

Section 52 (d) Report First Quarter End at 30 September 2018

Background

The purpose of this report is firstly to comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report to the Council on the implementation of the budget. The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Council on the non-financial indicators which is part of the service delivery and budget implementation plan.

The reports strategic objective is to ensure good governance, provide a monitor tool for financial viability as well as to provide Council with the necessary information to make informed decisions. Section 52 (d) of the MFMA requires that:

The mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

Recommendation

That Cooperative service Committee approves the section 52 (d) report quarter ending 30 September 2018 and be table to Full Council Meeting to be condone.

Recommended Resolution

1. The Cooperative service committee acting in terms of section 52 (d) report of Municipal Financial Management Act, (Act 56 of 2003) approves and adopts:

1.1 The draft resolution tabled to Council by the Mayor for consideration regarding the Section 52 report is:

1.2 That Council takes cognisance of the Provisional Finance Management Report (MFMA Section 52 report) for the quarter ending 30 September 2018 on the implementation of the budget and the financial state of affairs of the municipality.

1.3 That quarterly reports tabled in the council in terms of section 52(52) council must therefore take note that this report will be published in official website of the Municipality.

Proposed: Councillor C. Jantjies

and Seconded: Councillor P. Jantjies

Attached please find the final Section 52(d) Quarterly Report ended 30 September 2018.

Ubuntu Municipality



*menswaardigheid • hoop • erfenis
ubuntu • ithemba • izithethe
humanity • hope • heritage*

MFMA SECTION 52D QUATERLY REPORT ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL AFFAIRS FOR THE PERIOD 1 JULY – 30 SEPTEMBER 2018

2018/2019

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Mayor's Report

Introduction

The purpose of this report is to comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submitting this report on the implementation of the budget to Council.

The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Council on the non-financial indicators which are part of the service delivery and budget implementation plan.

The reports objective in the main is to ensure good governance, provide a monitor tool for financial viability and provide Council with the necessary information to make informed decisions.

Section 52 (d) of the MFMA requires that:

“the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality.”

Section 75 (1) (k) of the MFMA requires that one should place *“all quarterly reports tabled in the council in terms of section 52 (d).”* of the municipality on the website:

Council must therefore note that this report will be published on the official website of the Municipality.

Schedule C (In-Year Reports of Municipalities) of the Municipal Budget and Reporting Regulations, relating to the Mayor's report states that the mayor's report accompanying an in-year report must provide-

(a) *A summary of whether the municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;”*

(b) *“A summary of any financial problems or risks facing the municipality or any such entity; and”*

(c) *“Any other information considered relevant by the mayor.”*

With reference to above mentioned requisites your attention is drawn to section 3 – executive summary for the measurement of financial, section 3.1 - non-financial information and section 3.2 on key performance indicators.

I hereby further certify that I am not aware of any additional impending financial problems or risks facing the municipality other than those known and disclosed by management in the approved Financial Recovery Plan adopted on the 27 March 2018.

I further declare that there are no other information considered to be relevant.

RECOMMENDATION

That Council takes cognisance of the Provisional Finance Management Report (MFMA Section 52 report) for the quarter ending 30 September 2018 on the implementation of the budget and the financial state of affairs of the municipality.

Executive summary

The quarterly report, according to the MFMA section 52 report is a monitoring tool for the approved service delivery and budget implementation plan, which can be divide into two parts namely, the Financial and non-financial key performance indicators

The approved annual budget for 2018/2019 amounts to R 109, 4 million and R 184, 5 million for revenue and expenditure respectively.

Ubuntu Municipality's revenue raising potential has slightly increase from R98,5 million when comparing the actual performance in the previous financial year 2017/2018 to the R109,4 million anticipated to be generated in 2018/2019. Increases can mainly be attributed in increases such as services charges and other own revenue streams.

Revenue raised during the first quarter that ended on the 30th September 2018 amounts to R17, 1 million and represents 15.66% of the annual revenue budget of R109, 4 million. Revenue raised for this quarter is significantly below the year-to-date anticipated revenue target of R27.4 million by R10, 2 million or 37.34%.

Revenue streams that contributed significantly to the quarter's performance are property rates and investment revenue that amounted to R 9, 2 million of the R1.4 million and R118, 3 thousand of the R86, 7 thousand planned quarterly targets, respectively.

Transfer recognized and other own revenue that amounted to R31, 2 thousand and R1, 4 million for the quarter performed significantly below the anticipated targets by R9, 4 million or 99.67% and R8, 5 million or 85.61%, respectively. The underperformance under transfers recognized can be ascribed to an error that occurred with the recognition of grants receipts which resulted in a understatement by R31, 2 million.

Overall, operating expenses accounts for R20, 7 million or 11.21% of the R46, 1 million planned in the first quarter of this financial year. This is R25, 4 million or 55.15% lessor than what was planned and therefore requires corrective measures to be taken to ensure that projected results are attained as planned.

The underperformance can mainly be ascribed to an under expenditure in line items such other expenditure and non-cash items such as depreciation and impairment

The capital budget for 2018/2019 is more than the actual capital expenditure in prior year. The budget for this financial year is increased from R11, 2 million actually spent in 2017/2018 to R14, 9 million. Spending on capital projects amounted to R1, 6 million at the end of the first quarter of this financial year. This is R2, 1 million or 57.73% less than the planned R2, 7 million in the first quarter.

It should however be noted that R9.9 million of the grant receipts in respect of the Municipal Infrastructure Grant (MIG) allocation for this year will be redirected to the Pixley ka Seme District Municipality and this require an adjustment budget to effect these changes. Anticipated capital receipts and expenditure will reduce significantly from R14, 9 million initially budgeted to R5 million for 2018/19 budget year.

The overall financial position remains undesirable and requires more effort and interventions in a wide spectrum of areas in order for the institution to be financially viable again.

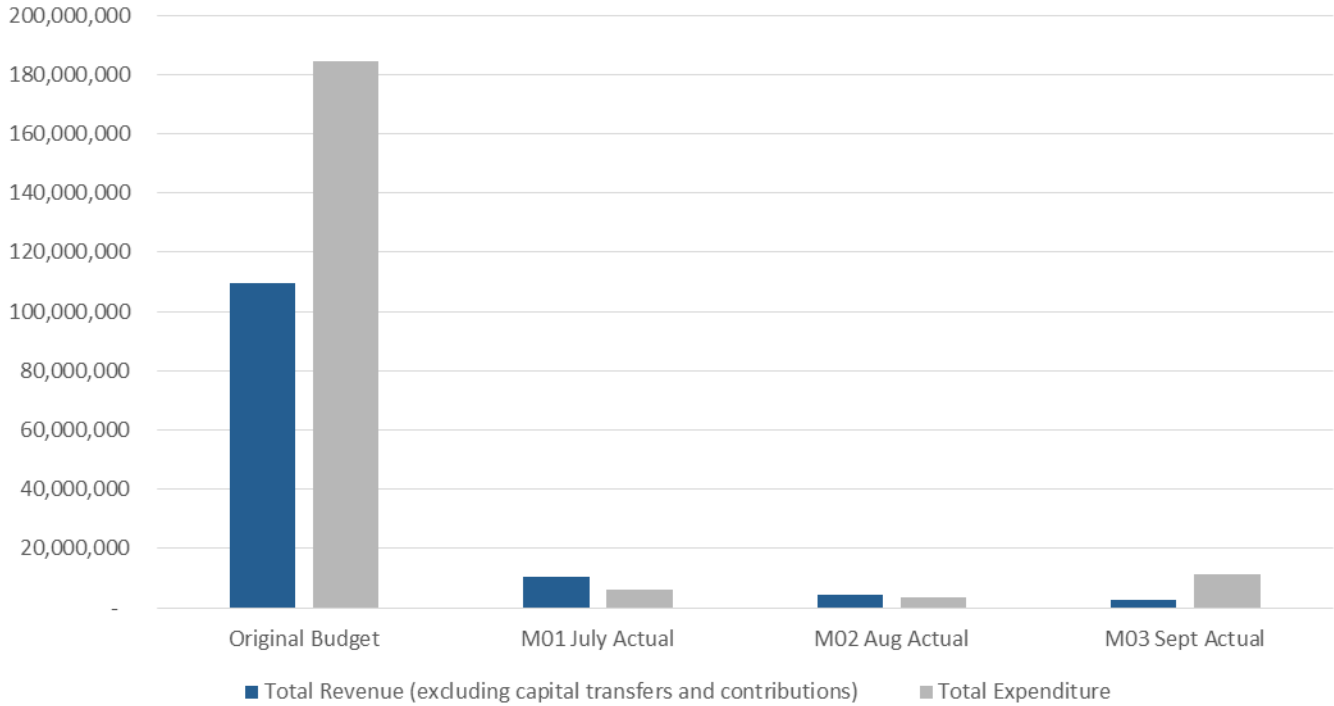
Institutional challenges ranges from incorrect, inaccurate and incomplete billing information to internal controls, accounting and skills deficiencies. The municipality is unable to meet all its financial obligations towards creditors within the prescribed 30 day timeframe as required by the MFMA.

Table C1 – s71 Monthly Budget Statement Summary

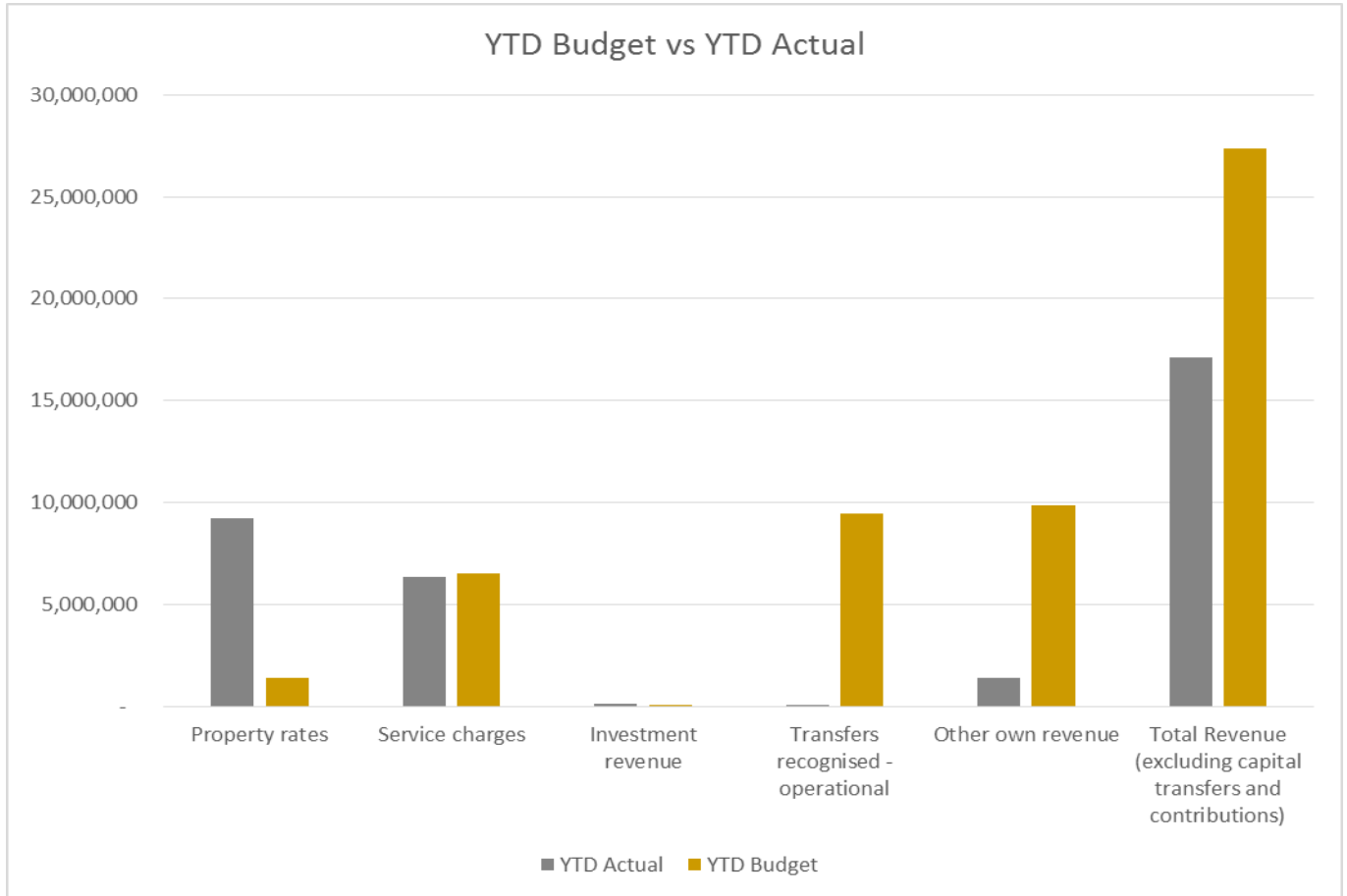
Northern Cape: Ubuntu(NC071) - Table C1 Schedule Quarterly Budget Statement Summary for 1st Quarter ended 30 September 2018

Description	2017/18	2018/19	Budget year 2018/19									
	Audited Outcome	Audited Outcome	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Financial Performance												
Property rates	5,043,171	-	5,694,041	7,339,257	1,927,403	(43,176)	9,223,484	9,223,484	5,694,041.00	3,529,443	61.98	5,694,041
Service charges	17,843,159	-	26,051,135	2,491,225	1,905,029	1,946,541	6,342,795	6,342,795	6,512,783.75	(169,989)	(2.61)	26,051,135
Investment revenue	402,336	-	346,591	46,860	44,275	27,157	118,292	118,292	86,647.75	31,644	36.52	346,591
Transfers recognised - operational	38,624,446	-	37,795,000	-	-	31,165	31,165	31,165	9,448,750.00	(9,417,585)	(99.67)	37,795,000
Other own revenue	36,646,351	-	39,513,370	557,986	430,647	432,594	1,421,227	1,421,227	9,878,342.50	(8,457,116)	(85.61)	39,513,370
Total Revenue (excluding capital transfers and contributions)	98,559,463	-	109,400,137	10,435,328	4,307,354	2,394,281	17,136,963	17,136,963	31,620,565	(14,483,602)	(45.80)	109,400,137
Employee costs	28,952,960	-	35,828,809	2,494,422	2,352,901	2,928,059	7,775,382	7,775,382	8,957,202.25	(1,181,820)	(13.19)	35,828,809
Remuneration of councillors	2,540,609	-	2,231,312	229,387	205,051	192,431	626,869	626,869	557,828.00	69,041	12.38	2,231,312
Depreciation & asset impairment	24,711,375	-	51,472,594	-	-	-	-	-	12,868,148.50	(12,868,149)	(100.00)	51,472,594
Finance charges	5,809,055	-	836,073	461,596	26,674	976,508	1,464,778	1,464,778	209,018.25	1,255,760	600.79	836,073
Materials and bulk purchases	27,496,565	-	20,265,299	2,198,630	95,329	6,062,164	8,356,123	8,356,123	5,066,324.75	3,289,798	64.93	20,265,299
Transfers and grants	-	-	20,906,151	-	-	-	-	-	5,226,537.75	(5,226,538)	(100.00)	20,906,151
Other expenditure	48,305,238	-	52,996,704	696,171	632,950	1,140,376	2,469,497	2,469,497	13,249,176.00	(10,779,679)	(81.36)	52,996,704
Total Expenditure	137,815,802	-	184,536,942	6,080,206	3,312,905	11,299,538	20,692,649	20,692,649	46,134,236	(25,441,587)	(55.15)	184,536,942
Surplus/(Deficit)	(39,256,339)	-	(75,136,805)	4,355,122	994,449	(8,905,257)	(3,555,686)	(3,555,686)	(14,513,671)	10,957,985	(75.50)	(75,136,805)
Transfers recognised - capital	12,829,063	-	14,862,000	5,916	-	-	5,916	5,916	3,715,500.00	(3,709,584)	(99.96)	14,862,000
Contributions recognised - capital & cor	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(26,427,276)	-	(60,274,805)	4,361,038	994,449	(8,905,257)	(3,549,770)	(3,549,770)	(10,798,171)	7,248,401	(67.13)	(60,274,805)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(26,427,276)	-	(60,274,805)	4,361,038	994,449	(8,905,257)	(3,549,770)	(3,549,770)	(10,798,171)	7,248,401	(67.13)	(60,274,805)
Capital expenditure & funds sources												
Capital expenditure	11,224,028	-	14,862,000	-	1,006,074	564,361	1,570,435	1,570,435	3,715,500	(2,145,065)	(57.73)	14,862,000
Transfers recognised - capital	11,202,484	-	14,862,000	-	902,750	492,373	1,395,123	1,395,123	3,715,500.00	(2,320,377)	(62.45)	14,862,000
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	21,544	-	-	-	103,324	71,988	175,312	175,312	-	175,312	-	-
Total sources of capital funds	11,224,028	-	14,862,000	-	1,006,074	564,361	1,570,435	1,570,435	3,715,500	(2,145,065)	(57.73)	14,862,000
Financial position												
Total current assets	22,489,077	-	15,761,765	97,642,153	95,009,027	90,387,136	90,387,136	90,387,136	3,940,441.25	86,446,695	2,193.83	15,761,765
Total non current assets	641,566,367	-	1,271,272,695	641,566,367	641,566,367	641,566,367	641,566,367	641,566,367	1,271,272,695	(629,706,328)	(49.53)	1,271,272,695
Total current liabilities	92,030,027	-	64,534,261	92,030,027	63,986,689	66,870,764	66,870,764	66,870,764	64,534,261	2,336,503	3.62	64,534,261
Total non current liabilities	10,808,713	-	8,845,957	10,808,713	10,808,713	10,808,713	10,808,713	10,808,713	8,845,957	1,962,756	22.19	8,845,957
Community wealth/Equity	561,216,704	-	1,213,654,242	636,369,780	661,779,992	654,274,026	654,274,026	654,274,026	1,213,654,242	(559,380,216)	(46.09)	1,213,654,242
Cash flows												
Net cash from (used) operating	14,181,447	-	9,994,040	13,115,440	(7,416,141)	(1,286,489)	4,412,810	4,412,810	9,994,040	(5,581,230)	(55.85)	9,994,040
Net cash from (used) investing	(11,266,640)	-	(9,548,000)	(1,104,149)	(103,324)	(564,361)	(1,771,834)	(1,771,834)	(9,548,000)	7,776,166	(81.44)	(9,548,000)
Net cash from (used) financing	(269,204)	-	(73,033)	(26,158)	(26,158)	-	(52,316)	(52,316)	(73,033)	20,717	(28.37)	(73,033)
Cash/cash equivalents at the year end	5,174,429	-	2,901,833	17,159,562	9,613,939	7,763,089	7,763,089	7,763,089	2,901,833	4,861,256	167.52	2,901,833
Collection Rate												
Property rates	64.00	-	40.00	16.78	10.24	(2,013.94)	24.92	24.92	40.00	-	-	40.00
Service charges	65.15	-	58.01	65.99	82.43	177.37	105.11	105.11	58.01	-	-	58.01
Service charges - electricity revenue	64.63	-	80.00	86.99	128.68	224.56	140.44	140.44	80.00	-	-	80.00
Service charges - water revenue	64.00	-	40.00	43.86	59.65	154.40	83.72	83.72	40.00	-	-	40.00
Service charges - sanitation revenue	64.00	-	40.00	36.20	23.82	108.22	53.45	53.45	40.00	-	-	40.00
Service charges - refuse revenue	64.00	-	40.00	34.93	28.09	95.71	50.53	50.53	40.00	-	-	40.00
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	100.00	-	40.00	-	-	-	-	-	40.00	-	-	40.00

Summary of Quarter 1



GRAPH 2 – SCHEDULE C1



GRAPH 3 – SCHEDULE C1

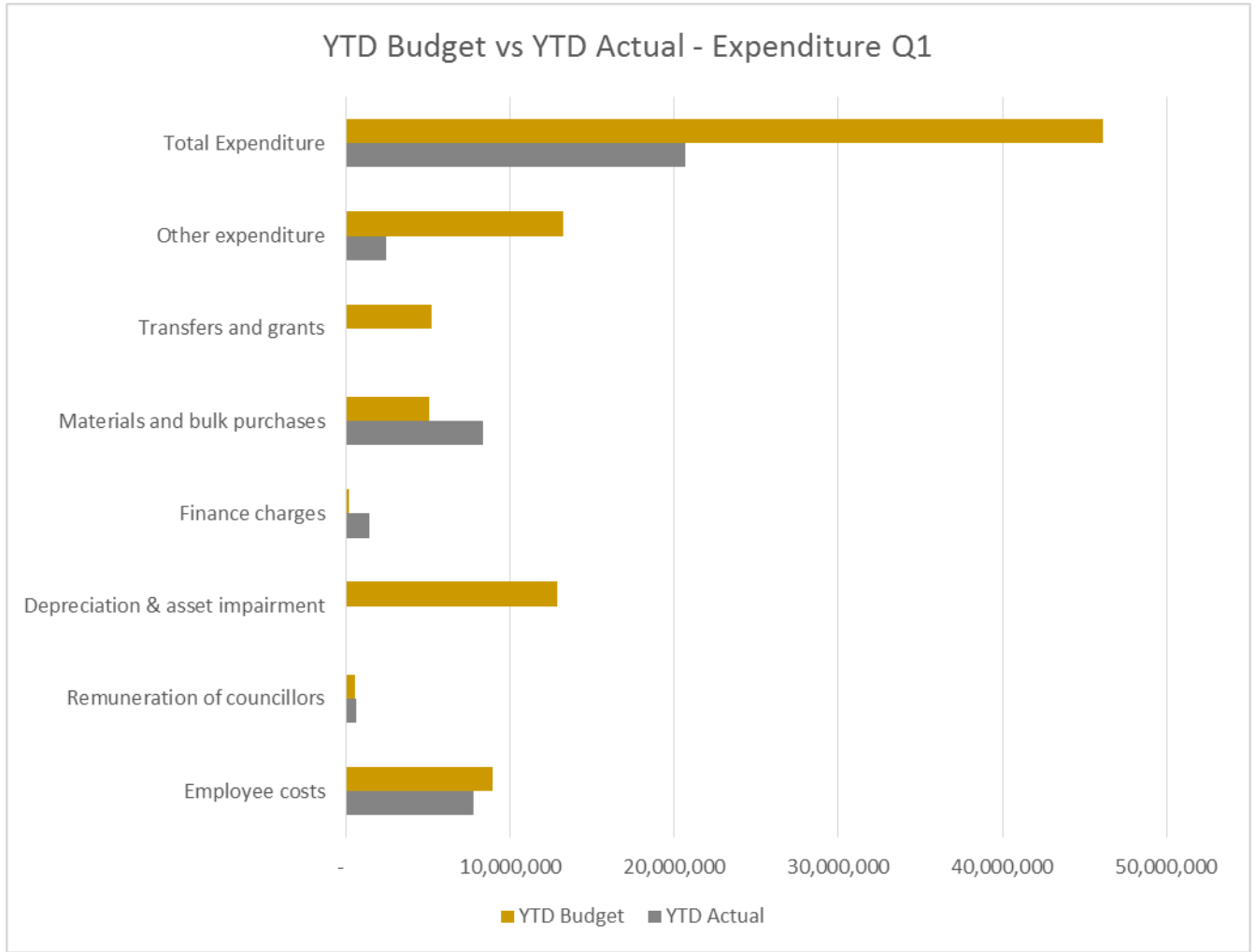


Table C2 – Financial Performance by Standard Classification for the 1st Quarter ended 30 September 2018

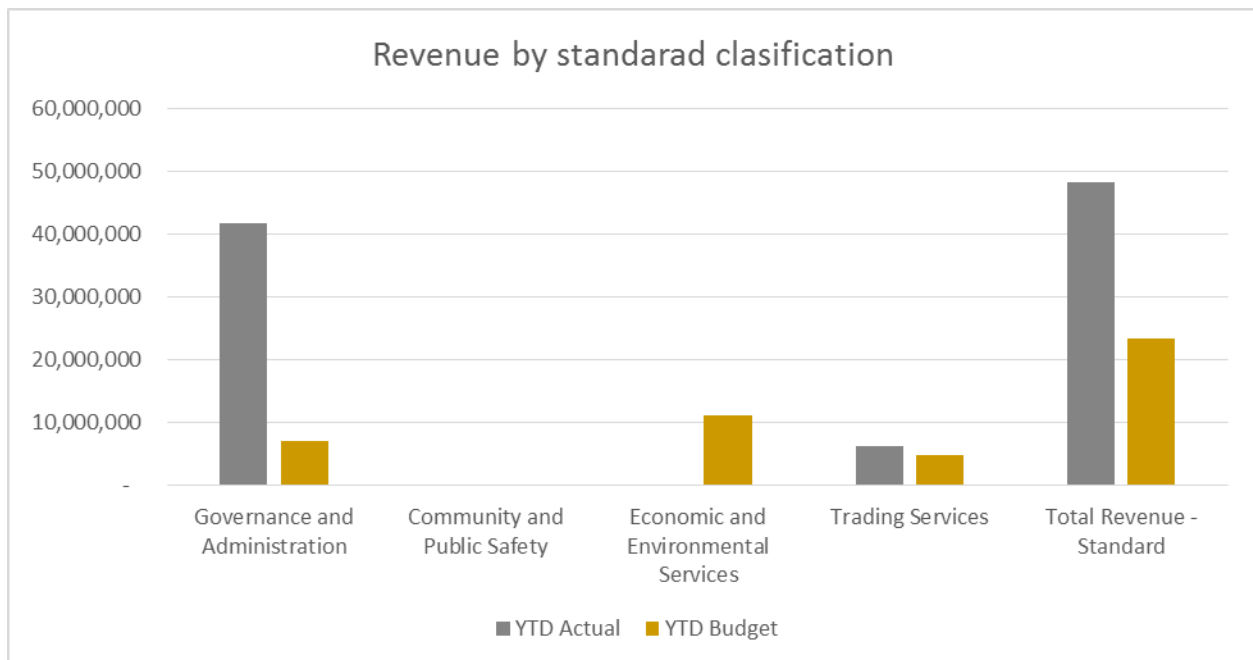
Northern Cape: Ubuntu(NC071) - Table C2 Quarterly Budget Statement - Financial Performance (standard classification) for 1st Quarter ended 30 September 2018

Standard Classification Description	Ref	2017/18	2018/19	Budget year 2018/19									
		Audited Outcome	Audited Outcome	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance	Full Year Forecast
Revenue - Standard													
Governance and Administration		45,625,085	-	48,056,231	7,907,195	2,322,911	424,790	10,654,896	10,654,896	12,014,058	(1,359,162)	(11.31)	48,056,231
Executive & Council		189,450		4,745	2,589	2,596		5,185	5,185	1,186.25	3,999	337.09	4,745
Budget & Treasury Office		44,723,301		48,015,921	7,772,719	2,315,598	424,630	10,512,947	10,512,947	12,003,980.25	(1,491,033)	(12.42)	48,015,921
Corporate Services		712,334		35,565	131,887	4,717	160	136,764	136,764	8,891.25	127,873	1,438.19	35,565
Community and Public Safety		1,124,111	-	691,738	19,346	22,872	18,083	60,301	60,301	172,935	(112,634)	(65.13)	691,738
Community & Social Services		1,123,509		678,456	19,346	22,872	18,083	60,301	60,301	169,614.00	(109,313)	(91.11)	678,456
Sport And Recreation				13,282						3,320.50	(3,321)	(100.00)	13,282
Public Safety												-	
Housing												-	
Health		602										-	
Economic and Environmental Services		43,314,057	-	44,445,232	17,778	38,615	4,867	61,260	61,260	11,111,308	(11,050,048)	(99.45)	44,445,232
Planning and Development		10,684,722		102,051	4,004	486	347	4,837	4,837	25,512.75	(20,676)	(81.04)	102,051
Road Transport		32,629,335		44,343,181	13,774	38,129	4,520	56,423	56,423	11,085,795.25	(11,029,372)	(99.49)	44,343,181
Environmental Protection												-	
Trading Services		21,325,273	-	31,068,936	2,496,925	1,922,956	1,946,541	6,366,422	6,366,422	7,767,234	(1,400,812)	(18.03)	31,068,936
Electricity		9,975,608		12,742,886	1,396,575	901,061	1,009,515	3,307,151	3,307,151	3,185,721.50	121,430	3.81	12,742,886
Water		5,740,649		10,331,474	514,578	432,856	437,593	1,385,027	1,385,027	2,582,868.50	(1,197,842)	(46.38)	10,331,474
Waste Water Management		2,599,442		3,800,471	295,608	297,751	254,231	847,590	847,590	950,117.75	(102,528)	(10.79)	3,800,471
Waste Management		3,009,574		4,194,105	290,164	291,288	245,202	826,654	826,654	1,048,526.25	(221,872)	(21.16)	4,194,105
Other	4											-	
Total Revenue - Standard	2	111,388,526	-	124,262,137	10,441,244	4,307,354	2,394,281	17,142,879	17,142,879	31,065,534	(13,922,655)	(44.82)	124,262,137
Expenditure - Standard													
Governance and Administration		59,132,795	-	61,179,954	2,136,450	1,458,844	3,108,499	6,703,793	6,703,793	15,294,989	(8,591,196)	(56.17)	61,179,954
Executive & Council		8,596,631		4,858,142	411,405	478,640	399,068	1,289,113	1,289,113	1,214,535.50	74,578	6.14	4,858,142
Budget & Treasury Office		44,940,124		46,922,699	1,459,814	711,424	2,306,937	4,478,175	4,478,175	11,730,674.75	(7,252,500)	(61.83)	46,922,699
Corporate Services		5,596,040		9,399,113	265,231	268,780	402,494	936,505	936,505	2,349,778.25	(1,413,273)	(60.14)	9,399,113
Community and Public Safety		1,756,152	-	2,716,082	162,801	123,000	175,035	460,836	460,836	679,021	(218,185)	(32.13)	2,716,082
Community & Social Services		1,738,202		2,701,863	160,201	123,000	175,035	458,236	458,236	675,465.75	(217,230)	(32.16)	2,701,863
Sport And Recreation				395						98.75	(99)	(100.00)	395
Public Safety		9,198		13,824						3,456.00	(3,456)	(100.00)	13,824
Housing												-	
Health		8,752			2,600			2,600	2,600		2,600	-	
Economic and Environmental Services		15,285,604	-	21,481,991	867,345	838,861	1,032,090	2,738,296	2,738,296	5,370,498	(2,632,202)	(49.01)	21,481,991
Planning and Development		8,799,199		19,549,879	508,107	487,748	584,379	1,580,234	1,580,234	4,887,469.75	(3,307,236)	(67.67)	19,549,879
Road Transport		6,486,405		1,932,112	359,238	351,113	447,711	1,158,062	1,158,062	483,028.00	675,034	139.75	1,932,112
Environmental Protection												-	
Trading Services		61,112,966	-	99,158,915	2,913,610	892,200	6,983,914	10,789,724	10,789,724	24,789,729	(14,000,005)	(56.48)	99,158,915
Electricity		46,247,141		61,974,451	2,146,154	76,538	5,883,055	8,105,747	8,105,747	15,493,612.75	(7,387,866)	(47.68)	61,974,451
Water		3,845,962		8,892,796	250,457	245,514	447,594	943,565	943,565	2,223,199.00	(1,279,634)	(57.56)	8,892,796
Waste Water Management		5,877,980		13,623,448	293,490	356,474	347,070	997,034	997,034	3,405,862.00	(2,408,828)	(70.73)	13,623,448
Waste Management		5,141,883		14,668,220	223,509	213,674	306,195	743,378	743,378	3,667,055.00	(2,923,677)	(79.73)	14,668,220
Other	4	528,285								(4)	4	(100.00)	
Total Expenditure - Standard	3	137,815,802	-	184,536,942	6,080,206	3,312,905	11,299,538	20,692,649	20,692,649	46,134,232	(25,441,583)	(55.15)	184,536,942

The financial performance is illustrated in the above table as per standard classification.

The targeted revenue under governance and administration was estimated to account for R12, 1 million or 25% of the approved annual budget. The actual revenue generated amounts to R10, 7 million which is 11.31% less than planned. The budget and treasury office is the main contributor to the underperformance due to an error with the recognition and recording of the first quarter's equitable share grant receipts during this period.

GRAPH 4 – SCHEDULE C4



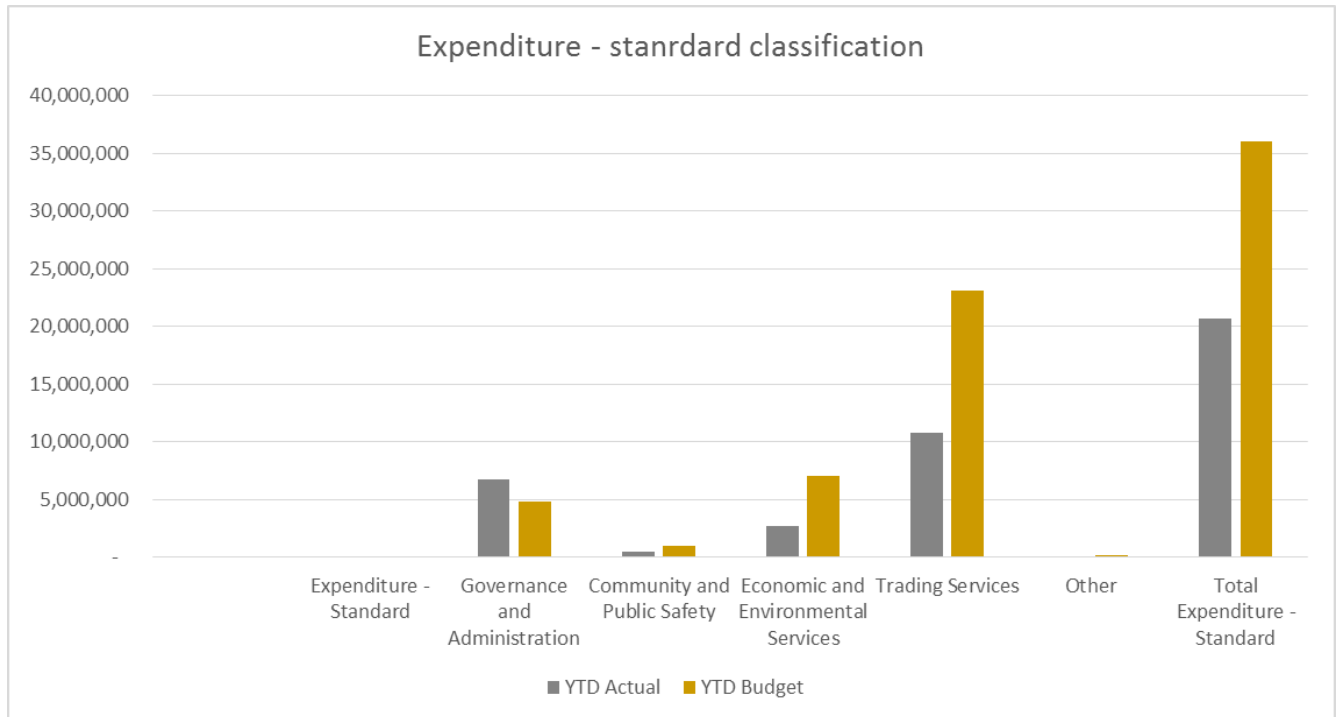
Corporate Services under the same class generated R137 thousand or 1438.19% more revenue compared to R8, 9 thousand that was planned during the first quarter.

Community and public safety generated R60, 3 thousand in aggregate which is an underperformance of R112, 6 thousand or 65.13% in comparison with the planned quarterly target of R172, 9 thousand for this quarter.

Economic and environmental services generated R61, 3 thousand of the anticipated quarterly revenue target of R11, 2million which represents a 99.45% underperformance.

Trading services constituting of water, electricity, refuse and sanitation generated R6.4 million of the R7, 8 million revenue anticipated for the first quarter. Revenue is less by R1, 4 million or 18.02% of the planned target for quarter under review.

GRAPH 4.1 – SCHEDULE C4



Expenditure under standard classification constitutes R20, 7 million of the R46, 1 million planned for the first quarter under review.

The underperformance of R25, 4 million or 55.15% can mainly be ascribed to an under spending on community and public safety, economic and environmental and trading services with the latter being the largest contributor with expenditure recorded as R10,8 million of the planned quarterly target of R24, 8 million. Thus, representing an under attainment of R14, 1 million or 56.48% for the first quarter.

Table C4 – Financial Performance by revenue source and expenditure type for the 1st Quarter ended 30 September 2018

Northern Cape: Ubuntu(NC071) - Table C4 Quarterly Budget Statement - Financial Performance (rev and expend) (All) for the 1st Quarter ended 30 September 2018

Description	Ref 1	2017/18	2018/19	Budget year 2018/19									
		Audited Outcome	Audited Outcome	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance	Full Year Forecast
Revenue By Source													
Property rates		5,043,171	-	5,694,041	7,339,257	1,927,403	(43,176)	9,223,484	9,223,484	5,694,041.00	3,529,443	61.98	5,694,041
Property rates - penalties and collection cha		-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		9,871,273	-	11,726,503	1,390,875	901,061	1,009,515	3,301,451	3,301,451	2,931,625.75	369,825	12.62	11,726,503
Service charges - water revenue		2,588,012	-	6,330,056	514,578	432,856	437,593	1,385,027	1,385,027	1,582,514.00	(197,487)	(12.48)	6,330,056
Service charges - sanitation revenue		2,599,442	-	3,800,471	295,608	297,751	254,231	847,590	847,590	950,117.75	(102,528)	(10.79)	3,800,471
Service charges - refuse revenue		3,009,380	-	4,194,105	290,164	291,288	245,202	826,654	826,654	1,048,526.25	(221,872)	(21.16)	4,194,105
Service charges - other		(224,948)	-	-	-	(17,927)	-	(17,927)	(17,927)	-	(17,927)	-	-
Rental of facilities and equipment		207,376	-	268,799	16,982	19,600	16,907	53,489	53,489	67,199.75	(13,711)	(20.40)	268,799
Interest earned - external investments		402,336	-	346,591	46,860	44,275	27,157	118,292	118,292	86,647.75	31,644	36.52	346,591
Interest earned - outstanding debtors		1,945,255	-	4,400,076	380,686	346,133	403,283	1,130,102	1,130,102	1,100,019.00	30,083	2.73	4,400,076
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		32,524,508	-	33,253,468	1,000	15,800	1,353	18,153	18,153	8,313,367.00	(8,295,214)	(99.78)	33,253,468
Licences and permits		106,535	-	649,289	12,774	22,329	3,170	38,273	38,273	162,322.25	(124,049)	(76.42)	649,289
Agency services		-	-	538,904	-	-	-	-	-	134,726.00	(134,726)	(100.00)	538,904
Transfers recognised - operational		38,624,446	-	37,795,000	-	-	31,165	31,165	31,165	9,448,750.00	(9,417,585)	(99.67)	37,795,000
Other own revenue		1,862,677	-	402,834	146,544	26,785	7,881	181,210	181,210	100,708.50	80,502	79.94	402,834
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excl. capital transfers and contributions)		98,559,463	-	109,400,137	10,435,328	4,307,354	2,394,281	17,136,963	17,136,963	31,620,565	(14,483,602)	(45.80)	109,400,137
Expenditure By Type													
Employee related costs		28,952,960	-	35,828,809	2,494,422	2,352,901	2,928,059	7,775,382	7,775,382	8,957,202.25	(1,181,820)	(13.19)	35,828,809
Remuneration of councillors		2,540,609	-	2,231,312	229,387	205,051	192,431	626,869	626,869	557,828.00	69,041	12.38	2,231,312
Debt impairment		32,463,490	-	39,027,284	-	-	-	-	-	9,756,821.00	(9,756,821)	(100.00)	39,027,284
Depreciation and asset impairment		24,711,375	-	51,472,594	-	-	-	-	-	12,868,148.50	(12,868,149)	(100.00)	51,472,594
Finance charges		5,809,055	-	836,073	461,596	26,674	976,508	1,464,778	1,464,778	209,018.25	1,255,760	600.79	836,073
Bulk purchases		25,908,209	-	19,123,256	2,168,226	-	6,045,916	8,214,142	8,214,142	4,780,814.00	3,433,328	71.81	19,123,256
Other Materials		1,588,356	-	1,142,043	30,404	95,329	16,248	141,981	141,981	285,510.75	(143,530)	(50.27)	1,142,043
Contracted services		4,251,380	-	941,506	33,801	-	44,858	78,659	78,659	235,376.50	(156,718)	(66.58)	941,506
Transfers and grants		-	-	20,906,151	-	-	-	-	-	5,226,537.75	(5,226,538)	(100.00)	20,906,151
Other expenditure		11,337,211	-	13,027,914	662,370	632,950	1,095,518	2,390,838	2,390,838	3,256,978.50	(866,141)	(26.59)	13,027,914
Loss on disposal of PPE		253,157	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		137,815,802	-	184,536,942	6,080,206	3,312,905	11,299,538	20,692,649	20,692,649	46,134,236	(25,441,587)	(55.15)	184,536,942
Surplus/(Deficit)		(39,256,339)	-	(75,136,805)	4,355,122	994,449	(8,905,257)	(3,555,686)	(3,555,686)	(14,513,671)	10,957,985	(75.50)	(75,136,805)
Transfers recognised - capital		12,829,063	-	14,862,000	5,916	-	-	5,916	5,916	3,715,500.00	(3,709,584)	(99.84)	14,862,000
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions		(26,427,276)	-	(60,274,805)	4,361,038	994,449	(8,905,257)	(3,549,770)	(3,549,770)	(10,798,171)	7,248,401	(67.13)	(60,274,805)
Taxation		-	-	-	-	13	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(26,427,276)	-	(60,274,805)	4,361,038	994,449	(8,905,257)	(3,549,770)	(3,549,770)	(10,798,171)	7,248,401	(67.13)	(60,274,805)
Surplus/(Deficit) for the year		(26,427,276)	-	(60,274,805)	4,361,038	994,449	(8,905,257)	(3,549,770)	(3,549,770)	(10,798,171)	7,248,401	(67.13)	(60,274,805)

The above table depicts the financial performance by revenue source and expenditure type.

Revenue by source over the first quarter consist in the main of property rates, services charges (e.g. electricity, water, sanitation and refuse) as well others listed in the above table.

Property rates generated amounted to R9, 2 million of the total anticipated annual revenue target of R5, 6 million during the first quarter. The actual results recorded over this quarter exceeds the annual target with R3, 5 million or 61.98% and this can mainly be attributed to property rates annual levy and recognition during this period.

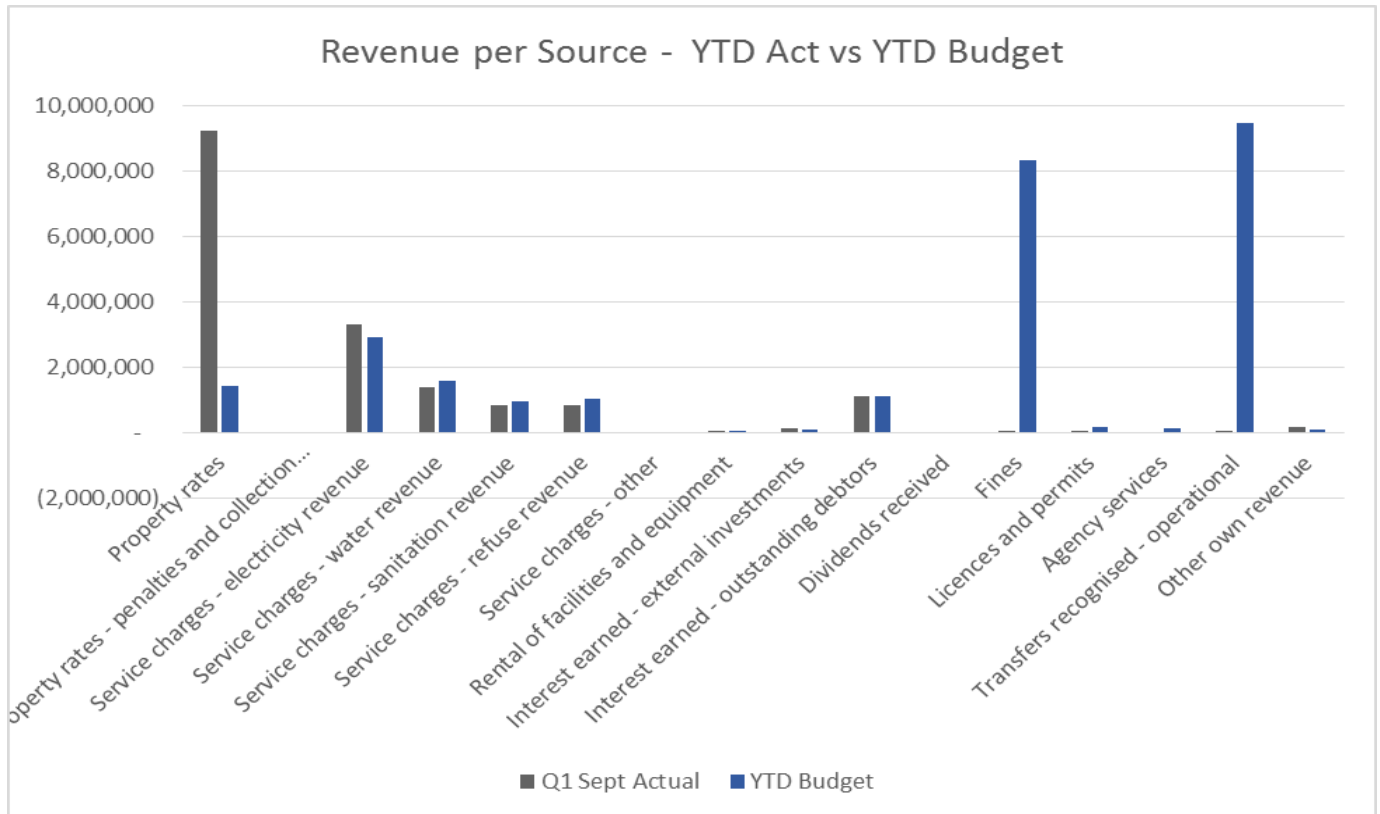
Revenue streams such water and sanitation are below the planned performance target with water constituting R1, 4 million of the anticipated R1, 6 million and sanitation R847, 6 thousand of the expected R1, 6 million, respectively.

Revenue derived from refuse removal amounted to R826 thousand of the anticipated revenue target of R1, 1 million for this quarter. This represent an underperformance of R1, 3 million or 21.16%.

Revenue to be derived from traffic fines were estimated at R8, 3 million during the first quarter of the financial under review. The first quarter results shows that revenue generated for the quarter amounted to only R18 thousand, thus representing the same R8, 3 million or 99.78% underperformance.

These variances recorded can result in significant under performances at year end and should therefore be examined in time and if necessary the budget be adjusted considerably.

GRAPH 5 – SCHEDULE C5



Expenditure on employee related cost during the first quarter of this financial year amounted to R7, 8 million of the planned quarterly target of R 8, 9 million This represent a R1, 2 million or 13.19% under spending for the quarter under review.

Debt, depreciation and asset impairment are non-cash item which significantly impact on operating expenses and have not been accounted for during the first quarter.

Expenditure on finance charges amounted to R1, 5 million during the first quarter exceeding the planned quarterly target of R209 thousand by R1, 3 million or 600.79%.

Bulk expenditure is reported to be R3, 4 million or 71.81% more than the expected R4, 8 million and amounted to R8, 2 million for the quarter under review.

Grant and subsidies paid shows no significant movement, thus meaning there were no expenditure recorded during the first quarter.

Transfers recognized show a significant under expenditure of R5, 2 million or 99.91% during the first quarter under review.

GRAPH 5.1 – SCHEDULE C5

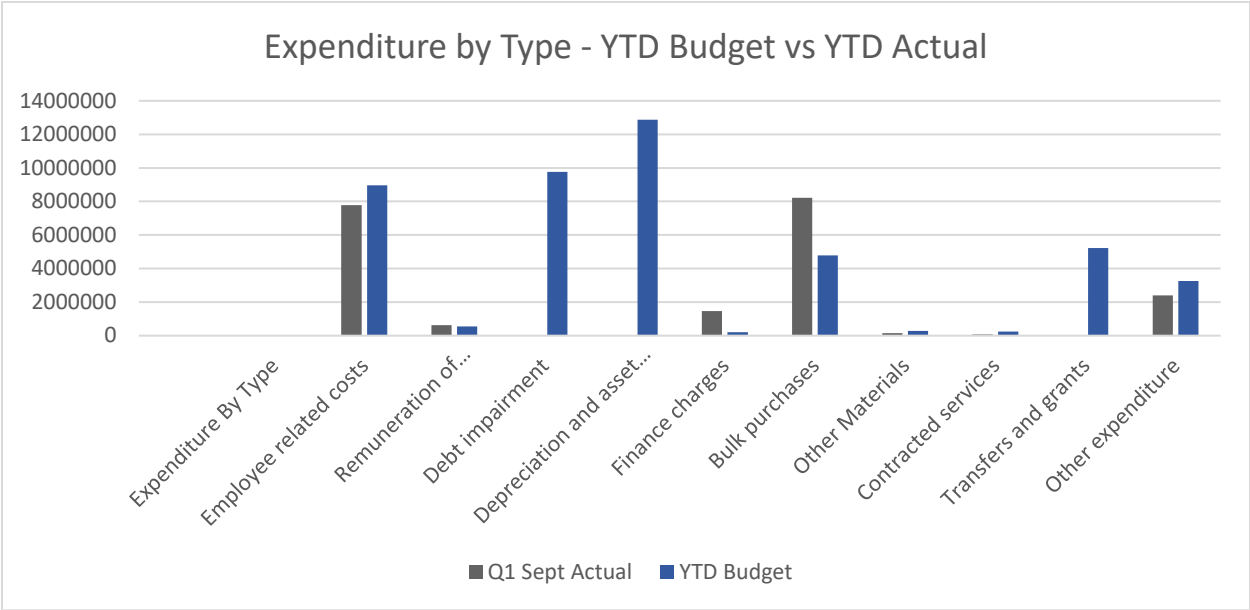


Table C5 – Capital Expenditure by Standard Classification and Funding for the 1st Quarter ended 30 September 2018

Northern Cape: Ubuntu(NC071) - Table C5 Quarterly Budget Statement - Capital Expenditure by Standard Classification and Funding for the 1st Quarter ended 30 September 2018

Description	Ref	2017/18	2018/19	Budget year 2018/19										
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance	Full Year Forecast
Capital Expenditure - Standard														
Governance and Administration		21,544	-	-	-	-	-	71,988	71,988	71,988	-	71,988	-	-
Executive & Council														
Budget & Treasury Office		21,544						71,988	71,988	71,988		71,988		
Corporate Services														
Community and Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-
Community & Social Services														
Sport And Recreation														
Public Safety														
Housing														
Health														
Economic and Environmental Services		8,461,061	-	9,862,000	9,862,000	-	103,324	-	103,324	103,324	2,465,500	(2,362,176)	(95.81)	9,862,000
Planning and Development														
Road Transport		8,461,061		9,862,000	9,862,000		103,324		103,324	103,324	2,465,500	(2,362,176)	(95.81)	9,862,000
Environmental Protection														
Trading Services		2,741,423	-	5,000,000	5,000,000	-	902,750	492,373	1,395,123	1,395,123	1,250,000	145,123	11.61	5,000,000
Electricity				1,000,000	1,000,000						250,000	(250,000)	(100.00)	1,000,000
Water		2,741,423		4,000,000	4,000,000						1,000,000	(1,000,000)	(100.00)	4,000,000
Waste Water Management							902,750	492,373	1,395,123	1,395,123		1,395,123	-	
Waste Management														
Other														
Total Capital Expenditure - Standard	3	11,224,028	-	14,862,000	14,862,000	-	1,006,074	564,361	1,570,435	1,570,435	3,715,500	(2,145,065)	(57.73)	14,862,000
Funded by:														
National Government		11,202,484		14,862,000	14,862,000		902,750	492,373	1,395,123	1,395,123	3,715,500	(2,320,377)	(62.45)	14,862,000
Provincial Government														
District Municipality														
Other transfers and grants														
Transfers recognised - capital		11,202,484	-	14,862,000	14,862,000	-	902,750	492,373	1,395,123	1,395,123	3,715,500	(2,320,377)	(62.45)	14,862,000
Public contributions and donations	5													
Borrowing	6													
Internally generated funds		21,544					103,324	71,988	175,312	175,312		175,312	-	
Total Capital Funding		11,224,028	-	14,862,000	14,862,000	-	1,006,074	564,361	1,570,435	1,570,435	3,715,500	(2,145,065)	(57.73)	14,862,000

The approved capital budget for the year amounts to R14, 8 million and the expenditure incurred to date accounts for R1, 6 million or 10.57% of the total budget for the year.

The Dora allocation in respect of MIG for the 2018/19 budget year provides for the reallocation of R9, 9 million to be administered by Pixley ka Seme District Municipality on behalf of Ubuntu. This therefore requires the necessary adjustment to be effected through an adjustment budget for the 2018/2019 budget year.

The planned quarterly performance target amounts to R3, 7 million, thus representing an under expenditure of R2, 1 million or 57.73% below target.

Municipal functions or cost centers that significantly contributed to the underperformance in the first quarter are roads and transport under the GFS (Government Financial Statistics) Economic and Environmental Services where the planned target was R2, 5 million and expenditure incurred amounted to R103 thousand. The underperformance in expenditure amounted to R2, 4 million or 95.81% under this particular capital programme or municipal function.

Capital expenditure was incurred under the cost center Budget and Treasury Office under Governance and Administration to the value of R72 thousand that was not appropriated through the approved budget for 2018/2019. These transactions needs to be investigated and reasonable explanations be obtained as these could possibly result in unauthorized expenditure and where necessary the budget should be adjusted accordingly.

Allocations expected from national government towards funding for capital projects during the 2018/2019 financial year amounts to R14, 9 million. As explained in the previous paragraphs, this amount is expected to be adjusted to R5 million to align with the Dora allocations for 2018/2019 budget year through an adjustment budget.

Allocations received and spent during the first quarter amounts to R1, 6 million of the planned quarterly target of R2, 1 million. This expenditure consist mainly of the R1, 4 million in respect of prior year's allocations for which a request for roll-over was submitted to the National Treasury, the approval thereof is still pending and R175 thousand derived from internal funds.

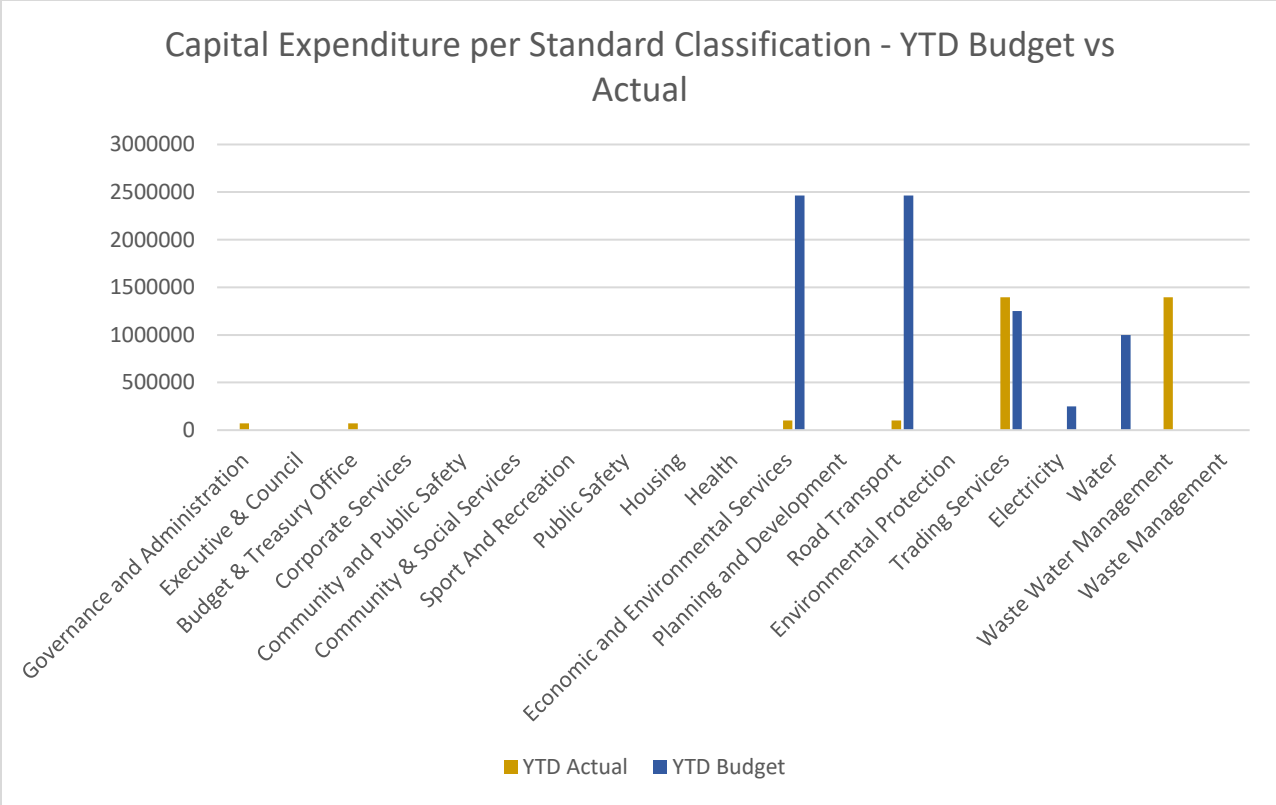


Table C 6 – Financial Position for the 1st Quarter ended 30 September 2018

Northern Cape: Ubuntu(NC071) - Table C6 Quarterly Budget Statement - Financial Position for the 1st Quarter ended 30 September 2018

Description	Ref	2017/18	2018/19	Budget year 2018/19									
		Audited Outcome	Audited Outcome	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance	Full Year Forecast
ASSETS													
Current assets													
Cash		5,174,429		2,901,828	13,494,194	9,613,993	7,736,089	7,736,089	7,736,089	2,901,828	4,834,261	166.59	2,901,828
Call investment deposits											-		
Consumer debtors		5,496,526		12,599,030	66,988,397	67,786,316	63,598,716	63,598,716	63,598,716	12,599,030	50,999,686	404.79	12,599,030
Other debtors		11,807,216		260,907	17,159,562	17,608,718	19,052,331	19,052,331	19,052,331	260,907	18,791,424	7,202.35	260,907
Current portion of long-term receivables													
Inventory		10,906											
Total current assets		22,489,077	-	15,761,765	97,642,153	95,009,027	90,387,136	90,387,136	90,387,136	15,761,765	74,625,371	473.46	15,761,765
Non current assets													
Long-term receivables													
Investments													
Investment property		29,286,459		644,127,299	29,286,459	29,286,459	29,286,459	29,286,459	29,286,459	644,127,299	(614,840,840)	(95.45)	644,127,299
Investment in Associate											-		
Property, plant and equipment		610,005,164		624,867,326	610,005,164	610,005,164	610,005,164	610,005,164	610,005,164	624,867,326	(14,862,162)	(2.38)	624,867,326
Agricultural													
Biological													
Intangible		2,274,744		2,278,070	2,274,744	2,274,744	2,274,744	2,274,744	2,274,744	2,278,070	(3,326)	(0.15)	2,278,070
Other non-current assets													
Total non current assets		641,566,367	-	1,271,272,695	641,566,367	641,566,367	641,566,367	641,566,367	641,566,367	1,271,272,695	(629,706,328)	(49.53)	1,271,272,695
TOTAL ASSETS		664,055,444	-	1,287,034,460	739,208,520	736,575,394	731,953,503	731,953,503	731,953,503	1,287,034,460	(555,080,957)	(43.13)	1,287,034,460
LIABILITIES													
Current liabilities													
Bank overdraft													
Borrowing													
Consumer deposits		197,890		193,699	197,890	197,890	197,890	197,890	197,890	193,699	4,191	2.16	193,699
Trade and other payables		90,056,269		61,376,313	90,056,269	62,012,931	64,897,006	64,897,006	64,897,006	61,376,313	3,520,693	5.74	61,376,313
Provisions		1,775,868		2,964,249	1,775,868	1,775,868	1,775,868	1,775,868	1,775,868	2,964,249	(1,188,381)	(40.09)	2,964,249
Total current liabilities		92,030,027	-	64,534,261	92,030,027	63,986,689	66,870,764	66,870,764	66,870,764	64,534,261	2,336,503	3.62	64,534,261
Non current liabilities													
Borrowing		1,705,341		1,618,515	1,705,341	1,705,341	1,705,341	1,705,341	1,705,341	1,618,515	86,826	5.36	1,618,515
Provisions		9,103,372		7,227,442	9,103,372	9,103,372	9,103,372	9,103,372	9,103,372	7,227,442	1,875,930	25.96	7,227,442
Total non current liabilities		10,808,713	-	8,845,957	10,808,713	10,808,713	10,808,713	10,808,713	10,808,713	8,845,957	1,962,756	22.19	8,845,957
TOTAL LIABILITIES		102,838,740	-	73,380,218	102,838,740	74,795,402	77,679,477	77,679,477	77,679,477	73,380,218	4,299,259	5.86	73,380,218
NET ASSETS	2	561,216,704	-	1,213,654,242	636,369,780	661,779,992	654,274,026	654,274,026	654,274,026	1,213,654,242	(559,380,216)	(46.09)	1,213,654,242
COMMUNITY WEALTH/EQUITY													
Accumulated Surplus/(Deficit)		561,216,704		1,213,654,242			654,274,026	654,274,026	654,274,026	1,213,654,242	(559,380,216)	(0)	1,213,654,242
Reserves					636,369,780	661,779,992							
Minorities interests													
TOTAL COMMUNITY WEALTH/EQUITY	2	561,216,704	-	1,213,654,242	636,369,780	661,779,992	654,274,026	654,274,026	654,274,026	1,213,654,242	(559,380,216)	(0)	1,213,654,242

Total assets amounts to R731, 9 million and consist of current and non-current assets of R90, 4 million and R641, 6 million, respectively for the quarter that ended 30 September 2018.

Cash and cash equivalents less than three months amounted to R7, 7 million and are supported by cash backed investments.

Consumer debtors for the period amounted to R63, 6 million and does not take into account provision for impairment. The provision for impairment when calculated could reduce the amount to be considered as recoverable debt significantly and will provide a more realistic assessment of council's working capital and net assets. Consumer debtors were reported to be R5, 5 million as at the 30 June 2018, it should however be noted the latter take into account provision for impairment as at the aforementioned reporting date.

The municipality owns land and buildings for rental purposes and capital appreciation which amounted to R29, 3 million for the quarter under review. These land and buildings consist of airfield, commonage land and golf course among others. These are recognized assets as it is probable that future economic benefits or service potential can be derived from the operations of these assets. There are no significant returns or benefits flowing from these assets at this stage, it is therefore essential that existing agreements be examined and amended to ensure maximum returns on investments.

Property plant and equipment were valued at R610, 1 million at 30 September 2018 and consist of tangible assets that are held for use in the production or supply of goods and services or for administrative purposes and are expected to be used during more than one financial year. These classes of assets are likely to increase with the current year spending on capital items and infrastructure projects.

Intangible assets as the end of the first quarter amounted to R2, 3 million and these are assets that arise from binding arrangements such as rights from contracts regardless whether those rights are transferrable or separable from the municipality or from other rights and obligations. Examples are computer software, servitudes and licenses which were bought by the municipality.

Consumer deposits held at 30 September 2018 amounted to R197 thousand. These are deposits which were paid for during the application for service (water and electricity services) connections and become refundable upon termination of municipal accounts on condition that consumer's account is paid in full.

Trade and other payables amounted to R67, 1 million and contains a list of all suppliers and third parties payments due and not paid at the end of first quarter. Eskom, Auditor-General, SALA and SARS are amongst the largest creditors being owed with Eskom amounting to R50, 6 million.

Borrowings for the quarter that end 30 September 2018 amounted to R1, 8 million and consist of a finance lease for office photocopiers concluded with Nashua over a three year period.

Table C7 – Cash Flow for the 1st Quarter ended 30 September 2018

Northern Cape: Ubuntu(NC071) - Table C7 Quarterly Budget Statement - Cash Flows for 1st Quarter ended 30 September 2018

Description	Ref	2017/18	2018/19	Budget year 2018/19									
		Audited Outcome	Audited Outcome	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Property rates, penalties and collection charges		3,227,629		2,277,616	1,231,495	197,437	869,538	2,298,470	2,298,470	569,404	(1,729,066)	303.66	2,277,616
Service charges		11,625,323		15,111,056	1,644,050	1,570,254	3,452,502	6,666,806	6,666,806	3,777,764	(8,444,250)	76.47	15,111,056
Other revenue		6,509,838		6,515,313	5,107,475	2,259	390,281	5,500,015	5,500,015	1,628,828	(1,015,298)	237.67	6,515,313
Government - operating		33,703,883		37,795,000	12,985,000	2,200,000	330,000	15,515,000	15,515,000	9,448,750	(22,280,000)	64.20	37,795,000
Government - capital		12,829,063		13,862,004						3,465,501	(13,862,004)	(100.00)	13,862,004
Interest		2,347,591		2,106,621		44,275		44,275	44,275	526,655	(2,062,346)	(91.59)	2,106,621
Dividends													
Payments													
Suppliers and employees		(50,252,825)		(66,837,496)	(7,852,580)	(11,430,366)	(6,328,810)	(25,611,756)	(25,611,756)	(16,709,374)	41,225,740	53.28	(66,837,496)
Finance charges		(5,809,055)		(836,074)						(209,019)	836,074	(100.00)	(836,074)
Transfers and grants													
NET CASH FROM/(USED) OPERATING ACTIVITIES		14,181,447	-	9,994,040	13,115,440	(7,416,141)	(1,286,489)	4,412,810	4,412,810	2,498,510	(7,331,150)	(293.42)	9,994,040
CASH FLOW FROM INVESTING ACTIVITIES													
Receipts													
Proceeds on disposal of PPE													
Decrease in non-current debtors				4,314,000						4,314,000	(4,314,000)	(100.00)	4,314,000
Decrease in other non-current receivables													
Decrease (increase) in non-current investments													
Payments													
Capital assets		(11,266,640)		(13,862,000)	(1,104,149)	(103,324)	(564,361)	(1,771,834)	(1,771,834)	(3,465,500.00)	12,090,166	(48.87)	(13,862,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(11,266,640)	-	(9,548,000)	(1,104,149)	(103,324)	(564,361)	(1,771,834)	(1,771,834)	848,500	7,776,166	916.46	(9,548,000)
CASH FLOW FROM FINANCING ACTIVITIES													
Receipts													
Short term loans													
Borrowing long term/refinancing													
Increase (decrease) in consumer deposits													
Payments													
Repayment of borrowing		(269,204)		(73,033)	(26,158)	(26,158)		(52,316)	(52,316)	(73,033)	20,717	(28.37)	(73,033)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(269,204)	-	(73,033)	(26,158)	(26,158)	-	(52,316)	(52,316)	(73,033)	20,717	(28.37)	(73,033)
NET INCREASE/(DECREASE) IN CASH HELD		2,645,603	-	373,007	11,985,133	(7,545,623)	(1,850,850)	2,588,660	2,588,660	3,273,977	465,733	14.23	373,007
Cash/cash equivalents at the year begin:		2,528,826		2,528,826	5,174,429	17,159,562	9,613,939	5,174,429	5,174,429	2,528,826	2,645,603	104.62	2,528,826
Cash/cash equivalents at the year end:		5,174,429		2,901,833	17,159,562	9,613,939	7,763,089	7,763,089	7,763,089	2,901,833	4,861,256	167.52	2,901,833

Cash receipts from operating activities amounted to R30, 2 million during the first quarter under review. Suppliers and employee payments payment made during the same period amounted to R25, 6 million and surplus recorded for period amounted to R4, 4 million.

It is important to note that the largest contribution to cash receipts are government grants consisting of the quarterly equitable share receipts of R12, 9 million and finance management grant allocation of R1,9 million which accounts for R15, 5 million of the cash receipts from operating activities.

The municipality recorded a net cash inflow of R4, 4 million for the quarter. Cash receipts from operating activities excluding operating government grants for the quarter amounted to R14, 9 million and thus not sufficient to cover suppliers and employees of R25, 6 million and thus technically represents a net cash outflow of R11, 1 million for the quarter ended 30 September 2018.

Capital investments also referred to as capital expenditure amounts to R1, 8 million which is R1, 7 million below the R3, 5 million planned quarterly target. Capital expenditure is also discussed under Table C5 in the above.

Cash and cash equivalents at the end of this first quarter amounted to R7, 8 million and are cash backed as reported under Table C6.

Supporting Table SC1 – Material Variances Explanation _Q1_2019

NC071 Ubuntu - Supporting Table SC1 Material variance explanations - M03 September				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
		R thousands	%	
1	Revenue By Source	Percentages		
	Property rates	61.98	Property rates were understated in budget.	Needs to correct this with adjustment budget.
	Investment revenue	36.52	Due to MIG grant not administered by Municipality the interest reduced significantly	Needs to correct through adjustment budget.
	Transfers recognized - operational	(99.67)	Not all operational grants were recognized (Equitable Share)	Needs to recognize Equitable share and all operational grants as conditions are met.
	Other own revenue	(85.61)	Traffic Fines not accounted for as per GRAP principle	Corrective Journal is needed to rectify.
2	Expenditure By Type			
	Employee costs	(13.19)	Not all vacancies are filled. Year-end actuarial journals no movement yet.	Filling of vacancies
	Remuneration of councilors	12.38		
	Depreciation & asset impairment	(100.00)	Non cash item, will be done yearly	No remedial action required.
	Finance charges	600.79	Most interest is for overdue accounts. This cannot be budgeted for as it is fruitless and wasteful expenditure	Need to be referred to Council for Investigation and possible condonation
	Materials and bulk purchases	64.93	Consumption is more than expected consumption	Adjustment budget is needed
	Transfers and grants	(100.00)	The movement is for indigent subsidies which is deducted from rates and services	Needs to be rectified in adjustment budget
	Other expenditure	(81.36)		
3	Capital Expenditure			
	Budget & Treasury Office	–		
	Road Transport	(95.81)	Did not receive the MIG was re-gazetted after Final budget approved	Needs to be corrected in adjustment budget.

	Electricity	(100.00)	Grant not received yet.	
	Water	(100.00)	No Service Provider appointed yet	Needs to Appoint Service Provider
	Waste Water Management	139,512,200	The sewer pipe in Richmond needed to be redone to avoid health risk. This was not budgeted for in the Final Approved budget.	Request for rollover pending from National Revenue fund. A portion needs to be own funding.

Paragraph 21 of schedule C regulations as gazette number 32141 requires that where the quarterly report on the implementation of the budget and the financial affairs of the municipality indicate a material variance between the actual year-to-date performance compared with the monthly or quarterly targets from the service delivery and budget implementation plan, reasonable explanations for such variances and be provided and the likely impact on annual performance agreements of the municipal manager and senior managers be assessed and recorded.

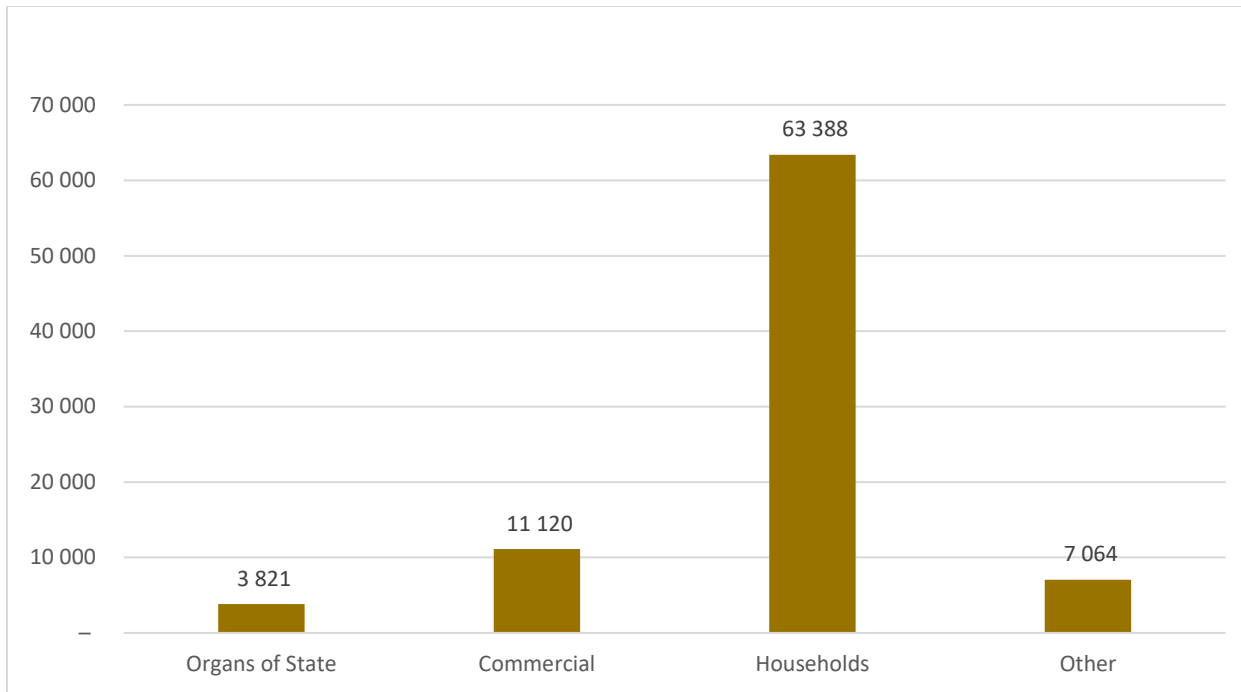
The above table provide a disclosure on material variance and explanations regarding monthly targets of revenue and expenditure.

Supporting Table SC3 – Debtors Age Analysis

NC071 Ubuntu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2018/19									
		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	743	462	481	416	378	534	2,275	21,971	27,260	25,574
Trade and Other Receivables from Exchange Transactions - Electricity	1300	631	423	344	293	180	202	756	2,772	5,602	4,204
Receivables from Non-exchange Transactions - Property Rates	1400	2,841	2,281	337	343	331	332	1,429	11,839	19,735	14,275
Receivables from Exchange Transactions - Waste Water Management	1500	464	357	339	311	298	291	1,738	10,782	14,580	13,420
Receivables from Exchange Transactions - Waste Management	1600	477	358	343	314	310	302	1,740	13,041	16,884	15,706
Receivables from Exchange Transactions - Property Rental Debtors	1700	15	14	14	14	13	13	84	942	1,110	1,067
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	7	5	4	4	4	4	57	139	223	207
Total By Income Source	2000	5,178	3,900	1,862	1,695	1,513	1,679	8,078	61,488	85,393	74,453
Debtors Age Analysis By Customer Group											
Organs of State	2200	1,140	202	175	164	109	127	578	1,325	3,821	2,303
Commercial	2300	1,918	2,246	294	269	232	201	699	5,261	11,120	6,662
Households	2400	1,759	1,261	1,251	1,120	1,040	1,220	6,028	49,708	63,388	59,117
Other	2500	361	191	141	142	131	131	774	5,194	7,064	6,371
Total By Customer Group	2600	5,178	3,900	1,862	1,695	1,513	1,679	8,078	61,488	85,393	74,453

Debtors as at 30 September 2018 amounted to R85, 4 million of which R74, 5 is older than 90 days. The highest debtors by customer group is households valued at R63, 4 million and commercial at R11, 1 million. The highest debtor by income source is water amounting to R27, 3 million and property rates at R19, 7 million followed by waste management at R16, 9 million.



Supporting Table SC 4 – Creditors Age Analysis

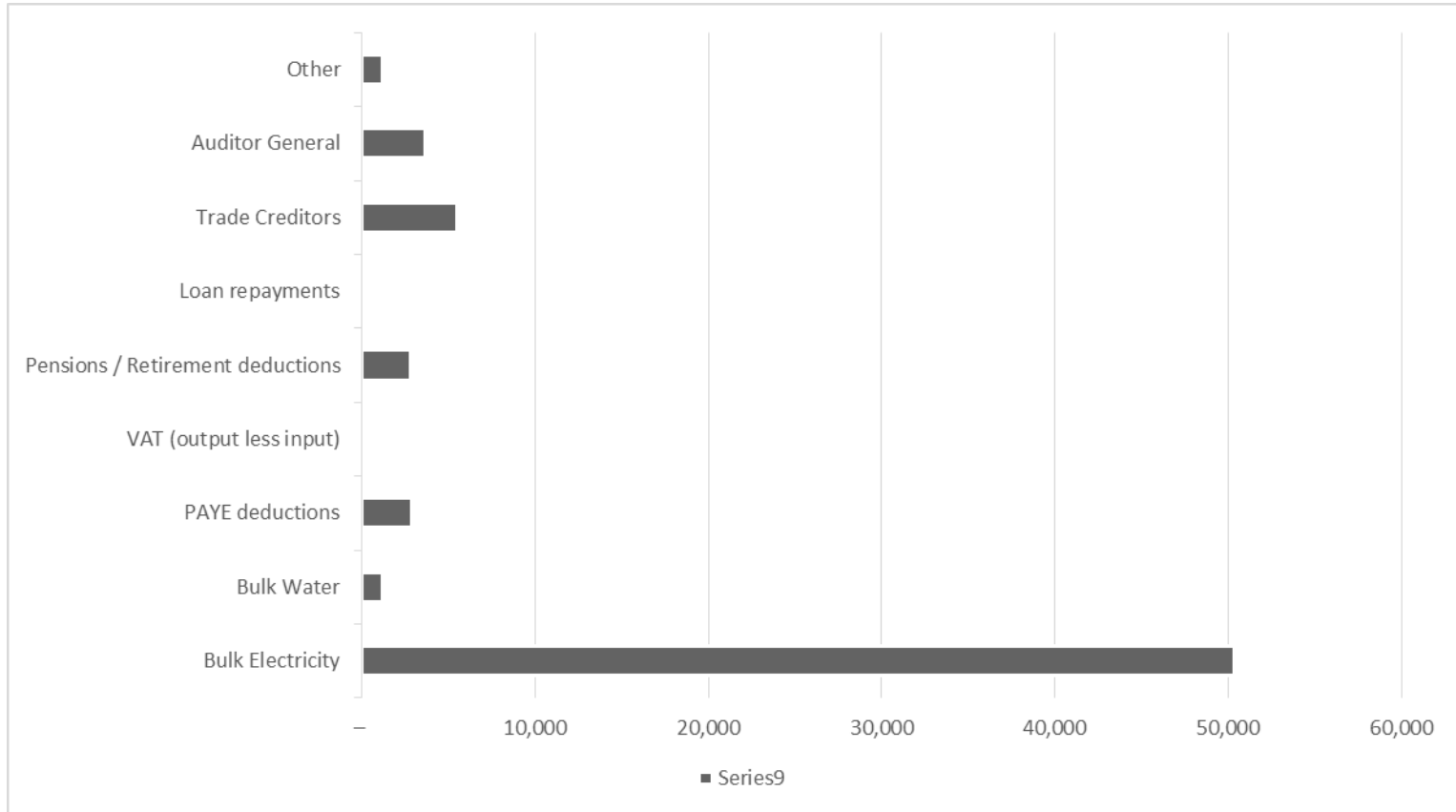
NC071 Ubuntu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2018/19								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150 Days	151 - 180 Days	181 Days -	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	1,582	–	4,571	2,553	20,675	20,981	–	–	50,362
Bulk Water	0200	131	–	135	–	938	–	–	–	1,204
PAYE deductions	0300	334	247	–	244	–	168	26	1,845	2,864
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	342	312	314	305	318	316	318	633	2,858
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	2,002	442	163	312	39	1,636	826	90	5,509
Auditor General	0800	576	325	–	12	110	2,686	–	–	3,710
Other	0900	753	464	–	–	–	–	–	–	1,217
Total By Customer Type	1000	5,721	1,790	5,183	3,426	22,080	25,787	1,169	2,568	67,724

Creditors payable as at 30th September 2018 amounted to R67, 7 million of which the highest is R25, 8 million and older than 150 days followed by R22, 1 million which is above 150 days.

Creditors by customer type shows bulk electricity is owed R50, 4 million, trade creditors representing suppliers R5, 5 million and Auditor-General a R3, 7 million. Then municipality is seen to owing third parties such SARS on PAYE and SALA in respect of pension fund deduction and amount of R2, 9 million, respectively as at the end of quarter.

GRAPH 8 – SCHEDULE SC4



Supporting Table SC5 – Investment Portfolio

NC071 Ubuntu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1	Market value at beginning of the month	Change in market value	Market value at end of the month
R		Yrs/Mont							
Municipality									
Biblioteek Project		30 days	Call Deposit		581	0.1%	111,034	330,581	441,614
Deernisfonds IoT		30 days	Call Deposit				4	-	4
Eiefondse		30 days	Call Deposit		10,361	0.5%	3,424,718	(1,438,837)	1,985,882
Electrical Project		30 days	Call Deposit		-	-	1	-	1
EPWP Projek		30 days	Call Deposit		446	0.3%	226,196	(93,159)	133,037
Eskom Payment Strat		30 days	Call Deposit		706	29.7%	1,670	706	2,377
Kerkstraat Subsidie		30 days	Call Deposit		-	-	123,009	-	123,009
MIG Fondse		30 days	Call Deposit		6,140	0.3%	1,757,819	6,140	1,763,959
NAS Tesourie FMG		30 days	Call Deposit		-	-	-	-	-
NCPT AFS Preperation		30 days	Call Deposit		-	-	-	-	-
Proj Consolidate MSIG		30 days	Call Deposit		-	-	273	-	273
WSIG		30 days	Call Deposit		8,644	0.5%	2,211,970	(483,728)	1,728,241
Municipality sub-total					26,879		7,856,693	(1,678,296)	6,178,397
TOTAL INVESTMENTS AND IN	2				26,879		7,856,693	(1,678,296)	6,178,397

Council's investments as at 30 September 2018 amounted to R6, 2 million and these are listed in the above. The investment portfolios are more short-term of nature meaning funds are invested for less than three months and immediately available and is thus part of cash and cash equivalents as at end of the first quarter.

NC071 Ubuntu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	34,135	-	-	15,205	15,205	-		34,135
Local Government Financial Management Grant			1,970			1,970	1,970	-		1,970
Expanded Public Works Programme Integrated Grant			1,000			250	250	-		1,000
Local Government Equitable Share Grant			31,165			12,985	12,985	-		31,165
	3									
Other transfers and grants [insert description]										
Provincial Government:		-	660	-	330	330	165	165	100.0%	-
Sport, Arts and Culture			660		330	330	165	165	100.0%	
	4									
District Municipality: [insert description]		-	-	-	-	-	-	-		-
Other grant providers: [insert description]		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	-	34,795	-	330	15,535	15,370	165	1.1%	34,135
Capital Transfers and Grants										
National Government:		-	14,862	-	-	-	2,000	(2,466)	-123.3%	14,862
Integrated National Electrification Programme (Municipal) Grant			1,000		-	-	-	-		1,000
Municipal Infrastructure Grant			9,862					(2,466)	-100.0%	9,862
Water Services Infrastructure Grant (Schedule 5B)			4,000				2,000			4,000
Other capital transfers [insert description]										
Provincial Government: [insert description]		-	-	-	-	-	-	-		-
District Municipality: [insert description]		-	-	-	-	-	-	-		-
Other grant providers: [insert description]		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	-	14,862	-	-	-	2,000	(2,466)	-123.3%	14,862
TOTAL RECEIPTS OF TRANSFERS & GRANT	5	-	49,657	-	330	15,535	17,370	(2,301)	-13.2%	48,997

Supporting Table SC12 – Capital expenditure trend

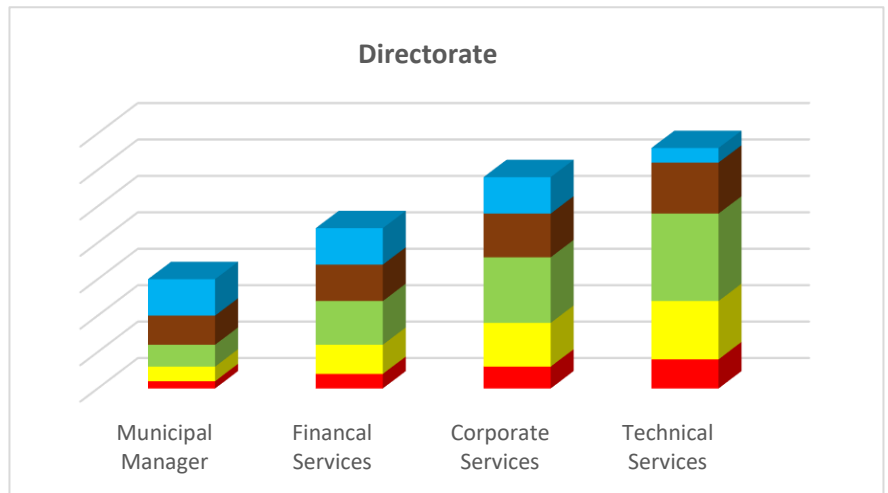
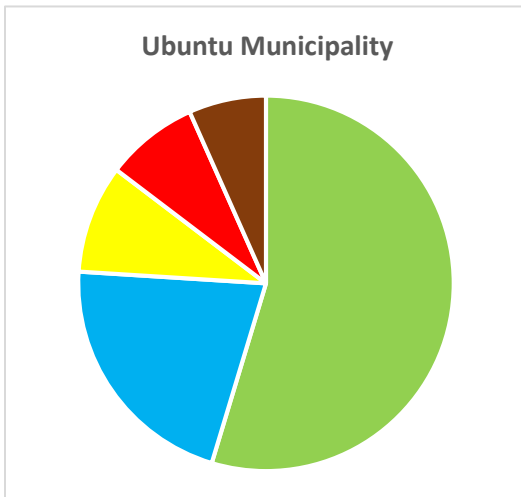
NC071 Ubuntu - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September									
Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands									
%									
Monthly expenditure performance trend									
July		1,239	1,239	–	–	1,239	1,239	100.0%	0%
August		1,239	1,239	–	–	2,477	2,477	100.0%	0%
September		1,239	1,239	1,006	1,006	3,716	2,709	72.9%	7%
October		1,239	1,239	564	1,570	4,954	3,384	68.3%	11%
November		1,239	1,239	0	1,570	6,193	4,622	74.6%	11%
December		1,239	1,239	0	1,570	7,431	5,861	78.9%	11%
January		1,239	1,239	0	1,570	8,670	7,099	81.9%	11%
February		1,239	1,239	0	1,570	9,908	8,338	84.1%	11%
March		1,239	1,239	0	1,570	11,147	9,576	85.9%	11%
April		1,239	1,239	0	1,570	12,385	10,815	87.3%	11%
May		1,239	1,239	0	1,570	13,624	12,053	88.5%	11%
June		1,239	1,239	0	1,570	14,863	13,292	89.4%	11%
Total Capital expenditure	–	14,863	14,863	1,570					

Capital expenditure results for the first quarter that ended 30th September 2018 are not in line with the planned anticipated targets. Expenditure constitutes R1, 6 million of the R14, 9 million annual approved budget.

UBUNTU MUNICIPALITY

Provisional Finance Management Report for the quarter ended 30 September 2018

Top Layer SDBIP Report



	Ubuntu Municipality	Directorate			
		<i>Municipal Manager</i>	<i>Financial Services</i>	<i>Corporate Services</i>	<i>Technical Services</i>
KPI Not Met	1				
KPI Almost Met	2				
KPI Met	3				
KPI Well Met	4				
KPI Extremely well Met	5				
Total:	25				

PART B

NON-FINANCIAL KEY PERFORMANCE INDICATORS

The following tables serve to illustrate the performance of the municipality and whether the Top Level key performance indicators of the municipality were met during the quarter ended 30 September 2018.

Municipal Manager

Vote: Municipal Manager										
Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018					Actual	Departmental SDBIP	Departmental Correction
			Projection	July	Aug	Sept	Actual			
Effectively Support political Interface.	No of schedule council meetings taking place.	4	1				0	Is matter beyond our control, the Mayor was ill and admitted at the Hospital but the Agenda was prepared and circulated to all councils.	That council meeting will be held as per SDBIP once per quarter.	
	No of Committee meetings taking place.	12	9			3	3	The committee was not held and only one per committees.	The programme is been drafted and the committees will be held as programme	
	Supporting visits of the Cabinet, NCOP, District Municipality and other structures.	100%	100%				0	Irrespective we are under intervention but no visit of Exeo or MEC	The Mayor will interact with the Exeo and try to get the programme	
Ensure effective public participation.	No of IDP Representative Forum's meetings taking place.	4	1					It will take place during October nothing had happen		
	No of budget consultation meetings taking place.	3						N.B	It will happen in the quarter	

Vote: Municipal Manager

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018							Departmental Correction
			Projection	July	Aug	Sept	Actual	Departmental SDBIP		
	No of Council Imbizo held.	2	1						No imbizo was held this quarter	
Ensure good and effective	No of customer satisfaction surveys conducted.	1		1	1				We had conducted one to determine the level of service and the customers details	
Governance.	No of senior Management meetings held	8	2	2	2		4		The meeting was held to prepare for close of financial year and the preparation of Financial statement	
	No of general staff meetings	4	1				2		The two meeting was held and other interval during the placement on July	
	Annual reports submitted as prescribed i.t.o MFMA	1							No annual report was submitted because of last financial year we experience problem of senior manures left the institutions	
	No of performance reports submitted by HoD's	16	4			4	4		Reports was submitted as planned	
	% implementation of council resolutions	80%	20%					20%	All resolution was implemented as per resolutions template submitted to council every council meeting for monitoring	
Implement an effective Performance Management System.	No of performance management reports submitted to council.	4	1			1	1		It is submitted section 52 report	
	% of performance contracts signed by HoD's.	100%	100%	3		100%			All contract was signed on July 2018	
	No of performance reviews with sections 56 conducted.	16	4			4			All was achieved fully	

Vote: Municipal Manager

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018							Departmental SDBIP	Departmental Correction
			Projection	July	Aug	Sept	Actual				
	No of performance reviews with direct reports.	16	4						N.B	It will been done the next quarter	
Formulation and implementation of a credible IDP	Approval of 2019/2020 IDP review by council.	1		1				1	Yes was achieved		
	% Spending of IDP projects	100%	25%					0			
	% of IDP priority/funded projects implemented	100%	25%						N.B	Next quarter the engagement will start	
Formulation and implementation of effective policies and by-laws	% Spending of MIG Grants	100%	25%		25%			0	The spending cannot reported because the function is taken to the DM		
	% of existing policies reviewed	20%								Next quarter	
	No of new by-laws approved in accordance council resolution.	100%						0			
	No of by-laws reviewed as specified by council.									It will happen the last quarter	
Effective organizational development	Review, update and approval of organizational structure	100%	100%					100%	It was achieved		
	Strategic plan formulated and approved	100%	100%					100%	It was held and not yet approved by council		
Ensure effective financial management	% Payment level	80%	20%		20%			10%		The revenue collection very poor	

Vote: Municipal Manager

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018							Departmental Correction
			Projection	July	Aug	Sept	Actual	Departmental SDBIP		
	% Attainment of revenue budget	95%	20%		50%					Next quarter
	% Spending of all grants	100%	25%		25%		25%	li was spend as planned		
	No of internal audits conducted	4	1		1		0	No audit was conducted because SLA was not signed with DM	It will conducted during the second Quarter	
Effective supply chain management	No of reviews conducted on tender committee management	1			1		0	Currently nothing was done	The committees will be established and inducted in the second Quarter	
Effective supply chain management	No of reports submitted on the implementation of SCM policy.	4	1				0	No reports was generate or submitted	It will improve in the next Quarter	
Financial Management	Annual Financial Statements completed i.t.o MFMA	1	1		1		1	It was late submitted because of lack of internal audit committee	It will be resolved	
	No. of section 71 reports submitted to Mayor & Treasury	12	3	1	1	1	3	Not submitted in time and the quality not acceptable		
	Reduce audit queries by at least 20%.	40%	10%		10%		5%	Yes number of consultants appointed to assist		
	Proper valuation roll completed	100%	100%							

Vote: Municipal Manager

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018							Departmental SDBIP	Departmental Correction
			Projection	July	Aug	Sept	Actual				
	No. of financial reports submitted to council.	4	1		1			1	Not as according to the plan	It will improve in the next Quarter	
Provision of basic services	% Water losses	5%			2%			2%	During the implementation of water project	Water meters will be installed at all bores holes	
	% Electricity Losses	5%	2%		2%			2%	Electrical Engineer is appointed to look into that matter	It will yield results in Quarter three	
	No of houses provided with new sewerage connections	500	100							Next financial year	
Bulk Services	Update of all infrastructure master plans	100%	100%							Quarter three	
	% Spending of maintenance of infrastructure	100%	25%			25%		0.006 %		It can only improve if the collection of revenue improved	
Ensure the implementation of Local Economic Development Plan	Establishment of Business Forum	1	1		1			1	Two was submitted MiG and WSG	We will submitted more than two for next financial year	

First Quarter July to September 2018									
Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018				Actual	Departmental SDBIP	Departmental Correction
			Projection	July	Aug	Sept			
Integrated Development Plan (IDP)	Nr of IDP Steering Committees held	4 IDP steering Committee meetings n.a.	1		1		N.B		Next quarter
	Formulation of IDP process plan	Approved by Council by end August 2018	1		-		N.B		Next quarter
	Nr of IDP Representative Forums held	Hold at least 4 IDP steering Committee meetings per annum	1		1		N.B		Next quarter
	Draft IDP approved by Council	Approved by Council at end of March 2019	-		-				Next quarter
Performance Management System	Departmental performance management system implemented	Fully implementation of performance management in all sector	100%		100%		100%	It was implemented	
	Nr performance management system report provided to council	Quarterly Performance	1		1		1	Yes as section 52 report	
	Nr of performance review conducted with sectors	Quarterly performance review	1		1		4		
	Nr of performance reviews conducted with key Corporate services staff	Conduct quarterly performance reviews with key staff members	1		1		0		Next quarter

First Quarter July to September 2018									
Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018				Actual	Departmental SDBIP	Departmental Correction
			Projection	July	Aug	Sept			
Annual Report	Draft annual report and submit in time	1 Annual report			1		0		Next quarter
Governance	Number of newsletter distributed	Annual Newsletters	4		1		0		Next quarter

Finance Department

Vote: Finance/Budget & Treasury Office									
Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018						
			Projection	July	August	September	Actual	Departmental SDBIP	Departmental Correction
Budget Reforms Implementation Process	Nr of Scheduled Financial Management & MFMA Steering Committee	4	1	0	0	1	1		
	Ensure implementation of the budget through the process of planning, strategizing, preparing, tabling and approving as per prescribed budget reforms format, NT guidelines and MFMA Calendar.	100%	—	0	0	0	0		
	Appointment of interns, identifying mentors and ensure skills transfer in accordance National Treasury's Internship programme.	2 Financial Interns 1 IT Interns	—	0	0	1	1		
Reporting Process in terms of the MFMA.	Ensure timeous reporting in the prescribed format to Council, National and Provincial Treasury, Auditor General, DPLG, Department Housing and Local Government, and other stakeholders on prescribed dates.	100%	100%	45 %	45%	100%	63%		
	Ensure the drafting and submission of a Mid-Year report to Council.	100%	—	0	0	0	0		
	Ensure the timeous compilation of the Annual Report in the prescribed format.	100%	—	0	0	0	0		
	Ensure the timeous compilation of the Annual Financial Statements in the prescribed format.	100%	100%	100%	100%	50%	83%		

Vote: Finance/Budget & Treasury Office										
Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018							
			Projection	July	August	September	Actual	Departmental SDBIP	Departmental Correction	
Expenditure and Supply Chain Management.	Ensure the implementation and management of the expenditure and supply chain management policy and system.	100%	100%	30%	30%	30%	30%	30%	Not adhering to SCM and budget related policies and regulations during normal cause of business.	TCWG and All Senior Administrators needs to be trained on SCM policy. Policy needs to be Implemented to the latter.
Revenue and Debt Collection	Ensure the collection and receipts in terms of all grant funding promulgated per DORA allocation.	100%	40%	40%	40%	40%	40%	40%		
	Enhance revenue collection by 10% for the financial year 2018/2019 through effective billings and minimising the number of dormant customers and faulty accounts or readings	95%	30%	28,16 %	42,30 %	187,37%	55%			
	Ensure the review and implementation of debt collection policies, systems and by-laws	95%	50%	0	40%	40%	26%	Debt Collection has been implemented in August only.	Need cooperation of other departments and the policy needs to be applied in full to all people.	
	Ensure development of policies and implementation in compliance with the Property Rates Act in the DMA.	100%	100%	100%	100%	100%	100%			
Asset and Risk Management.	Ensure the implementation of effective asset and risk management system.	100%	100%	50%	50%	50%	100%	No Risk Management in place.	I have solicit assistance from NCPT to assist with this function. NCPT is awaiting formal	

Vote: Finance/Budget & Treasury Office									
Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018						
			Projection	July	August	September	Actual	Departmental SDBIP	Departmental Correction
									request from Acting MM.
Municipal Transformation and Organisational Development	Implement the approved Performance Management System (PMS) in the Budget and Treasury Office in accordance the Integrated Development Plan (IDP) of the municipality and NT guidelines.	100	25%	20%	20%	20%	20%		
	Review, amend and implement the approved organisational structure of the Finance Department (Budget & Treasury Office), in line with the Integrated Development Plan (IDP) of the municipality.	100	-	0	0	0	0		
	Review, Amend and implement the approved administrative and institutional systems, structures and procedures in the Finance Department (Budget & Treasury Office) to allow for appropriate/optimal discharge of duties as per MFMA & IDP.	100	30%	25%	25%	25%	25%		
	Convene regular staff meeting in the finance department (BTO)	4	1	0	1	0	1		
Good Governance and Public participation	Ensure the implementation of the approved Process Plan for community participation in terms of planning, budgeting, implementation, monitoring and reporting.	100	-	0	45	0	45		
	Develop, approve and implement the approved financial anti-corruption strategy for the municipality in terms of the national strategy.	100	-	0	0	0	0		

Vote: Finance/Budget & Treasury Office

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018						
			Projection	July	August	September	Actual	Departmental SDBIP	Departmental Correction
	Strive towards achieving an unqualified financial audit report.	70%	20%	10%	10%	10%	10%	No training and acquisition of tools is taking place to achieve this objective. This is also encapsulated in the Personal Development Plan.	Training and acquiring of tools is needed as well as review of organogram to ensure fully compliance.
	Ensure that performance reviews are conducted with key financial staff	4	1	0	0	0	0	Performance management has not been implemented in the first quarter for middle management.	Needs cascade down to middle management.
	Ensure that disciplinary cases are concluded timeously and successfully.	100	100%	100%	100%	100%	100%		

Corporate Services

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018					Departmental SDBIP	Departmental Correction
			Projection	Jul y	Au g	Sept	Actual		
Affective Governance Effective Governance	No. of scheduled sub-committee meetings taking place	12 per annum per portfolio committee	3	0	0	1	1	The HOD will ensure that committee meetings are held monthly.	This KPI will be measured in the 2 nd Quarter.
	No. of scheduled council meetings taking place	4 per annum	1	0	0	0	0	The ordinary council meeting was scheduled for the 13 August 2018 and was postponed, the then Mayor passed and due to the process of the IEC to replace the councillor.	The planned meeting of the 13 th August took place on the 17 th October 2018.
	Ave days of council minutes distributed	No longer than 7 days	1	0	0	0	0	-	On the 2 nd Quarter the HOD will ensure that minutes are distributed within 7 days.
	Review and approval of Employment Equity Plan	Council approved by End September 2018.	-	0	0	0	0	The EEP is being reviewed. Request the department of Labour to train the incumbent on the submitted. The EEP Consultative forum will be established in November 2018.	The submission date for the EEP is the 25 th January 2018. This KPI will be measured in the 3 rd Q
	Review and approval of Skills Development Plan	Council approved by end April 2019	1	0	0	0	0	-	It will done next quarter
Effective Human Resources	No. of employees trained i.e. in Skills Development Plan	Minimum of 10 employees	10	0	4	7	7	In house trainings were conducted by the sector Departments	

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018					Departmental SDBIP	Departmental Correction
			Projection	Jul y	Au g	Sept	Actual		
management and	No. of councilors trained	According to WSP	2	0	0	1	1	The Chairperson of the MPAC attended training of MPAC held conducted by the District and Provincial Treasury.	
	Amount of skills levies received from Seta	100% As per budget	25%	0	0	0	0	-	-
	% of New staff provided with induction courses	100% of all new employees	100%	100 %	0	0	100%		-
	No. of safety reps trained in first aid and occupational safety	Train all 10 safety representatives committees	10	0	0	0	0	To ensure that the Safety of the employees are address properly.	The Health and Safety committee was established and the EHP will assist with basic training on Health and Safety matters.
	No. of life skills/ Wellness programs conducted	Conduct 2 life skills programs per year	2	0	0	0	0	2 Wellness programs must be conducted for the employees.	The Wellness programme will be conducted on the 3 rd Quarter.
	% of Critical vacant posts filled (budget)	Appointment of all critical post as per budget	2	1	0	0	1	The position of the Manager has been advertised and recruitment process was concluded, however the position of the Manager Corporate Services will be acting for the financial year 2018/2019.	
	No. of Safety committee meetings held	12 Monthly safety meetings	3	0	0	0	0	The HOD will ensure that the meetings are held monthly.	This KPI will be measured in the 2 nd Quarter.
	% of contract workers appointed according to a contract	100% of contract workers with contracts	100%	100 %	0	0	100%		-

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018					Actual	Departmental SDBIP	Departmental Correction
			Projection	Jul y	Au g	Sept				
Effective labour relations	No. of Labor Forum meetings taking place	12 Labor3 Forum meetings per year	1	1	0	1	1	The HOD will ensure that the meetings are held monthly.	This KPI will be fully measured in the 2 nd Quarter.	
	% of Disciplinary cases investigated and completed	100% of all disciplinary cases to be completed	100% of disciplinary cases	100 %	100 %	100 %	100%	-	-	
	% of grievances resolved	100% grievances received	100%	100 %	100 %	100 %	100%	-	-	
	% of disciplinary cases conducted	100% cases conducted	100%	0%	0%	0%			-	
	% of disputes resolved	100% disputes received	100%	0	0	0			-	
Local economic development	Establishment of Business Forum	100%	100%	0	0	0	0	The Business meeting took place in Apollo but was not fully attended by all business representatives.	The Business forum will be established in the 2 nd Q which will consist of commercial businesses and the meetings will take place on a quarterly basis. The business forum will consist of businesses from all 3 towns.	
Effective registry	Strengthening of access to the registry office	Strict measures to be implemented in accessing the registry office	1	0	0	0	0	-	Draft policy will be works hopped in the management meeting and with all employees and will be tabled to Council in the 2 nd Quarter.	
System	Registry policy approved and implemented	By end of September 2018	1	-	-	-	-		Draft policy will be works hopped in the management meeting and all employees and will be tabled to Council in the 2 nd Quarter.	

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018					Departmental SDBIP	Departmental Correction
			Projection	Jul y	Au g	Sept	Actual		
	% of Files circulated, returned to registry	95% of files circulated	95% of circulated files	0	0	0	0		KPI will be measured in the 2 nd Quarter.
	Develop & Implement a Customer Care Plan	Implement by 30 October	-		-		0	-	The customer care plan will be developed and be measured in the 2 nd Quarter.
Personnel management	No. of Staff meetings held in Corporate Services department	Conduct at 12 monthly staff meetings in the department.	3	1	0	0	0		The HOD will ensure that the staff meetings are held monthly.
	No. of performance reviews conducted with key Corporate services staff	Conduct quarterly performance reviews with key staff members	1	0	0	0	0		Performance Management will be cascaded to the
Library services	No. of new library memberships:	Increase of 5% per annum	5%	5%	5%	5%	5%	Promotional programmes must be implemented in all libraries to attract new memberships.	This KPI will be fully measured in the 2 nd Quarter.
	No. of Library Development Programs introduced:	2 per annum	2	0	0	0	0	2 Programmes were planned in the business plan for the libraries, namely the Library week and the World Book Day	The measuring of this KPI will be conducted in the end of the 2 nd Quarter and 3 rd Quarter
	Value of Monthly book losses	Reduce by 5% pa	5%	2%	5%	3%	3%	-	This problem will be addressed in the second quarter the department will be doing the asset verifications during November in all libraries to check the real percentage of the reductions

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018						Departmental SDBIP	Departmental Correction
			Projection	Jul y	Au g	Sept	Actual			
	No. of new books/ library items introduced/purchased:	Increase of 5% per annum	5%	3%	5%	3%	3%	-	Based on the business plan submitted all libraries must receive magazines and newspapers monthly and news 24 will be delivering the books as paid.	
	No. of Internet and e-mail users:	Increase of 5% per annum	5%	5%	5%	5%	5%	-	That the Municipality must negotiate with the department to increase the allocation for open WIFI in all libraries.	
	No. of books circulated per month	Increase of 5% per annum	5%		5%	5%	5%	5%		
	No. of people attending lecturing programs	Increase of 5% per annum	5%	0	0	0	0	-	The World Book day will take place in the 2 nd Q	
	Amount of sundry income received for library services	Increase of 5% per annum	5%		-	-	-	-		
Integrated Development Plan (IDP)	Nr of IDP Steering Committees held	4 IDP steering Committee meetings per annum	1	0	0	0	0	-		
	Formulation of IDP process plan	Approved by Council by end August 2018	1	-	-	-			The process plan was prepared and to be tabled in the council meeting of 13 August 2018, but meeting was postponed, the meeting did however take place 17 th October 2018.	
	Nr of IDP Representative Forums held	Hold at least 4 IDP steering Committee meetings per annum	1	0	0	0		-	Next quarter it will held engagement	
	Draft IDP approved by Council	Approved by Council at end of March 2019	-	-	-	-		-	Next quarter	

Vote/Indicator	Unit of measurement	Annual Target	First Quarter July to September 2018						Departmental SDBIP	Departmental Correction
			Projection	Jul y	Au g	Sept	Actual			
Performance Management System	Departmental performance system implemented	Fully implementation of performance management in all sector	100%	-	-	-	-	-	Performance Management must be cascaded to the middle management and upon the 4 th quarter all employees will be performance based.	
	No. performance management system report provided to council	Quarterly Performance	2	-	-	-	-	-	-	-
	No. of performance review conducted with sectors	Quarterly performance review	1	-	-	-	-	-	-	-
	No. of performance reviews conducted with key Corporate services staff	Conduct quarterly performance reviews with key staff members	1	-	-	-	-	-	-	Performance management is only implemented to senior managers only the 2 nd quarter the middle management will be performance based.
Annual Report	Draft annual report and submit in time	1 Annual report	1	-	-	-	-	-	The Annual is the draft stages will be tabled to Council 25 th January 2018. Officials will be trained to compile the Annual Report to avoid appointing service providers to compile the report.	
Governance	Number of newsletters distributed	Annual Newsletters	4	-	-	1	1	-	That the newsletter be developed before the 2 nd Quarter	

COMPLIANCE WITH THE IMPLEMENTATION OF MSCOA

The Municipality is functioning outside the norm. The municipality is busy implementing the mSCOA regulations, which had the effect that certain processes needed to be adjusted. The Depreciation runs was only done up to end of December 2016. The third quarter expenditure for this item must therefore still be processed, which will bring this ratio more in line with the norm set.