

# MUTALE MUNICIPALITY



**MID YEAR REPORT  
JULY-DECEMBER 2013**

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## **PART 1:**

### **MAYOR'S FORWARD**



The Municipality is implementing its budget in line with the SDBIP approved by council. However the Municipality is facing many challenges in relation to Revenue collection as a result of small revenue base and non payment of services particularly by sector departments. This has negative impact on service delivery. Currently we are charging property rates on business, households, government departments and public service infrastructure. Property rates tax is not charged on households in rural areas due to unresolved issues. The main sources of our revenue are from Traffic Services and sale of sites. The main financial risk the Municipality is facing is its inability to meet its financial obligations in time.

The municipality has obtained an unqualified audit opinion in the 2009/2010 financial year, qualified audit opinion in 2010/11 financial year. The municipality has since developed an action plan to address issue raised by the Auditor General. We are seriously worried about the disclaimer Audit opinion obtained in 2011/2012 and 2012/2013 which shows that there is regression despite of the national target of clean audit by 2015. More efforts will have to be made to address the shortcomings that resulted in us regressing.

The municipality will be tabling its adjustment budget by February 2014. This adjustment budget will go a long way in terms of addressing some of the issues that led to disclaimer audit opinion.

In terms of service delivery; the Municipality is implementing the following projects:

**1. ROADS**

1.1 Tshilamba Streets Tarring was handed over to the Contractor during the period under review

1.2 Tshilamba Extension 1 Ring Road was registered during the period under review

**2. ELECTRICITY**

PROJECT	UNITS	BUDGET	REMARKS
1.Pile/Baimoro	279	3 766 559.88	137 units energized
2.Tshiungani	201	1 589 188.29	201 energized

**3. HOUSING**

PROJECT	UNITS	COMPLETED
1.Shakadza	8 units	8 units completed
2.Fefe/Gombani	60 units	38 units completed
3.Mukondeni	50 units	44 units completed

Lastly we hope that working together we will improve the lives of all the residents of Mutale Municipality. We also thank various stakeholders for their contribution towards better service delivery.

## **EXECUTIVE SUMMARY**

**This report intends to give an overview on the performance of the municipality in relation to its approved budget and SDBIP. Our performance in relation to own revenue budget, mainly when looking at the actual collection to date is not satisfactory. This is as a result of low collection on property rates tax, service charges, investment revenue, transfer recognized – operational and other own revenue . However, our performance on grants revenue is satisfactory looking at actual received on MIG, equitable share, MSIG, FMG and EPWP. Due to low revenue collection, this has a negative impact on the provision of service by the municipality. Material variance in terms of budget is as reflected in the tables below. The remedial action to improve revenue collection include among others:**

- Engaging traditional leaders on issues relating to property rate tax**
- Seeking intervention and support from COGHSTA and Provincial Treasury to pursue government departments to pay municipal services.**
- Engaging communities to encourage them to pay for services.**
- To apply public – private partnership approach to provide other municipal services**

**Performance in relation to approved budget for 2013/2014 is as follows:**

**LIM342 Mutale - Table C1 Consolidated Monthly Budget Statement Summary - M06 December**

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	1 440	4 000	–	119	712	3 288	(2 575)	-78%	–
Service charges	249	1 026	–	34	202	824	(622)	-75%	–
Investment revenue	401	330	–	11	462	(132)	593	-451%	–
Transfers recognised - operational	46 869	54 810	–	–	32 344	22 466	9 878	44%	–
Other own revenue	4 474	8 589	–	616	3 463	5 126	(1 663)	-32%	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>53 434</b>	<b>68 755</b>	<b>–</b>	<b>780</b>	<b>37 183</b>	<b>31 572</b>	<b>5 611</b>	<b>18%</b>	<b>–</b>
Employee costs	28 537	33 009	–	1 528	7 349	25 661	(18 312)	-71%	–
Remuneration of Councillors	6 631	6 886	–	414	2 059	4 828	(2 769)	-57%	–
Depreciation & asset impairment	2 127	975	–	–	–	975	(975)	-100%	–
Finance charges	184	422	–	10	55	367	(312)	-85%	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	17 322	22 823	–	7 604	24 159	(1 336)	25 494	-1909%	–
<b>Total Expenditure</b>	<b>54 800</b>	<b>64 115</b>	<b>–</b>	<b>9 557</b>	<b>33 621</b>	<b>30 494</b>	<b>3 126</b>	<b>10%</b>	<b>–</b>
<b>Surplus/(Deficit)</b>	<b>(1 367)</b>	<b>4 640</b>	<b>–</b>	<b>(8 777)</b>	<b>3 563</b>	<b>1 077</b>	<b>2 485</b>	<b>231%</b>	<b>–</b>
Transfers recognised - capital	17 543	23 783	–	5 428	22 810	973	21 837	2245%	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>16 176</b>	<b>28 423</b>	<b>–</b>	<b>(3 348)</b>	<b>26 373</b>	<b>2 050</b>	<b>24 322</b>	<b>1186%</b>	<b>–</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>16 176</b>	<b>28 423</b>	<b>–</b>	<b>(3 348)</b>	<b>26 373</b>	<b>2 050</b>	<b>24 322</b>	<b>1186%</b>	<b>–</b>

<b><u>Capital expenditure &amp; funds sources</u></b>									
<b>Capital expenditure</b>	–	28 423	–	–	–	28 423	(28 423)	-100%	–
Capital transfers recognised	17 543	23 783	–	8 476	17 382	6 401	10 980	172%	–
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	4 640	–	–	–	4 640	(4 640)	-100%	–
<b>Total sources of capital funds</b>	<b>17 543</b>	<b>28 423</b>	<b>–</b>	<b>8 476</b>	<b>17 382</b>	<b>11 041</b>	<b>6 340</b>	<b>57%</b>	<b>–</b>
<b><u>Financial position</u></b>									
Total current assets	40 719	7 446	–		34 541				–
Total non current assets	76 260	109 420	–		101 707				–
Total current liabilities	51 966	8 414	–		19 901				–
Total non current liabilities	2 572	4 222	–		5 532				–
<b>Community wealth/Equity</b>	<b>62 441</b>	<b>104 229</b>	<b>–</b>		<b>78 245</b>				<b>–</b>
<b><u>Cash flows</u></b>									
Net cash from (used) operating	38 308	35 101	–	7 008	31 310	3 791	27 519	726%	–
Net cash from (used) investing	(17 615)	(24 763)	–	(5 428)	(22 810)	(1 953)	(20 857)	1068%	–
Net cash from (used) financing	(421)	(755)	–	(36)	(216)	(538)	322	-60%	–
<b>Cash/cash equivalents at the month/year end</b>	<b>20 369</b>	<b>9 658</b>	<b>–</b>	<b>–</b>	<b>8 283</b>	<b>1 374</b>	<b>6 909</b>	<b>503%</b>	<b>–</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b><u>Debtors Age Analysis</u></b>									
Total By Income Source	130	234	191	281	246	243	7 521	–	8 846
<b><u>Creditors Age Analysis</u></b>									
Total Creditors	1 268	1 572	560	1 474	4 749	–	–	–	9 622

## PART 2 - SUPPORTING DOCUMENTATION

LIM342 Mutale - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Supporting Table 000 Monthly Budget Statement - aged debtors - 1000 December														
Description	NT Code	Budget Year 2013/14										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-			
Receivables from Non-exchange Transactions - Property Rates	1400	81	81	79	67	66	65	228	-	667	426			
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Waste Management	1600	33	32	31	30	30	29	198	-	382	286			
Receivables from Exchange Transactions - Property Rental Debtors	1700	4	4	4	3	3	3	16	-	35	24			
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	13	117	78	182	148	146	7 079	-	7 763	7 556			
Total By Income Source	2000	130	234	191	281	246	243	7 521	-	8 846	8 291	-	-	
2012/13 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	36	99	76	130	130	129	5 371	-	5 971	5 760			
Commercial	2300	50	69	61	92	59	57	1 040	-	1 428	1 248			
Households	2400	45	65	54	59	58	57	1 109	-	1 447	1 283			
Other	2500	-	-	-	-	-	-	-	-	-	-			
Total By Customer Group	2600	130	234	191	281	246	243	7 521	-	8 846	8 291	-	-	

Notes

Material increases in value of debtors' categories compared to previous month to be explained

Bad debts = amounts actually written off in the month

Total by Income Source must reconcile with Total by Customer Group

– – – –



**LIM342 Mutale - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December**

Description R thousands	NT Code	Budget Year 2013/14									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	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300	335	341	-	-	-				677	
VAT (output less input)	0400	-	-	-	-	-				-	
Pensions / Retirement deductions	0500	560	565	-	-	-				1 124	
Loan repayments	0600	-	-	-	-	-				-	
Trade Creditors	0700	160	230	558	1 268	4 733				6 950	
Auditor General	0800	212	436	2	205	16				871	
Other	0900	-	-	-	-	-				-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>1 268</b>	<b>1 572</b>	<b>560</b>	<b>1 474</b>	<b>4 749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 622</b>	<b>-</b>

## Bad debts written-off (July – December 2012)

There are no bad debts written-off in the mid year

## Allocations of Grants Receipts (July – Dec 2013)

LIM342 Mutale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
–										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		46 189	54 714	–	300	34 967	19 747	13 080	66.2%	–
Local Government Equitable Share		42 889	51 174		–	32 127	19 047	13 080	68.7%	
Finance Management		1 500	1 650		–	1 650	–			
Municipal Systems Improvement		800	890		–	890	–			
EPWP Incentive		1 000	1 000		300	300	700			
	3							–		
								–		
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
<b>Provincial Government:</b>		–	–	–	–	–	–	–		–
	4							–		
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[Operation and maintenance]		–	–					–		
								–		
<b>Other grant providers:</b>		–	96	–	–	–	96	(96)	-100.0%	–

LED			-		-	-	-	-		
LG SETA			96		-	-	96			
								-		
<b>Total Operating Transfers and Grants</b>	5	46 189	54 810	-	300	34 967	19 843	12 984	65.4%	-
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		17 543	23 783	-	10 650	14 450	9 333	5 117	54.8%	-
Municipal Infrastructure Grant (MIG)		17 486	20 783		10 650	14 450	6 333	8 117	128.2%	
DISASTER GRANT		57								
								-		
								-		
								-		
Other capital transfers/Grants [DEAE]			3 000		-	-	3 000	(3 000)	-100.0%	
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
Other capital transfers/grants [DME]								-		
								-		
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[Operation and maintenance]								-		
								-		
<b>Other grant providers:</b>		680	-	-	-	-	-	-		-
INEG		680						-		
								-		

<b>Total Capital Transfers and Grants</b>	5	18 223	23 783	–	10 650	14 450	9 333	5 117	54.8%	–
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	64 412	78 593	–	10 950	49 417	29 176	18 101	62.0%	–

References

1. Each grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Grant expenditure must be separately listed for each grant received
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred
5. Total recurrent/capital grants and subsidies must reconcile to the 'Financial Performance' Statement

## Transfers and Grants Expenditure (July – Dec 2013)

LIM342 Mutale - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
–										
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		46 189	54 714	–	1 129	1 701	53 013	(51 312)	-96.8%	–
Local Government Equitable Share		42 889	51 174		–	–	51 174	(51 174)	-100.0%	
Finance Management		1 500	1 650		725	1 081	569	511	89.8%	
Municipal Systems Improvement		800	890		355	539	351	189	53.8%	
EPWP Incentive		1 000	1 000		49	81	919	(838)	-91.2%	
								–		
								–		
Other transfers and grants [insert description]								–		
<b>Provincial Government:</b>		–	–	–	–	–	–	–		–
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
								–		
[Operation and maintenance]								–		
<b>Other grant providers:</b>		–	96	–	–	–	96	(96)	-100.0%	–
			96		–	–	96	(96)	-100.0%	
LED								–		
<b>Total operating expenditure of Transfers and Grants:</b>		46 189	54 810	–	1 129	1 701	53 109	(51 408)	-96.8%	–

<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		17 543	23 783	–	15	3 750	20 033	(16 282)	-81.3%	–
Municipal Infrastructure Grant (MIG)		17 486 57	20 783		15	3 750	17 033	(13 282)	-78.0%	
								–		
								–		
								–		
Other capital transfers/Grants [DEAE]			3 000		–	–	3 000	(3 000)	-100.0%	
<b>Provincial Government:</b>		–	–	–	–	–	–	–		–
								–		
								–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
								–		
								–		
<b>Other grant providers:</b>		680	–	–	–	–	–	–		–
		680						–		
								–		
<b>Total capital expenditure of Transfers and Grants</b>		18 223	23 783	–	15	3 750	20 033	(16 282)	-81.3%	–
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		64 412	78 593	–	1 145	5 451	73 142	(67 690)	-92.5%	–

# Remuneration of Councilors expenditure (July – Dec 2013)

LIM342 Mutale - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
–	1	A	B	C						D
<b><u>Councillors (Political Office Bearers plus Other)</u></b>										
Basic Salaries and Wages		5 914	4 246		334	1 997	2 249	(253)	-11%	
Pension and UIF Contributions		684	694		58	289	405	(116)	-29%	
Medical Aid Contributions			–			–	–	–		
Motor Vehicle Allowance			1 543		129	770	773	(3)	0%	
Cellphone Allowance			352		29	176	176	–		
Housing Allowances			–		–	–	–	–		
Other benefits and allowances		33	50		–	31	19	12	59%	
<b>Sub Total - Councillors</b>		<b>6 631</b>	<b>6 886</b>	<b>–</b>	<b>549</b>	<b>3 263</b>	<b>3 623</b>	<b>(361)</b>	<b>-10%</b>	<b>–</b>
<b>% increase</b>	4		<b>3.8%</b>							
<b><u>Senior Managers of the Municipality</u></b>	3									
Basic Salaries and Wages		1 294	1 758		159	892	866	25	3%	
Pension and UIF Contributions		217	393		32	184	209	(25)	-12%	
Medical Aid Contributions		–	74		4	20	55	(35)	-64%	
Overtime		–	–			–	–	–		
Performance Bonus		63	–			–	–	–		
Motor Vehicle Allowance		620	653		70	393	260	132	51%	
Cellphone Allowance		44	58		5	25	32	(7)	-22%	
Housing Allowances		–	–		–	–	–	–		
Other benefits and allowances		194	35		–	–	35	(35)	-100%	
Payments in lieu of leave								–		
Long service awards								–		
Post-retirement benefit obligations	2							–		
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 431</b>	<b>2 972</b>	<b>–</b>	<b>270</b>	<b>1 514</b>	<b>1 458</b>	<b>56</b>	<b>4%</b>	<b>–</b>
<b>% increase</b>	4		<b>22.2%</b>							

<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages		18 114	21 102		1 439	8 765	12 337	(3 571)	-29%	
Pension and UIF Contributions		4 566	4 257		315	1 878	2 379	(501)	-21%	
Medical Aid Contributions			476		41	246	230	16	7%	
Overtime		359	382		25	148	235	(87)	-37%	
Performance Bonus		2 060	500		–	–	500	(500)	-100%	
Motor Vehicle Allowance		2 266	2 435		164	1 149	1 286	(138)	-11%	
Cellphone Allowance		160	160		10	65	94	(29)	-31%	
Housing Allowances		29	45		2	13	32	(19)	-58%	
Other benefits and allowances		709	406		210	817	(411)	1 228	-299%	
Payments in lieu of leave			75		–	91	(16)	106	-683%	
Long service awards		273	200		11	58	142	(84)	-59%	
Post-retirement benefit obligations	2		–			–	–	–		
<b>Sub Total - Other Municipal Staff</b>		<b>28 537</b>	<b>30 038</b>	<b>–</b>	<b>2 217</b>	<b>13 230</b>	<b>16 808</b>	<b>(3 577)</b>	<b>-21%</b>	<b>–</b>
<b>% increase</b>	4		<b>5.3%</b>							
<b>Total Parent Municipality</b>		<b>37 599</b>	<b>39 895</b>	<b>–</b>	<b>3 036</b>	<b>18 007</b>	<b>21 889</b>	<b>(3 882)</b>	<b>-18%</b>	<b>–</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b><u>Board Members of Entities</u></b>										
Basic Salaries and Wages								–		
Pension and UIF Contributions								–		
Medical Aid Contributions								–		
Overtime								–		
Performance Bonus								–		
Motor Vehicle Allowance								–		
Cellphone Allowance								–		
Housing Allowances								–		
Other benefits and allowances								–		
Board Fees								–		
Payments in lieu of leave								–		
Long service awards								–		
Post-retirement benefit obligations								–		
<b>Sub Total - Board Members of Entities</b>	2	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>% increase</b>	4									
<b><u>Senior Managers of Entities</u></b>										
Basic Salaries and Wages								–		
Pension and UIF Contributions								–		



Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations	2							-		
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-		-
<b>% increase</b>	4									
<b><u>Other Staff of Entities</u></b>										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-		-
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-		-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		37 599	39 895	-	3 036	18 007	21 889	(3 882)	-18%	-
<b>% increase</b>	4		6.1%							
<b>TOTAL MANAGERS AND STAFF</b>		30 968	33 009	-	2 487	14 744	18 266	(3 522)	-19%	-

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. If benefits in kind are provided (e.g. provision of living quarters) the full market value must be shown as the cost to the municipality
3. s57 of the Systems Act

## ***Capital Projects Expenditure (July – December 2012)***

<i>Project</i>	<i>Budget</i>	<i>Expenditure</i>	<i>Variance</i>
<i>Thengwe Streets Tarring</i>	<i>R14 500 000.00</i>	<i>R 2 032 085.00</i>	<i>R 12 467 915.00</i>
<i>Guyuni Tshianzwane road</i>	<i>R 1 350 000.00</i>	<i>R 0.00</i>	<i>R 1 350 000.00</i>
<i>Tshipise-Matatani road</i>	<i>R 2 533 000.00</i>	<i>R 0.00</i>	<i>R 2 533 000.00</i>
<i>Luheni- Thamba Road</i>	<i>R 1 200 000.00</i>	<i>R 0.00</i>	<i>R 1 200 000.00</i>
<i>Mulondodi Crossing</i>	<i>R 1 200 000.00</i>	<i>R 0.00</i>	<i>R 1 200 000.00</i>
<b><i>TOTAL</i></b>	<b><i>R 20 783 000.00</i></b>	<b><i>R 2 032 085.00</i></b>	<b><i>R 19 700 915. 00</i></b>

# Revenues and Expenditure (July – Dec 2013)

LIM342 Mutale - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b><u>Revenue By Source</u></b>										
Property rates		1 440	4 000		119	712	3 288	(2 575)	-78%	
Property rates - penalties & collection charges								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue		249	1 026		34	202	824	(622)	-75%	
Service charges - other								-		
Rental of facilities and equipment		55	119		8	37	82	(45)	-55%	
Interest earned - external investments		401	330		11	462	(132)	593	-451%	
Interest earned - outstanding debtors		575	1 217		13	553	664	(111)	-17%	
Dividends received								-		
Fines		538	290		8	75	215	(139)	-65%	
Licences and permits		2 107	3 565		207	903	2 662	(1 759)	-66%	
Agency services								-		
Transfers recognised - operational		46 869	54 810		-	32 344	22 466	9 878	44%	
Other revenue		1 199	3 398		380	1 895	1 503	392	26%	
Gains on disposal of PPE								-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>53 434</b>	<b>68 755</b>	<b>-</b>	<b>780</b>	<b>37 183</b>	<b>31 572</b>	<b>5 611</b>	<b>18%</b>	<b>-</b>
<b><u>Expenditure By Type</u></b>										
Employee related costs		28 537	33 009		1 528	7 349	25 661	(18 312)	-71%	
Remuneration of councillors		6 631	6 886		414	2 059	4 828	(2 769)	-57%	
Debt impairment		668	2 000		-	-	2 000	(2 000)	-100%	
Depreciation & asset impairment		2 127	975		-	-	975	(975)	-100%	
Finance charges		184	422		10	55	367	(312)	-85%	
Bulk purchases								-		
Other materials								-		
Contracted services		1 503	1 400		7	89	1 311	(1 221)	-93%	
Transfers and grants						-	-	-		

Other expenditure		10 622	19 423		7 598	24 069	(4 646)	28 716	-618%	
Loss on disposal of PPE		4 529			–	–	–	–		
<b>Total Expenditure</b>		<b>54 800</b>	<b>64 115</b>	<b>–</b>	<b>9 557</b>	<b>33 621</b>	<b>30 494</b>	<b>3 126</b>	<b>10%</b>	<b>–</b>
<b>Surplus/(Deficit)</b>		(1 367)	4 640	–	(8 777)	3 563	1 077	2 485	231%	–
Transfers recognised - capital		17 543	23 783		5 428	22 810	6 401	16 409	256%	
Contributions recognised - capital								–		
Contributed assets								–		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		16 176	28 423	–	(3 348)	26 373	7 479	18 894	253%	–
Taxation								–		
<b>Surplus/(Deficit) after taxation</b>		<b>16 176</b>	<b>28 423</b>	<b>–</b>	<b>(3 348)</b>	<b>26 373</b>	<b>7 479</b>	<b>18 894</b>	<b>253%</b>	<b>–</b>

References

## MID YEAR BUDGET AND ASSESSMENT REPORT: JULY - DECEMBER 2013 (SEC 72 OF MFMA)

### KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Priority Area	Strategic Objectives	Performance Indicators	Baseline	Annual performance target	Mid-Year Target (July–December 2013)	Actual	Variance	Challenges	Measures to improve performance
<b>POLICIES</b>	<b>To ensure compliance with HR Policies</b>	Number of policy reviewed and Approved by Council	14	14	-	-	-	None	None
<b>PMS</b>	To improve organisational performance by fostering accountability by 2013/14	Number of employees assessed on quarterly basis	123	127	127	0	127	No assessment tool	Development of assessment tool
		Number of annual report compiled and adopted	1	1	1	1	1	None	None
		Number of signed performance agreement by section 54 A and 56 managers	2	3	3	3	0	None	None
		Number of mid-year report compiled and	1	1	1	1	0	None	None

		adopted							
		Number of quarterly reports compiled	4	4	2	2	0	None	None
		Number of PMS policy reviewed and adopted	1	1	-	-	-	None	None
		Number of revised SDBIP compiled	1	1	-	-	-	None	None
		Number of individual performance plan signed by employees below section 54A and 56	123	127	-	-	-	None	None
<b>Employees Skills Development</b>	To ensure training of 60 employees by June 2014	Number of employees trained	123	60	30	14	16	Delay in the disbursement of mandatory grant by LGSETA	Utilization of discretionary grant to training more employees
<b>Organ gram</b>	To ensure the review of the organisational structure and the alignment with IDP and budget	Number of reviewed organisational structure for 2013/14	1	1	1	1	0	None	None

<b>Occupational Health and Safety</b>	To ensure compliance with occupational health and safety act and occupational injuries and diseases act	Number of Health and safety committee established	1	1	1	0	1	Delay in holding general staff meeting	Discuss the issue at LLF forum
<b>Employee Assistant programme</b>	To ensure the development of employee assistant programme	Number of employee awareness campaigns conducted	1	1	1	1	0	None	None
<b>Record management and security maintenance</b>	To ensure proper record management	Number of filing plan reviewed and approved	0	1	-	0	0	None	None
	To provide security to all municipal premises at all time	Number of security guards deployed	13	13	13	13	0	None	None
	To ensure municipal building are maintained at all times	Number of municipal building maintenance plan	0	1	-	1	0	None	None

<b>Monitoring and evaluation</b>	To monitor and evaluate implementation of 2013 /14 IDP and SDBIP	Number of project monitoring site visits is conducted	52	40	20	20	0	None	None
<b>Municipal legal services</b>	To ensure that municipality complies with terms and contracts	Number of service level agreements signed	4	10	6	7	0	None	None
<b>By-laws</b>	To ensure that relevant by-laws are developed and enforced	Number of by-laws promulgated	2	4	-	0	0	None	None
<b>Labour relations</b>	To ensure good relationship between the employer and the employee	Number of labour relation workshops conducted	0	2	1	0	1	Oversight	Prioritization
		Number of local labour forum meetings held	10	10	5	4	1	Postponement of meetings	Commitment from both parties



**KPA 2: SERVICE DELIVERY**

Priority Area	Strategic Objective	Performance Indicator	Baseline	Annual Target	Mid-Year target (July-December 2013)	Actual	Variance	Challenges	Measures to improve performance
<b>Vehicle Registration and Licenses</b>	To ensure proper registration and licensing as per Road Traffic Act at all time by 2014	% of vehicles registered	100%	100%	100%	100%	0	None	None
		% of vehicles licensed	100%	100%	100%	100%	0	None	None
<b>Accident Response</b>	To respond to all accidents reported	% of reported accident responded to	100%	100%	100%	100%	0	None	None
<b>Vehicle road worthy testing</b>	To ensure compliance with SANS when testing vehicle for road worthy by 2014	% of vehicles tested for road worthy	100%	100%	100%	100%	0	None	None
<b>Learners and Drivers License</b>	To ensure compliance with relevant legislation when testing drivers license by June 2014	% of learners application tested	100%	100%	100%	100%	0	None	None
		% of drivers license applicants tested at 30 June 2014	100%	100%	100%	100%	0	None	None
<b>Road Safety</b>	To ensure roads safety at all times	Number of roadblocks conducted	34	40	20	32	0	None	None

		Number of speed prosecution conducted	108	100	50	76	0	None	None
<b>Disaster Management</b>	To ensure prompt respond to all reported disaster incidents	% of disaster relief assessment supplied	100%	100%	100%	100%	0	None	None
	To ensure proper disaster risk assessment	Number of disaster risk assessment conducted	4	4	2	0	2	Interruption disaster risk assessment programme due to the occurrence of disaster	Review of the programme and replanning
	To ensure proper disaster risk reduction	Number of disaster awareness campaign conducted	4	4	2	2	0	None	None
		Number of wards disaster management committees trained	8	13	13	2	11	Lack of cooperation by some councilors	Political intervention
<b>Sports</b>	To ensure proper coordination of municipal sports Arts and culture	Number of Sports events hosted	0	4	2	4	0	None	None
<b>Roads &amp; Storm Water</b>	To ensure that Roads are up graded, maintained and in good conditions at all times	Number of streets km bladed	0	156km	117km	13.6 km	103.4 km	Attending to Disaster projects	Resume blading programme after Disaster projects
		Number of Km of Tarred Road	0	4.0 km	-	-	-	None	None

		Number of Km road gravelled	0	2.7 km	-	-	-	None	None
		Number of Km road gravelled	2.5km	2.5 km	-	-	-	None	None
		Number of Km road gravelled	0	2.5 km	-	-	-	None	None
		Number of structures constructed	0	1	-	-	-	None	None
<b>WASTE MANAGEMENT SERVICES</b>	To ensure proper environmental waste management at all time	Number of household served with waste removal once a week	3265 Households are receiving waste service by 2012/13	750	250	250	250	Insufficient resources and break down of truck	Capacitating the unit through EPWP program
<b>Geographical Information System</b>	To ensure alignment of GIS and Land Use Management	Number of aligned GIS and Land Use Management	2 Land Use Policies adopted by council	1	-	-	-	None	None

<b>Spatial Development Framework</b>	To ensure proper integration in rural , urban development and land use control in order to promote integrated spatial development by 2020	Number of SDF reviewed	1	1	-	-	-	None	None
		Number of informal settlement formalization facilitated	1	1	-	-	-	None	None

### KPA 3: LOCAL ECONOMIC DEVELOPMENT

Priority Area	Objective	Performance Indicator	Baseline	Annual Target	Mid-Year Target (July-December 2013)	Actual	Variance	Challenges	Measures to improve performance
Local Economic Planning (cooperatives)	To grow municipal economy and halving the proportion of people who suffer from hunger, unemployment and poverty by 2015	Number of cooperatives capacitated	3	4	2	2	0	None	None
		Number of SMME capacitated	1	3	2	1	1	Lack funding	Engage with stakeholders for funding mechanism
		Number of cooperatives forum established	1	1	1	1	0	None	None
		Number of SMME forum established	1	1	1	0	1	Lack funding	Engage with stakeholders for funding mechanism
		Number of SMME workshop conducted	1	4	2	2	0	None	None
		Number of Tourism summit conducted	-	1	-	-	-	None	None
		Number of tourism centre marketed	6	6	5	5	0	None	None
		Number of shopping centre established	-	3	1	1	0	None	None
		Number of Tourism awareness conducted	1	3	1	1	0	None	None
		Number of marketing shows conducted	2	6	2	6	0	None	None

**KPA 4. FINANCIAL VIABILITY**

Priority Area	Objectives	Performance Indicator	Baseline	Annual Target	Mid-Year Target (July-December 2013)	Actual	Variance	Challenges	Measures to improve performance
<b>Revenue Management</b>	To increase revenue collection by 10%	% increase of collection rate	Own revenue sources 6 050 603 (audited 2011/12 financial year)	6 655 663	3 327 832	R3,871,976	0	None	None
		% reduction of consumer debtor's balance	R2 306 846	730,677	365 338	R250,001	R115,339	Non payment of rates and services	- Implementation of credit control policy. -Provincial debt forum
		Number of municipal services campaigns conducted	13	28	14	0	0	None	None
		Number of budget related policies reviewed	13	13	-	-	-	None	None

<b>Expenditure management</b>	To ensure that expenditure is in accordance with approved budget	Number of creditor's reconciliations prepared	12	12	6	6	0	None	None
		% of payments made within 30 days	50%	100%	100%	40%	60%	Cash flow challenges	-Increase revenue collection to boost Spending  -Review Financial Austerity measures
<b>Supply Chain Management</b>	To ensure 100% compliance with supply chain policies and regulations	Number of tenders advertisement place in the website and notice board for 7 days	100%	100%	100%	70%	30%	-Lack of procurement activity plan  - Emergency procurement.  -Non adherence to supply chain management procedure manual.	-Enforcement of SCM controls.
		% of data base rotational conducted	100%	100%	100%	100%	0	None	None

		Number of updated contract register conducted	0	1	1	0	0	Lack of dedicated personnel to administer contract	Appointment of contract personnel to management contracts
		% of bids evaluated, adjudicated, awarded and contract signed within 90 days	100%	100%	100%	30%	70%	<ul style="list-style-type: none"> <li>The following Tender has not been finalized</li> </ul> <ol style="list-style-type: none"> <li>Lease photocopier</li> <li>Masisi Streets Paving phase 2</li> <li>As and when required contracts(engineers)</li> <li>Short term Insurance</li> </ol>	Re-advertise tender for lease photocopier



<b>Asset Management</b>	To ensure 100% compliance with GRAP standards and treasury regulations	Number of asset register updated	1	1	-	-	-	None	None
		Number of assets verification conducted	2	2	-	-	-	None	None
		Number of fleet management reports compiled	12	12	6	6	0	None	None
		% of fixed municipal assets insured	100%	100%	100%	100%	0	None	None
<b>Audit Report</b>	To ensure the municipality obtain clean Audit by 2014	100% Implementation of action plan based on final management letter and audit report to resolve issues raised by AG	100%	100%	100%	0	100%	Action Plan not finalized as there was a delay in finalizing the Audit report	Action Plan to be finalized by 31 January 2014
	Ensure full compliance and effective internal control over municipal financial management and reporting	Number of monthly key control accounts	12	12	6	0	6	Delay in updating cashbook in the financial system	Improve turnaround time of capturing transactions in the cash book.

**KPA 5: GOOD GOVERNANCE**

Priority Area	Objectives	Performance Indicators	Baseline	Annual Target	Mid-Year Target (July-December 2013)	Actual	Variance	Challenges	Measures to improve performance
	To develop credible IDP and ensure maximum community participation	Number of credible IDP developed	1	1	-	-	-	None	None
		Number of steering committee meetings held	9	9	5	03	2	None adherence to corporate calendar	Alignment of corporate calendar with the district and provincial action plan
		Number of IDP budget rep forums held	4	4	2	2	0	None	None
		Number of public consultation meetings held	13	13	-	-	-	None	None
		Number of IDP process plan developed	1	1	1	1	0	None	None

<b>Communication and public participation</b>	To ensure maximum participation by traditional council , community and all stakeholders in all municipal activities	Number of quarterly pre Imbizo research conducted	4	4	2	2	0	None	None
		Number of Communication Strategy reviewed	1	1	-	-	-	None	None
		Number of internal newsletter published	3	4	2	0	2	None	None
		Number of State municipal Address by the Mayor	1	1	-	-	-	None	None
		Number of Local communicators forum held	4	4	2	1	1	None	None
<b>Internal Audit</b>	To assist management ensuring internal controls are adequate and effective all times	Number of adopted internal audit charter reviewed	1	1	1	1	0	None	None
		Number of adopted audit committee charter reviewed	1	1	1	1	0	None	None
		Number of internal audit report compiled	4	4	2	3	0	None	None
		Number of Adopted internal Audit plan reviewed	1	1	1	1	0	None	None

<b>Risk Management</b>	To ensure an effective and efficient risk management processes	Number of Risk assessment	2	2	2	2	0	None	None
		Number of risk management policy reviewed	1	1	1	1	0	None	None
		Number of risk management implementation plan	1	1	1	1	0	None	None
<b>Audit Committee</b>	To play an oversight role with regard to governance , risk management and internal controls	Number of meetings held	4	4	2	2	0	None	None
		Number of reports compiled	4	4	2	1	1	During November meeting we did not have an opportunity to discuss internal audit reports even though it was prepared	Report to be discussed during the next audit committee meeting
<b>Anti -Fraud and Corruption</b>	To ensure compliance with Anti fraud and corruption strategy	Number of anti fraud and corruption campaigns conducted	0	2	1	0	1	Contract has expired for KPMG, new consultant awaiting for appointment so that we can have new hotline number.	Liaise wit the district

<b>Special programmes</b>	To ensure maximum empowerment of disadvantage focus in order to have social and economic equality by 2013/14	Number of cleaning campaign conducted	1	1	1	2	0	None	None
		Number of fun day held	1	1	-	-	-	None	None
		Number of ward visits conducted	13	13	13	0	13	Lack of human resource	Need for a learner
		Number of Mutale old day held	1	1	1	1	0	None	None
		Number of golden games held	1	1	-	-	-	None	None
		Number of special tour to Zimbabwe held	1	1	-	-	-	None	None
		Number of Re-launch Mutale Moral Regeneration Movement held	13	13	13	0	13	Lack of human resource	Need for a staff
		Number of MRM awareness campaigns conducted	2	2	1	1	0	None	None