



2012/2013

**XHARIEP DISTRICT MUNICIPALITY: MID-YEAR  
BUDGET AND PERFORMANCE ASSESSMENT  
REPORT FOR THE PERIOD ENDING 31 DECEMBER  
2012**

Xhariep District Municipality  
2012/2013

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# **Xhariep District Municipality**

**Mid- year Budget and Performance report for the period ending**

**31 December 2012**

**To: The Executive Mayor**

In accordance with section 72 of the Local Government: Municipal Finance Management Act 2003 (the “MFMA”), I submit the required statement assessing the performance of Xhariep District Municipality during the first half of the 2012/2013 financial year.

Section 54 of the MFMA requires the Executive Committee to take certain actions on receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan (the “SDBIP”). The information contained in this report has been reviewed and it is evident that adjustments to the capital and operating budgets will be necessary. When an adjustment budget is adopted, the SDBIP will need to be reviewed and adjusted.

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**TL Mkhwane**  
**Municipal Manager**  
**19 January 2013**

## 1. Introduction

In terms of section 72(1), (2) and (3) of the MFMA, the mid-year budget and performance assessment report for the period ended 31 December 2011 is submitted for your consideration.

In terms of the section 54 (1), (2) and (3) of the MFMA the following applies: -

1. "On receipt of a statement or report submitted by the accounting officer of the Municipality in terms of section 71 or 72, the mayor must –

a) consider the statement or report;

b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

d) issue any appropriate instructions to the accounting offices to ensure –

I. that the budget is implemented in accordance with the service delivery and budget implementation plan; and

II. that spending of funds and revenue collection proceed in accordance with the budget;

e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

f) in the case of a section 72 report, submit the report to the council by 31 January of each year.

The report approaches the review in the following order: -

Overview of Financial Performance (Schedule C)

Service Delivery Performance

Progress on resolving problems identified in the annual report of the past year

Reasons for adjusting the annual budget for 2012/2013

### 3. SERVICE DELIVERY PERFORMANCE

#### Council

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
Council meetings	No. of meetings held	4	2	2	Target achieved
Mayoral Committee meetings	No. of meetings held	6	3	3	-
Section 80 committees	No. of meetings held	6	3	3	-
Agendas to Council and committees	Issue agenda in time	Within 48 hours before the sitting of meetings	Issued within 48 hours	Issued within 48 hours	-
Good Governance	% of council resolutions executed by management	100% implementation (before the next ordinary council meeting)	100%	100%	-
	Budget process plan tabled in Council	31 –Aug-2012	31 –Aug- 2012	31- Aug -2012	-
Performance Management	Review of performance management system and monitoring of compliance (MSA Sec 39)	31-Jul-2012	31-Jul-2012	29- June- 2012	-

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
	Report to the Council on performance reviews/assessment of top management	31/10/2012 31/01/2013 30/04/2013 31/07/2013	31/10/2012 31/01/2013	31/10/2012 0	Formal assessment Will be conducted on or before the 31 Jan 2013.
Financial Viability	Mayor`s report on the implementation of the budget and the financial state of the affairs of the municipality to Council (MFMA Sec 52(d))	31/10/2012 31/01/2013 30/04/2013 31/07/2013	31/10/2012 -	31-Aug- 2012 8 -Nov -2012	-
Public Participation	IDP	4	0	0	Public participation on the IDP will be done in the third quarter.
Approval of the first Draft of the IDP by Council	IDP	1	0	0	The IDP is tabled before the Council for approval in the fourth quarter.
Approval of the reviewed budget	Approved budget	1	0	0	The budget is submitted to Council for approval in the fourth quarter.
Mid-year budget and performance report tabled in Council	Mid-year budget and performance report	31-Jan -2013	0	0	Will be presented before Council on the 24 <sup>th</sup> January

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
					2013.
Draft Annual report for submitted to AGSA	Draft Annual report	1	1	1	-
Good Governance	Annual report for 2011/2012 tabled in Council (MFMA 127(2))	31-Jan-2013	-	0	Will be tabled before Council on the 24 <sup>th</sup> January 2013.
	Annual and Oversight report on the annual report adopted by Council	31 Mar-2013	-	0	Will be tabled for Council for Consideration on the on the 27 <sup>st</sup> March 2013.
Approval of the SDBIP	SDBIP	Within 28 days after approval of the Budget	Within 28 day after the budget was approved by Council,	Within 28 day after the budget was approved by Council,	-
Good Governance	Annual performance agreements for 2012/2013 entered into with the Municipal Manager	31- Jul -2012	31- Jul -2012	25- Jul -2012	-
Mayor`s social responsibility	Paying Registration fees for prospective (tertiary students)	20 students	-	8	-
Special programs	Mandela day	1	18- Jun- 2012	18 –Jun-2012	-
	OR Tambo games	1	20- Oct- 2012	20-Oct -2012	-

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
	Woman, Children and Disability Summit	1	-	-	-
	District Aids Council meetings	4	2	1	The post of the Special and Gender Officer is vacant.
	Awareness Campaigns	2	-	-	The post of the Special and Gender Officer is vacant.
Outreach programs	Freedom Day	1	-	-	Freedom Day is 27 April 2013
	Youth month	1	-	-	Youth Month is 16 June 2013
	Women's Day	1	1	1	-
	Heritage month	1	1	0	The post of the Special and Gender Officer is vacant.
	Moral Regeneration	1	1	1	-
IGR Forum	No. of meetings	4 political	2	1	IGR Officer is on suspension
		4 Technical	2	1	IGR Officer is on suspension



## 2. Organisational Score card

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
Basic Services	The percentage of households with access to basic level of water				
	The percentage of households with access to basic level of sanitation				
	The percentage of households with access to basic level of electricity				
	The percentage of households with access to basic level of solid waste removal				
	The percentage of households earning less than R1100 per month with access to free basic services				
Financial Viability	The percentage of the capital budget actually spent on capital projects identified in the Integrated Development Plan	100%	50%	89.5%	-

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
Good Governance	No of public hearings held during the formulation of the IDP for 2012-2017	4	2	0	Public participation on the IDP will be done in the third quarter
	No of public hearings and consultation sessions held during review of the KPI's and performance targets for 2013/2014	4	2	0	These activity runs concurrently with the IDP processes.
	No of public hearings and consultation sessions held during preparation of the budget for 2013/2014	4	2	0	The budget is submitted to Council for approval in the fourth quarter.
Local Economic Development	The number of jobs created through the municipality's local economic development initiatives including capital projects				
Financial Viability	Debt coverage ratio	>1	>1	>1	>1
	Outstanding service debtors to revenue ratio				
	Cost coverage ratio	>1	>1	>1	>1
	Liquidity ratio	>1	>1	>1	>1

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
	Solvency ratio	>1	>1	>1	>1
Good Governance	No of audit queries received regarding irregular, unauthorised and fruitless and wasteful expenditure	0%	0%	0%	-
Financial Viability	% variance from approved budget allocation per vote	10%	10%	10%	-
Operation clean Audit 2014	Unqualified audit opinion without findings	All Departments	-	-	-
Municipal Transformation and Institutional Development	The number of people from employment equity target groups employed in the three highest levels of management	35,29%	35,29%	35,29%	-
	The percentage of a Municipality's budget actually spent on implementing its workplace skills plan	1%	-	-	-

### 3. Corporate Services

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
Contract Management	Monitor projects undertaken by the department by setting performance indicators for each projects (PPMR Sec 9(2)(b))	4	2	3	-
Good Governance	No of reports submitted to MM regarding the execution of council and management decisions	4	2	1	-
Upload and update municipal website regularly and comply with s 21B of the Systems Act and s 75 of the MFMA	Fully website at all times	1	1	1	-
Development of Intranet Policy	Intranet policy	1	1	1	-
Development of IT master plan	ICT Master plan	1	1	0	In a process of developing an MSP

Employment Equity	% of female employees in the municipality	50.59%	50.59%	50.59%	-
	% of differently abled employees in the municipality	0.8%	0.8%	0.8%	-
Skills Development Plan	No of employees attending skills development interventions	84	42	50	-
Good Governance	% of council resolutions implemented that were referred to the HOD for execution	100%	100%	100%	
Municipal Transformation and Institutional Development	% of appointments made within 3 months after being vacant	100%	100%	0	There were no vacancies during this period.
Performance Management	No of performance reports submitted to the MM (MSA Sec 38 and 39)	4	2	2	-
Skills Development	Submission of employment equity report (EEA Sec 21)	30-Sep-2012	30-Sep-2012	0	Will be submitted electronically on or before the 31 <sup>st</sup> January 2013.
	Percentage of skills development levy claimed back from skills development fund (SDL Act & Reg)	1%	-	49%	-
	Skills Development Plan (WSP)	30/04/2013	-	-	-

	reviewed (SDA97 OF 1998)				
	Annual training report (SDA 97 OF 1998)	30/06/2013	-	-	-
Good Governance	No queries received from IA or AG regarding incompleteness of employee records	0	0	55	Leave forms were not signed but the situation was rectified. Employees who had more than 48 days did not commute their leave days but the situation has been corrected.
Occupational Health and Safety	No of health and safety inspections carried out in terms of the Occupational Health and Safety Act 55 Of 1995	2	1	0	Will request the Department of Labour to come and provide training to officials dealing with Occupational Health and Safety matters.
	Compliance with all aspects regarding work related injuries as required by the Occupational Health and Safety Act 55 Of 1995	100%	100%	100%	-
Labour Relations	No of LLF meetings	12	6	4	Some meetings were postponed.

Performance Management	No of performance appraisals conducted to employees in the department	2	1	0	Supervisors would be trained on how to conduct performance appraisals as they are not equipped on conducting performance appraisals.
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#### 4. Financial Services

Indicator/vote	Unit of measurement	Annual target	Midyear Target	Actual Performance	Explanation of Variance
Good Governance	No of reports submitted to MM regarding the execution of council and management decisions	4	2	2	-
Financial Viability	Monthly budget statements submitted to the MM [MFMA, s 71]	12	6	6	-

Indicator/vote	Unit of measurement	Annual target	Midyear Target	Actual Performance	Explanation of Variance
	Compilation of annual financial statements for 2010/2011	31-Aug-2012	31-Aug-2012	31-Aug-2012	-
	Realistic and comprehensive draft financial plan prepared and incorporated in the IDP for 2013/2014	28/02/2013	-	-	Target date is 28/02/2013
	R value of rent collected from Kopanong LM	R363 000	R181 500	R126 789.04	Regular follow ups are done and tax invoices and statements are sent to Kopanong Local Municipality to remind them to make payments.
	% variation from cash flow management model	0%	0%	0%	-
SDBIP reporting to council and MM	Section 52(d) reports(MFMA)	4	2	1	Due date for the second quarter is month end of January.



Indicator/vote	Unit of measurement	Annual target	Midyear Target	Actual Performance	Explanation of Variance
Supply Chain Management	No of queries received from the IA and AG regarding non-compliance with the supply chain management policy	0	0	-	-
Good Governance	% of council resolutions implemented that were referred to the HOD for execution	100%	100%	100%	-
	%Management of external audit queries by ensuring that all queries are answered within 14 days	100%	-	-	-
	% reduction in audit queries received from previous years	20%	20%	-	
Municipal Transformation and Institutional development	% of appointments made within 3 months after advertisement	100%	50%	-	No advertisements made on the quarter under review.
Performance Management	No of performance reports submitted to the MM	4	2	2	-
Financial Viability	Months without unauthorised spending by accounting officer as	12			

Indicator/vote	Unit of measurement	Annual target	Midyear Target	Actual Performance	Explanation of Variance
	indicated in MFMA 32(1)(b)		6	6	-
Performance management	No of performance appraisals conducted in the department	2	1	0	The performance appraisals will be submitted before 31 <sup>st</sup> January 2012.
Contract Management	Monitor projects undertaken by the municipality by setting performance indicators for each projects (PPMR Sec 9(2)(b))	4 Project Performance Reports	2	2	-
Financial Viability	% of total conditional grants spent in compliance with set conditions	90%	-	-	-
Policies, procedures and processes be developed and adhered to	Reviewed policies	30/06/2013	-	-	-
Financial Viability	% of total conditional grants spent	100%	-	89.98%	
Development of Asset	GRAP compliant asset register	1			

Indicator/vote	Unit of measurement	Annual target	Midyear Target	Actual Performance	Explanation of Variance
Register			1	1	-
Cash flow Management	Monthly income and expenditure reports	Monthly	6	6	-
Compilation of Annual Financial Statement	GRAP compliant Annual Financial Statements	31 - Aug - 2012	31 - Aug - 2012	31 - Aug - 2012	-
Monitoring and implementation of the AG's action plan	Updated action plan	Continuous	-	-	-

## 5. Municipal Manager

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
Contract Management	Appropriate performance indicators and performance targets are set for supplier	Reports on performance of	1	1	-

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
	performance for each contract awarded through the supply chain management system	Projects			
Good Governance	No of reports submitted to Council regarding the execution of council decisions	4	2	1	Council set on the 08/11/2012. The execution list of this meeting will be tabled before Council on the 24/01/2013.
Performance Management	Annual performance agreements for 2012/2013 entered into with each of the managers who are directly accountable to the municipal manager	31- Jul-2012	31- Jul-2012	25 July 2012	-
Internal Auditing	Internal audit reports on the functionality of the PMS, compliance of the PMS with relevant legislation and the reliability of performance measurements submitted to the audit committee/performance audit committee [MPPMR, r 14(1)(c)]	31/10/2012 31/01/2013 30/04/2013 31/07/2013	31/10/2012	0	Reports are in progress and will be tabled in the sitting of the next audit Committee meeting.

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
	Availability and Implementation of risk based Internal Audit plan.	1	1	1	-
	Availability of quarterly audit reports (internal controls, financial and compliance)	4	2	1	Reports are in progress.
	Follow-up on AG recommendations	1	0	-	An action plan has been compiled addressing matters raised by the AG. Follow up of these matters will be monitored and reported on by the Internal Audit unit.
Risk assessment	Review Risk Management Strategy, Policy and Framework	1	1	1	-
	Risk register	1	1	1	-
	Risk Management Reports	4	2	1	Report is in progress
	Approved Fraud Prevention Plan	1	1	1	-
	Audit/performance audit committee's audit reports submitted to the Council	31/01/2013 31/07/2013	-	-	-

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
	[MPPMR, r. 14(4)(a)]				
	AFS for 2011/2012 submitted to the audit committee for review [MFMA, s 166(2)(b)]	31/08/2012	31/08/2012	31/08/2012	-
	No of audit committee meetings held	4	2	2	-
Performance Management	Corporate performance report for 2011/2012 submitted to the Auditor-General	31-Aug-2012	31-Aug-2012	31-Aug-2012	-
	Mid-year budget and performance report for the period 01/07/2012 to 31/12/2012 submitted to the executive mayor	25-Jan-2013	-	-	Target date is 25 January 2013
	Annual report 2011/2012 submitted to the executive mayor	15-Jan-2013	-	-	Target date is 15-Jan-2013
	PMS reports	4	2	2	-
	Quarterly feedback reports regarding implementation of the IDP and PMS (PPMR Sec 15)	4	2	1	Report is in progress.
	Months without unauthorised expenditure as indicated in MFMA	12	6	6	-

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Actual Performance	Explanation of Variance
	32(1)(b)				
	% of council resolutions implemented that were referred to the HOD	100%	100%	100%	-
	% of appointments made within 3 months after being vacant	100%	100%	0%	-
Implement Communication Strategy	Communication Strategy	31- Aug -2012	31- Aug -2012	0	Communications Officer`s position is vacant.

## 6. Planning and Social Development

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Act Performance	Explanation of Variance
Contract Management	Monitor projects undertaken by the municipality by setting performance indicators for each projects (PPMR Sec 9(2)(b))	4 Project Performance report	2	4	-
Environmental Health	No of environmental support meetings attended with local municipalities	8	4	7	-
	Number of air quality related	2	-	-	

Indicator/vote	Unit of measurement	Annual target	Act Performance		Explanation of Variance
			Mid Year Target		
	complaints received				
	Number of incidents of illegal dumping	0	0	5	Local Municipalities don't remove refuse residential areas on time
	No of persons attending health education programmes/projects	800	400	341	One EHP resigned and one was on maternity leave hence there is no achievement, EHP to be employed
Disaster Management	Disaster management plan reviewed	30/06/2013	-	-	-
	No of municipal disaster management advisory forum meetings held (section 51 of the Disaster Management Act 2002)	4	2	3	-
	No of disaster management progress reports submitted to management/Council	8	4	6	-
	No of Disaster Management awareness sessions held in the District	4	2	1	The arrangement was made with Letsemeng Local Municipality for Awareness Campaigns on the 07.12.2012, and it is postponed until Jan. 2013
Water Quality Monitoring	Blue drop compliant water quality achieved by June 2013	30/06/2013	-	-	
	No of water awareness campaigns conducted	4	2	3	
	No of quarterly water quality reports submitted to Council	4	2	2	
Basic Services	No of monthly sanitation quality reports submitted to Management	4	2	6	
	No of quarterly sanitation quality reports submitted to Council	4	2	3	
	No of District Energy Forum	4	2	2	



Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Act Performance	
				Act Performance	Explanation of Variance
	Meetings held by 30 June 2013				
	No of DEF <sup>1</sup> reports submitted to Management	4	2	2	
	No of quarterly DEF quality reports submitted to Council	4	2	1	DOE suspended all forums until further notice
Environmental Health Management	No of land fill sites licensed by 30 June 2013	3 by 30 –Jun -2013	-	-	-
Local Economic Development	No of District LED forums held by 30 June 2013	4	2	2	-
	No. Of LED implementation reports submitted to Management	8	4	8	-
Good Governance	% of Council resolutions implemented that was referred to the HOD for execution	100%	100%	99%	There is only 1 matter referred to the HOD that was not executed because the person whom the municipality was in contact with resigned.
Performance Management	No of performance appraisals conducted in the Department	2	1	0	These appraisals are scheduled for 31 January 2013.
Spatial Development	Annual review of the SDF	30/06/2013	-	-	-
	Compilation of XDM spatial map	30/06/2013	-	-	-
Performance Management	No of performance reports submitted to the MM	4	2	2	-
Sample results taken: micro-biological, chemical and physical aesthetic determinants	No. of Samples taken	48 Naledi	24	17	One EHP resigned and one was on maternity leave hence there is no achievement, EHP to be employed
		152 Kopanong	76	83	-
		48 Mohokare	24	41	-
		72 Letsemeng	36	24	One EHP resigned and one was on maternity leave hence there is no

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Act Performance	
					Explanation of Variance
					achievement, EHP to be employed
Campaigns in local municipality on water usage	No. of awareness campaign	10 campaigns	4	3	One EHP resigned and one was on maternity leave hence there is no achievement, EHP to be employed
To monitor and control acceptable food quality and safety	No of Site inspections Compliance and Notices	200	104	65	One EHP resigned and one was on maternity leave hence there is no achievement, EHP to be employed
Reduced illegal dumping and littering by 50%	No of audits	100%	100%	50%	Other outstanding Audits will be performed before the end of the financial year.
	Public participation campaigns	10 towns	10 towns	2 towns	One EHP resigned and one was on maternity leave hence there is no achievement, EHP to be employed
	By-laws	1	1	1	-
	No of Inspections	10 towns	6 towns	2 towns	One EHP resigned and one was on maternity leave hence there is no achievement, EHP to be employed
Funeral parlours to comply with R237 of 8 February 1985	No of site inspections	80% current base	100%	40%	Site Inspection are carried out in the District, Naledi Letsemeng outstanding
Awareness programs for community	No of campaigns	5	3	2	One EHP resigned and one was on maternity leave hence there is no achievement, EHP to be employed
Educational programs for	No of educational programs	20	10	0	One EHP resigned and one was on

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Act Performance	
					Explanation of Variance
schools					maternity leave hence there is no achievement, EHP to be employed
No of marketing brochure produced	Marketing brochure	120	-	-	-
Promotion & marketing of XDM	XDM exhibition stalls at MACUFE & Tourism Indaba	2 exhibitions	1	1	-
Animal/plant production training for SMME's	Training for 30 people	1	-	-	-
SMME's on marketing	25 B&B/ guesthouse training	1	-	-	-
Tourisms campaigns	Awareness campaigns	4	2	2	-
Support Co-ops	Irrigation system in Reddersburg.	1	-	-	-
	Upgrading piggery stalls in Dewetsdorp	1	-	-	-
	Registration of co-ops for waste recycling	1	1	0	One EHP resigned and one was on maternity leave hence there is no achievement, EHP to be employed
	Arts and craft centre in Trompsburg: Purchase of material	870 000	435 000	770 695	The current budget also catered for previous year procurement that was outstanding on the same project.

Indicator/vote	Unit of measurement	Annual target	Mid Year Target	Act Performance	
				Act Performance	Explanation of Variance
	Stipends for 30 people	R388 800	R194 400	0	The project has not yet been initiated.
Greening & cleaning of towns	Appointment of people (labour intensive)	100 people	30 people	50 people	-
	Planting of trees	250 trees	75	100	-
Updating SMME's supplier database in the district	Updated supplier database	1	1	0	Final document has been drafted.
	Procurement of goods and services from local suppliers	40%	40%	40%	-