk Awareness workshops conducted by 30 June 2022.	One (1) Strategic and Fraud Risk awareness workshop conducted by 30 June 2022.	R0	One (1) Strategic and Fraud Risk	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Municipal Manager	GG & PP 5	
		Number of Fraud and Ethics awareness workshops conducted by 30 June 2022.	Two (2) Fraud and Ethics awareness workshops conducted by 30 June 2022.	R0	Two (2) Fraud and Ethics awareness in 2020/21	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Municipal Manager	GG & PP 6
		Number of reports on implementation of risk Management action plans submitted to Audit Committee by 30 June 2022	Four (4) quarterly reports on implementation of Risk Management plan submitted to Audit Committee by 30 June 2022	R0	Two quarterly Risk Management Report developed in 2020/21	Compile 2021/22 Quarter 1 report on the Implementation of Risk Management Action Plan to Audit Committee by 31 December 2021	Signed quarterly report by internal audit to Audit Committee on the Implementation of Risk Management Action Plan and Audit Committee Agenda	Not Applicable	Not Applicable	3	Municipal Manager	GG & PP 7			

<p>To provide value-added and trusted assurance, consulting and advisory services to Council by 2022</p> <p>Provide legal services to the Municipality, ensure that the legal risks are identified and addressed in accordance with applicable legislations by 2022</p> <p>To strengthen participatory democracy by ensuring that all stakeholders are involved in decision making by 2022</p> <p>To continuously ensure creation of more conducive and accessible environment for vulnerable groups and effective functioning of Special programmes within municipality by 2022</p>	Number of Audit Committee Report submitted to Council by 30 June 2022	Four (4) Audit Committee reports submitted to Council by 30 June 2022	R0	2020/21 Audit Committee report	Quarter 1 Audit Committee report submitted to Council by 31 December 2021	Signed Audit Committee report and Council agenda.	Not Applicable	Not Applicable	3	Municipal Manager	GG & PP 8	
	2021/22 Annual Internal Audit Plan developed and submitted to Audit Committee for approval by 30 June 2022	One(1) 2021/22 Annual Internal Audit Plan developed and submitted to Audit Committee for approval by 30 June 2022	R0	2020/21 Annual Internal Audit Action Plan	Not Applicable	Not Applicable	Not Applicable				Municipal Manager	GG & PP 9
	Monitor the implementation of the Audit Action Plan by 30 June 2022	Four (4) quarterly reports on the implementation of the Audit Action Plan 30 June 2022	R0	2020/21 Audit Action Plan report	Compile One quarterly report produced on implementation of Audit Action Plan by 31 December 2021	Signed quarterly report on implementation of Audit Action Plan.	Not Applicable	Not Applicable	3	Municipal Manager		GG & PP 10
	Number of Disciplinary board meetings held by 30 June 2022	Four (4) Disciplinary board meetings held by 30 June 2022	R150 000	2020/21 Four Disciplinary meeting conducted	One Disciplinary board meeting held by 31 December 2021.	Quarterly report on the sitting of Disciplinary board meeting, Meeting Invitation, Agenda and Attendance register	Not Applicable	Not Applicable	3	Municipal Manager		GG & PP 11
	Number of reports on the Status of Municipal Lease Agreements by 30 June 2022	Two (2) reports produced on status of Municipal Lease Agreements by 30 June 2022	R0	Not Applicable	Quarterly report on Status of Municipal Lease Agreement by 31 December 2021	Signed quarterly report on Municipal Leases Agreement	Not Applicable	Not Applicable	3	Municipal Manager		GG & PP 12
	Manage and Monitor contracts and SLAs that will result in expenditure by 30 June 2022	Four (4) monitoring reports on contracts and SLA's compiled by 30 June 2022	R0	Not Applicable	Compile One quarterly reports on performance of contracts and SLA's approved by 31 December 2021	Quarterly reports on performance of contracts and SLA's approved by Municipal Manager	Not Applicable	Not Applicable	3	Municipal Manager		GG & PP 13
	Reports on Municipal Legal cases that the Municipality is involved in by 30 June 2022	Two (2) reports on Municipal Legal cases that the Municipality is involved in compiled by 30 June 2022	R0	Not Applicable	Compile One quarterly reports on Municipal Legal cases that the Municipality is involved on by 31 December 2021	Signed quarterly report on Municipal legal cases that the Municipality is involved on.	Not Applicable	Not Applicable	3	Municipal Manager		GG & PP 14
	Conduct 2020/21 Annual Report Roadshows for tabling of Audited Annual Report by 30 June 2022	Conduct One (1) 2020/21 Annual Report Roadshows by 30 June 2022	R119 408	2019/20 Annual Report Roadshows	Development of 2020/21 Draft Unaudited Annual Report and table to Council for not by 31 December 2021	2020/21 Draft Unaudited Annual Report and Council resolution noting	Not Applicable	Not Applicable	3	Municipal Manager		GG & PP 15
	Number of Municipal Public Account Committee (MPAC) meetings conducted by 30 June 2022	Four (4) Quarterly MPAC meetings conducted by 30 June 2022	R0	4 MPAC meeting - 2020/21	Conduct quarterly MPAC meeting by 31 December 2021	Agenda, Minutes, Attendance register of the meeting and MPAC plan	Council Term came to an end, therefore the meeting was not conducted	Target deferred in Quarter 3 of 2021/2022 financial year	1	Municipal Manager		GG & PP 16
	Number of SPU programmes for the vulnerable groups implemented by 30 June 2022	Four (4) SPU programmes implemented by 30 June 2022	R395 999	2020/21 SPU Programmes	One SPU programme conducted by 31 December 2021	Quarterly report and attendance register of the event.	Not Applicable	Not Applicable	3	Municipal Manager		GG & PP 17

RT- 5 REPORT CERTIFICATION

6.1 Municipal Manager's Quality Certificate

**NGQUSHWA LOCAL MUNICIPALITY
MID YEAR BUDGET AND PERFORMANCE REPORT**

QUALITY CERTIFICATE

I **Ndonda Mgengo** the Municipal Manager of **Ngqushwa Local Municipality** hereby certify that the Mid-year Budget and Performance report period for 2021/22 financial year has been prepared in accordance with the Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.



N. Mgengo

MUNICIPAL MANAGER

28/01/2022

DATE

6.2 Receipt by Mayor

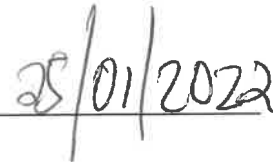
RECEIPT BY THE MAYOR

I **Siyanga S. Maneli** the Mayor of **Ngqushwa Local Municipality**, hereby accept the Mid-year Budget and Performance report period for 2021/22 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.



Cllr. S. S MANELI

HONOURABLE MAYOR



DATE