

---

# Ubuntu Municipality



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

## **MID –YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT**

**2022/23 FY**

Table of Contents.....

Glossary.....

Section 1-  
Introduction.....

Section 2 – Legislative  
Framework.....

Section 3 – Report of the Executive  
Mayor.....

Section 4 – Executive  
Summary.....

Section 5 – Financial Performance  
Analysis.....

Section 6– Revenue Management.....

Section 7 – Expenditure Management.....

Section 8 – Conditional Grant Management.....

Section 9 – Asset  
Management.....

Section 10 – Service Delivery and Budget Implementation  
Plan.....

Section 11 – Municipal Manager’s Quality  
Certification.....

## Glossary

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

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

**Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

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

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

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

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

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

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Vote** – One of the main segments into which a budget. In Ubuntu Local Municipality this means at directorate level.

## SECTION 1

### *Introduction*

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

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

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

The MBRR highlights the format of the mid-year budget and performance assessment.

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

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

## **SECTION 2**

### **Legislative framework**

In terms of Section 72 of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the budget and performance of the Municipality during the first half of the financial year. A report on such assessment must in terms of section 72 (1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

We like to highlight and request council to take note that the Section 52, Quarterly Budget Monitoring Report for the second quarter will be incorporated in this report. The requirements of section 52(d) will be met in this Mid-year Budget and Assessment Report.

## SECTION 3

### Executive Mayor's report

The core mandate for local municipalities like ours is to provide services to the communities in our jurisdiction. Which makes local government, municipalities, by virtue of the three spheres of the government the closed sphere of government to the people. This is where the community interactions directly with government. It is therefore our responsibility to continue serving our communities to the best of our ability utilising our resources and infrastructure at our disposal.

The Mid -Year Budget and Performance Assessment for 2022/2023 financial year is prepared in accordance with the Municipal Finance Management Act (Section 72 of MFMA).

The table below is the current approved budget for the 2022/23 financial year.

	Adjustment Budget year 2021/22	Budget year 2022/2023	Budget year +1 2023/2024	Budget year +2 2024/2025
<b>Total Operating Revenue</b>	R150 600 153	R165 527 581	R177 043 459	R191 991 485
<b>Total Operating Expenditure</b>	R152 875 821	R164 666 586	R173 619 161	R191 187 421
<b>Surplus</b>	-R2 275 668	R 860 995	R 3 424 298	R 804 064
<b>Total Capital Expenditure</b>	R21 845 000	R29 735 000	R27 460 000	R29 419 000

The mid-year performance assessment, assess our performance as a municipality to ensure that the projects and assumptions made at the time of the original budget can still be achieved and for new unforeseen circumstance can be included into the budget projection and assumptions. We cannot move forward without knowing how far we have come and if we are still on the right track.

The mid-year assessment report is divided in four section which is based on the section 72 done on the finance section.

- Revenue
- Operational Expenditure
- Capital expenditure

## *Revenue*

The municipality's main source of revenue stems from rendering of basic services to in the 3 (three) towns it services. Ubuntu Local Municipality has a poor payment culture which needs to be addressed with urgency. The collection rate for the financial year at the end of December 2022 focusing solely on what was billed and receipted for that period is 39%. Total outstanding debtors remains relatively high at R 144 511 142 which is higher than the December 2021 figure of R 134 638 000. This is not a good sign, as the movement over a period of a year is significantly high. Water services remains the highest owed service at the municipality, drastic measure needs to be implemented to ensure that we collect on the services we provide. There are a number of factors that contribute to this such as inconsistency in implementing credit control measures, inability to collect in Eskom supply areas.

Awareness on the importance of paying municipal accounts remains a crucial aspect in improving the payment culture in our community, which will result in better service delivery to the residents of Ubuntu Local Municipality. Educating the community about their municipal accounts and ensuring that credit control is implemented will ensure that we decrease this outstanding debt. Being financially sustainable and viable is a goal we have to achieve in this lifetime.

## *Operating expenditure by type*

The municipality had a total of R 103 023 429 as at the end of December 2022, this is significantly higher than the R 93 255 000 as at end of December 2021. Implementation of improved controls such as cashflow forecasting has assisted the municipality in better planning for expenditure it wishes to incur. A drastic reduction in expenditure is needed to ensure the municipality remains financially stable again.

In the 2022/23 financial year the municipality remains committed to this objective, to ensure creditors are paid within 30 days. We need to start prioritising expenditure and reduce the nice to have expenditure. Expenditure should be incurred in a manner where service delivery is prioritised.

## **Capital expenditure**

The municipality performed poorly in one of the conditional grants it received namely INEP.

As I conclude I would like Council members to bear in mind the need to provide quality services to our community not only when considering this Mid –Year Budget and Performance Assessment, but in all that they do especially as the community is having high expectation in terms of service delivery standard. I thank you for the opportunity granted to me to present this report to the Council of Ubuntu Local Municipality.

## **Section 4**

### **EXECUTIVE SUMMARY**

This report is a summary of the main budget issues arising from the budget monitoring process. It compares the progress of the budget in terms of actual income and expenditure to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

### **PURPOSE**

The purpose of this report is for Council to note the mid-year budget and performance assessment for the 2022/23 financial year and service delivery actual performance against the set targets.

Furthermore, this report serves to comply with 72 (1) (a) (b), (2) and (3) (a) (b) of the Municipal Finance Management Act (MFMA) and the requirements of the Municipal Budget and Reporting Regulations which requires that specific financial particulars be reported on and in the formats prescribed.

The accounting officer must as part of the review make recommendation as to whether an adjustment budget is necessary and recommended revised projections for revenue and expenditure to the extent that this may be necessary.



## SECTION 5

### FINANCIAL PERFORMANCE ANALYSIS

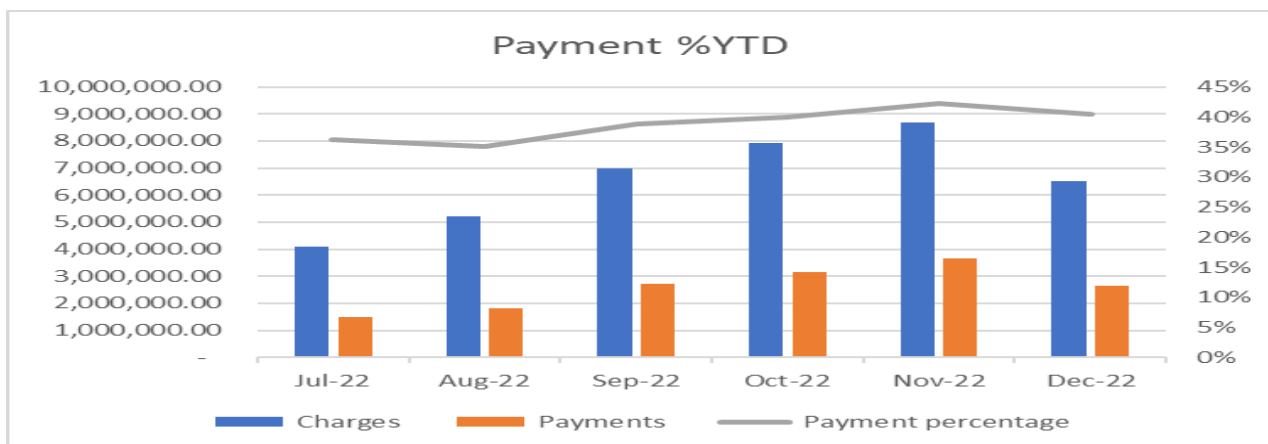
In considering the performance of the Municipality for the first half of the financial year various reports were taken into account; inter-alia the Section 71 monthly reports, the Service Delivery and Budget Implementation Plan, Grant Reconciliations etc.

The following table presents the overall municipal budget for 2022/20 financial year:

Total Operating Budget for the year 2022/23 is R 165 527 581 on anticipated revenue and R 164 666 586 on anticipated expenditure.

	Adjustment Budget year 2021/22	Budget year 2022/2023	Budget year +1 2023/2024	Budget year +2 2024/2025
<b>Total Operating Revenue</b>	R150 600 153	R165 527 581	R177 043 459	R191 991 485
<b>Total Operating Expenditure</b>	R152 875 821	R164 666 586	R173 619 161	R191 187 421
<b>Surplus</b>	-R2 275 668	R 860 995	R 3 424 298	R 804 064
<b>Total Capital Expenditure</b>	R21 845 000	R29 735 000	R27 460 000	R29 419 000

The municipality's collection rate remains relatively low and bares motivation to a downward adjustment on the anticipated revenue. With contributing factors such as poor payment culture, Eskom supply area and historical debt accumulated by households, the impact of the effort made to increase the collection rate have been minimal.



Based on the above illustration, the collection remain below the billing, it should further be noted that this collection further means that very little is collected on the arrears, historical debt that has accumulated over the years. In terms of credit control there is an increasing trend of account

holders making arrangements on their arrears and defaulting by the second month of payment. The above clearly confirms this, as very little is collected on the arrears and only the current account being serviced. As per the KPI, collection as per the target of 50% of what is billed, is currently at 39%, we wish to strive for 80% of what is billed in the next financial year. In relation to actual billing versus the budgeted amount is at 54%.

With a low collection, the anticipated expenditure has to decrease, the adjustment budget will be developed taking the above into account. However, Service chargers remains unchanged as there are no changes to the number of meters and the tariff charged. Water and electricity the most owed service when considering the outstanding debt owed to the municipality.

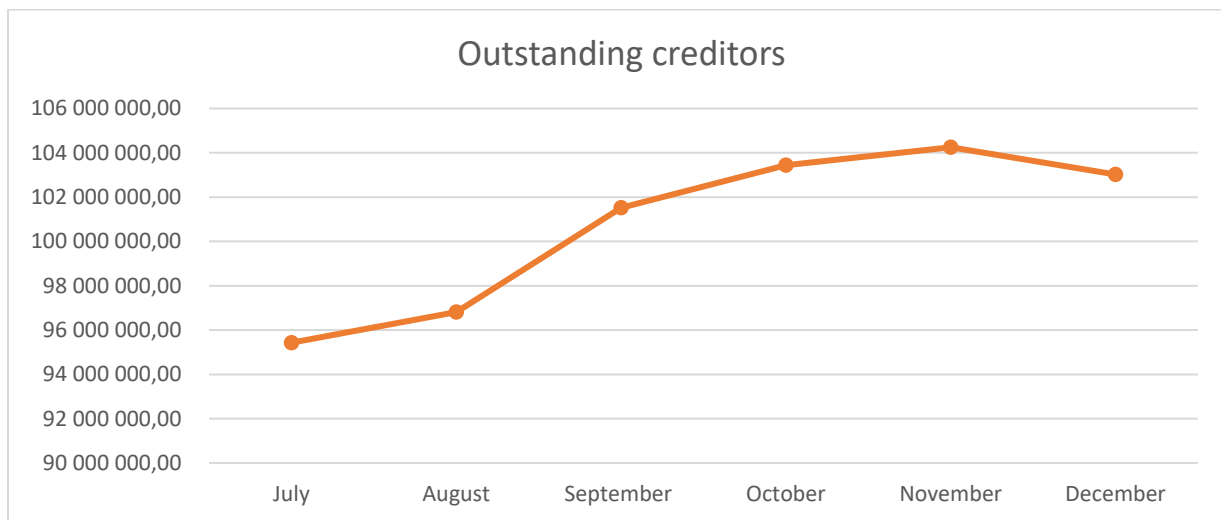
### Grants and Subsidies:

The municipality has maintained all grant deposits in separate call accounts with withdrawals only being made when the grant expenditure is approved by the municipal manager and chief financial officer.

### General Expenditure

Total outstanding creditors was at R 103 023 429 as at end December 2022, which is a R 10 000 000 increase compared to the December 2021 closing of R 93 255 000. An increase in expenditure was experienced as a result of the Eskom, Auditor General and SALGA account.

The graph below illustrates the movement in creditors from the first 6 months of the financial year.



## SECTION 6

### Revenue

The municipal final annual budget was approved with a total revenue by source of R 165 715 269. The table below depicts the budget versus actuals, in the table below the electricity takes into account prepaid and conventional electricity. Below table illustrated the performance of the revenue department for the first 6 months of the financial year.

The year to date actual reflects an achievement of overall 39% collection rate on the current account, which does not include arrears.

Month	Charges	Payments	Payment percentage
Jul-22	4,090,144.09	1,483,488.13	36%
Aug-22	5,217,134.79	1,826,314.23	35%
Sep-22	6,998,972.92	2,719,504.78	39%
Oct-22	7,907,859.68	3,162,537.29	40%
Nov-22	8,666,050.06	3,664,469.95	42%
Dec-22	6,529,087.87	2,641,297.00	40%

During the first 6 month of the year financial year, the municipality billed a total amount of R 39 409 249.

Total debtors as per end December 2022 at 144 511 143 which is higher than December 2021 which was R 134 638 000. Outstanding debt owed to the municipality is supposed to reduce, however, in our case it continues to climb as community member fail to pay for the services rendered to them.

Service chargers that show high levels of unrecovered debt is Water Service with the amount of R 44 832 000 and Electricity on R 12 187 000. The outstanding debtors has increased monthly, with indigent households being the main contributor. Water and Property Rates charges remain the lowest services being paid.

#### *Outstanding Debtors per category*

Row Labels	Sum of 0 Tot	Sum of To 30	Sum of Tot 60	Sum of Tot 90	Sum of Tot 120	Sum of Tot 150	Sum of Tot 180
Business	664,876.85	1,223,296.44	819,047.10	524,779.24	324,558.70	183,818.14	8,317,578.94
Church	10,361.88	16,538.81	14,615.67	18,703.80	13,597.63	13,731.98	803,186.29
Farm	434,031.47	617,120.57	613,789.21	599,288.18	133,994.17	134,133.62	12,281,123.63
Government	- 511,093.02	326,409.74	294,923.72	341,323.87	106,305.49	74,033.24	3,509,820.92
Hospital	33,886.27	57,995.54	57,149.95	56,307.18	1,817.46	-	0.03
Municipal	314,652.58	390,546.17	379,620.81	379,225.56	243,659.65	236,407.49	4,088,207.18
None	66,172.63	429,419.87	303,578.58	261,638.51	233,273.97	200,845.37	10,971,959.98
Residential	276,396.73	3,270,550.84	2,846,626.33	2,105,907.56	1,999,300.48	2,211,978.97	93,659,092.31
School	664,760.76	693,203.73	761,370.60	633,476.18	261,472.10	199,504.35	10,880,174.24
(blank)							
<b>Grand Total</b>	<b>1,954,046.15</b>	<b>7,025,081.71</b>	<b>6,090,721.97</b>	<b>4,920,650.08</b>	<b>3,317,979.65</b>	<b>3,254,453.16</b>	<b>144,511,143.52</b>

The income department is assessing other means to enhance the municipality’s credit control measures to try and recover the outstanding debt which include a pilot project where a third party does collection through different channels including the legal route to recover debt owed to the municipality. One of the biggest challenges the credit control unit faces, is defaulting on payment arrangements by consumers.

*Indigents*

We have a total of 1 986 indigents flagged on the financial system till end of December 2022.

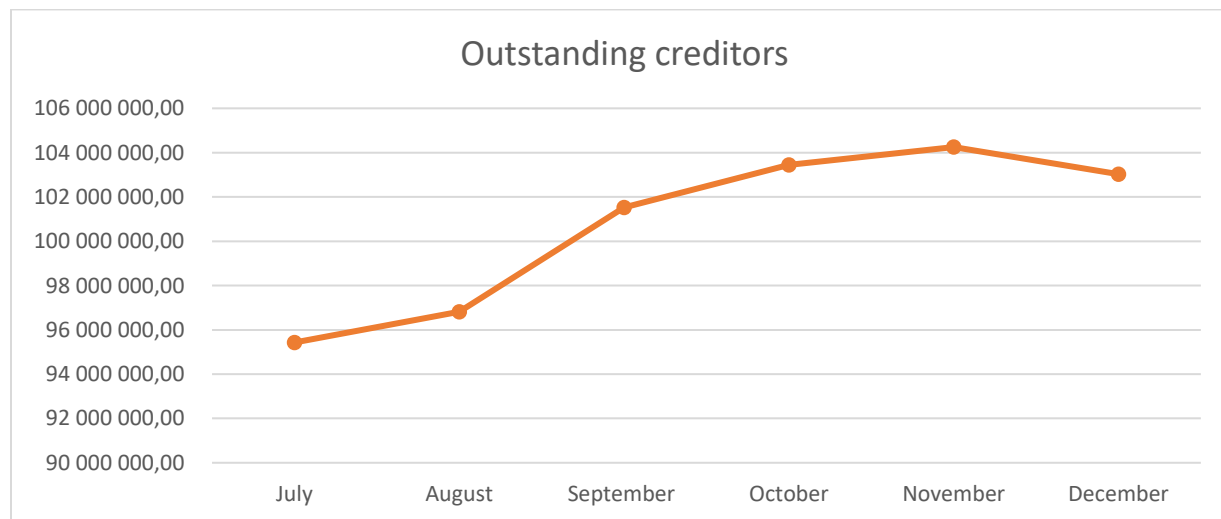
**SECTION 8**

**EXPENDITURE MANAGEMENT**

*Creditors Analysis*

The following information provides an understanding of the municipality’s outstanding creditors as at 31 December 2022.

Total outstanding creditors was R 103 023 429 in December 2021.



Below are the top three creditors for the municipality have to date:

Eskom	–	R 88 557 658
Auditor General	–	R 13 007 101
SALGA	–	R 1 456 670

The municipality has incurred an increase in the number of expenditure during the first 6 months of the financial year, with unforeseen cost such as rental of water trucks to address water shortages in some areas.

## Quarter 2 expenditure per category

	<b>OCT 2022</b>	<b>NOV 2022</b>	<b>DEC 2022</b>
Accommodation	36 970	51 828	21 930
Assets	27 165	275 716	176 114
Consultancy Fees	152 695	657 689	946 731
Electricity Bulk Purchases	758 369	2 047 160	4 062 225
Water Bulk Purchases	190 248	378 143	195 499
Fuel Cost	200 000	150 000	150 000
General Expense	536 933	841 398	1 287 449
Contracted Services	3 622 361	1 257 738	6 792 641
Printing and Stationary	1 968	7 975	660
Salaries and Wages	2 900 434	5 410 515	3 447 453
Telephone&Postage	56 928	19 286	43 862
Transfers	-	12 889 158	2 853 256
Traveling Cost	256 373	203 683	69 705
Vechile Repairs&Maintenance	-	9 560	32 229
<b>TOTAL EXPENDITURE</b>	<b>8 740 445</b>	<b>24 199 849</b>	<b>20 079 755</b>

## SECTION 9

### CONDITIONAL GRANTS MANAGEMENT

Operational Grant Spending:

<b>GRANT NAME</b>	<b>ALLOCATION RECEIVED 2022/23</b>	<b>TOTAL SPENT</b>	<b>TOTAL REMAINING</b>	<b>% SPENT</b>
FMG	R 2 900 000	R 2 234 565	R 665 435	77%
LIBRARY GRANT	R 700 000	R 329 204	R 370 796	47%
EPWP	R 666 000	R 369 699	R 296 301	56%

### Financial Management Grant

- The grant shows a percentage spent of 77% expenditure
- Funded projects include, Updating of the Asset Register, Compilation of AFS, Financial System training and maintenance.

## Library Grant

- The allocation for 2021/22 is R 700 000, 47% was spent on salaries and other administrative goods.
- The library remains dependent on the municipality for additional funding as the allocation does not cover the total cost.

## EPWP Grant

- The grants performed at 56% as at the end of December 2022, municipality is awaiting the final trench of the allocation.

## Capital Grants Spending:

GRANT NAME	ALLOCAT RECEIVED 2020/2021	TOTAL SPENT	TOTAL REMAINING	% SPENT
MIG	R 9 660 000	R 5 972 339	R 3 687 661	61%
EE&DM	R 3 500 000	R 3 491 936	R 8 064	99%
WSIG	R 7 200 000	R 2 031 011	R 5 168 989	28%
INEP	R 5 500 000	R 0	R 5 500 000	0%

Capital grant expenditure has a decline in performance as at end December 2022, the following reasons contribute to the performance:

- MIG – The grant performance has to be at 50% at the end of December, the municipality has surpassed this target.
- WSIG – The municipality is at 28%, the procurement process has been concluded for both projects, expenditure is set to increase by the 3<sup>rd</sup> quarter.
- EE&DM – The project is completed
- INEP – The grant has not been spent yet, expected completion in quarter 3.

**SECTION 10**

**ASSETS MANAGEMENT**

Ubuntu Local Municipality has insourced its movable assets management and only uses consultants for the infrastructure assets. Below is a summary of the different asset class.

<b>Asset class</b>	<b>Cost</b>	<b>Accumulated Depreciation &amp; Impairment</b>	<b>Carrying Value</b>
Land	R 113 856 650	(R 0)	R 113 856 650
Buildings	R 53 973 825	(R 46 144 631)	R 7 829 194
Infrastructure	R 800 959 686	(R 420 983 050)	R 379 976 636
Community Assets	R 123 464 478	(R 105 955 868)	R 17 508 610
Other assets	R 11 359 099	(R 7 149 647)	R 4 209 452
Investment Properties	R 63 364 610	R 1 660 748	R 65 003 111

**Additional assets**

	<b>Bakkies</b>	<b>Desktops and laptops</b>	<b>Pumps</b>	<b>Tractor</b>	<b>Total</b>
Additions	1 212 946.00	194 500	214 475.54	485 797.18	2 107 718,72

\*\*\*\*\*

# **PART B**

## **Performance Assessment Report**



### KPA BASIC SERVICES & INFRASTRUCTURE: HUMAN SETTLEMENTS

Focus Area	KPI	Annual Target	Responsible Department	Potential risks	Updated comments
Human Settlement	Submission of business plan for the construction of 50 BNG Top structures in Loxton Submission of Business plan for establishment of 700 units Submission of business plan for the construction of 40 BNG Top structures in Richmond	Approval of Business plan by Developers  Approval of township establishment for 2022/23 financial year  Approval of Business plan by Developers for 2022/23 financial year	Technical Services	Funding	

### KPA BASIC SERVICES & INFRASTRUCTURE: WATER & SANITATION

Focus Area	KPI	Annual target	Responsible department	Potential risks	Updated comments
Bulk Water Upgrade	To ensure that the water supply is not disrupted and safe for public consumption.	Ensure that stable water is accessible to the community	Technical Services	Time Frame	
Internal water reticulation and war on leaks	Replacement of existing Asbestos pipes with PVC pipes.	Ensure that water is accessible to the community	Technical Services	None	
Supply of Water - Expropriation and upgrading of existing borehole in Loxton	Stabilization of Ground water supply	Ensure that stable water is accessible to the community	Technical Services	None	

### KPA BASIC SERVICES & INFRASTRUCTURE: WASTE MANAGEMENT

Focus area	KPI	Annual target	Responsible department	Potential Risks	Updated Comments
Upgrading of Landfill in Richmond	Outsourcing of funds for the Upgrading of Landfill sites in Richmond	Ensure sufficient funds for the upgrading of Landfill according to the standards.	Technical Services	Funding	

#### KPA BASIC SERVICES & INFRASTRUCTURE: ROADS & STORMWATER

Focus Area	KPI	Annual Target	Responsible department	Potential risks	Updated Comments
Maintenance of gravel Roads	Re-gravelling of roads Fixing of potholes	Seasonal Maintenance of gravel Roads and potholes	Technical Services	Funding and civil plant	
Maintenance of Stormwater drainage	Maintenance of Stormwater	Seasonal Maintenance of gravel Roads, stormwater and potholes	Technical Services	Funding and civil plant	

#### Institutional Development and Transformation

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Corporate & Community Services	Provision of access to all basic services rendered to residents within the available budget	90% of the approved budget for maintenance and management of the commonage spent by 30 June 2021 (actual expenditure/approved budget) x100	Percentage of the provision of maintenance and management of the approved budget spent	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Percentage	90
Corporate & Community Services	Development and Transformation of the Institution of the with the	Number of people from the employment equity target group employed (newly appointed) in the three	Number of people employed (newly appointed)	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	2

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
	aim of capacitating the municipality in meeting their objectives	highest levels of management in compliance with the municipality's Employment Equity Plan by 30 June 2022					
Corporate & Community Services	Development and Transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	Spent 100% of the SDL paid	Percentage of the personnel approved budget spent	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Percentage	1
Corporate & Community Services	Provision of access to all basic services rendered to residents within the available budget	Review of the Human Settlement Plan and the submission thereof to Council by 30 June 2022	Human Resource Settlement Plan developed and submitted to Council	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1
Corporate & Community Services	Provision of access to all basic services rendered to residents within the available budget	Submit the application for funding for housing projects to the Provincial Department of Housing by 30 November 2021	Housing Application Submitted	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Corporate & Community Services	Develop a youth development Strategy	Compile a Youth Development Strategy and submit the strategy to Council by 30 June 2022	Youth Development Strategy submitted to Council by 30 June 2022	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1
Corporate & Community Services	Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties.	Establishment of a sport and recreation forum in the municipal area by 30 June 2022	Forum established by 30 June 2022	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1
Corporate & Community Services	Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties.	Develop a Policy and By-law for a Municipal Animal	Submitted Policy and By-law to Council by 31 December 2021	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1
Corporate & Community Services	Contribution to the creation of communities where residents and visitors can work, live and play without threat to	Develop a Business Plan to obtain funding for firefighting equipment and submit the business plan to COGHSTA by 31 December 2021	Business plan submitted to COGHSTA by 31 December 2021	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
	themselves or their properties						
Corporate & Community Services	Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Develop Disaster Management Plan including contingency plans and the submission of the plans to Council by 30 June 2022	Disaster Management Plan developed and submitted to Council by 30 June 2022	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1
Corporate & Community Services	Development and Transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	Arrange training sessions for supervisors of all department on general management of subordinates including the management of discipline and handling of grievances by 30 June 2022	Number of trainings sessions held.	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Corporate & Community Services	Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	Develop and implement an electronic Complaint Management System by 30 June 2022	Compliant Management System Implemented by 30 June 2022	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	3
Corporate & Community Services	Development and Transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	Review the Employment Equity Plan (EEP) and submit to the Council by 30 June 2022	Reviewed EEP by 30 June 2022	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1
Corporate & Community Services	Development and Transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	Limit vacancy rate to 10% of the budgeted posts by 30 June 2022 [(Number of funded posts vacant divided by the budgeted funded posts) x100]	(Number of funded posts vacant divided by the budgeted funded posts) x100]	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Number	1
Corporate & Community Services	Development and Transformation of the Institution of the with the aim of capacitating the	Committee Agendas to be ready and delivered to Councillors at the latest 7 days before each meeting	Final agendas to Councillors 7 days before meetings	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Percentage	10

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
	municipality in meeting their objectives						
Corporate & Community Services	Development and Transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	Writing of Minutes of all Council and Committees meetings held within 7 days after meetings.	Final minutes to be submitted to the chairperson of the Council Portfolio Committee of Council	All	Mkontwana Nonceba Miriam (Manager Corporate Services)	Percentage	100
							100

### Basic Service Delivery

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Infrastructure Development and Technical Services	Promote the equitable creation and distribution of wealth in Ubuntu Municipality	Create temporary jobs-FTE's (Fulltime Equivalent) in terms of EPWP by 30 June 2022 (Person days/FTE's)	Number of FTE's created	All	Senior Manager Technical Manager	Number	30

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	90% of the water maintenance budget spent by 30 June 2022 ((actual expenditure divided by the approved budget) x 100)	Percentage of approved water budget maintenance spent	All	Senior Manager Technical Manager	Percentage	90
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	Limit % water unaccounted for quarterly to 30% [(Number of kilolitres water purchased or purified -number of kilolitres waters sold)/number of kilolitres water purchased or purified) x 100]	Percentage water unaccounted for	All	Senior Manager Technical Manager	Percentage	30
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	Achieves a 95% water quality quarterly as per SANS241 requirements for all water sampling points	Percentage of quality level – Blue drop compliance	All	Senior Manager Technical Services	Percentage	Blue drop compliance
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	90% of waste water maintenance budget spent by 30 June 2022 [(actual expenditure divided by approved budget) x100]	Percentage of approved waste water – Green drop Compliance	All	Senior Manager Technical Services	Percentage	Green Drop Compliance
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	Limit % electricity unaccounted for quarterly to 30% [(Number of Kilowatts sold)/number of Kilowatts) x 100]	Percentage electricity unaccounted for	All	Senior Manager Technical Services	Percentage	30



Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
		Norm is between 7% and 10%, so is target of 30% not too high????see above					
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	90% of electricity budget spent by 30 June 2022 [(actual expenditure divided by approved budget) x100]	Percentage of approved electricity maintenance budget spent	All	Senior Manager Technical Services	Percentage	90
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	90% of general maintenance to transformers budget spent by 30 June 2022 [(actual expenditure divided by approved budget) x100]	Percentage of approved general to transformers maintenance budget spent	All	Senior Manager Technical Services	Percentage	90
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	90% of approved budget on resealing and repairs of existing tarred roads spent by 30 June 2022 [(actual expenditure divided by approved budget) x100]	Percentage of approved resealing and repairing of tarred roads budget spent	All	Senior Manager Technical Services	Percentage	90%
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	100% of approved budget replacing existing water and electricity pre-paid meters spent by 30 June 2021 [(actual expenditure divided by approved budget) x100]	Percentage of replacing existing water and electricity pre-paid meters budget spent	All	Senior Manager Technical Services	Percentage	100

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Infrastructure Development and Technical Services	Development and Transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	90% of ward development approved budget spent by 30 June 2022 [(actual expenditure divided by approved budget) x100]	Percentage of ward development approved budget spent	All	Senior Manager Technical Services	Percentage	90
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	40% of the approved budget for the provision of sufficient street lights for dark areas spent by 30 June 2022 [(actual expenditure divided by approved budget) x100]	Percentage of the provision of sufficient street lights for dark areas approved budget spent	All	Senior Manager Technical Services	Percentage	40
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	90% of the approved budget for maintenance of waste management spent by 30 June 2022 [(actual expenditure divided by approved budget) x100]	Percentage of the maintenance of waste management approved budget spent	All	Senior Manager Technical Services	Percentage	90
Infrastructure Development and Technical Services	Provision of access to all basic services rendered to residents within the available	Source funding to Assess the landfill sites to determine the compliance and submit a report to Council by 30 June 2022	Business plan Assessment report submitted to Council by 30 June 2022	All	Senior Manager Technical Services	Number	1

## Financial Viability

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Financial Services Directorate	Provision of access to all basic services rendered to residents within the available budget	Number of formal residential properties that received piped water, that is connected to the municipal water infrastructure and billed for the service at 30 June 2021	Number of residential properties billed for water at 30 June 2022	All	Chief Financial Officer	Number	2762
Financial Services Directorate	Provision of access to all basic services rendered to residents within the available budget	Number of formal residential properties that received electricity, that is connected to the municipal electrical infrastructure and billed for the service at 30 June 2021	Number of residential properties billed for electricity at 30 June 2022	All	Chief Financial Officer	Number	2762
Financial Services Directorate	Provision of access to all basic services rendered to residents within the available budget	Number of formal residential properties that received waste water/sanitation/sewerage, that is connected to the municipal sewerage infrastructure, irrespective of the number of water closets (toilets) and billed for the service at 30 June 2021	Number of residential properties billed for sewerage at 30 June 2022	All	Chief Financial Officer	Number	2762

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Financial Services Directorate	Provision of access to all basic services rendered to residents within the available budget	Number of formal residential properties for which refuse is removed once a week and billed for the service at 30 June 2021	Number of residential properties billed for refuse removal at 30 June 2022	All	Chief Financial Officer	Number	2762
Financial Services Directorate	Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	Provide Free Basic Services (FBS) to Indigent Households at 30 June 2021	Number of Indigent households that receive free basic services as at 30 June 2022	All	Chief Financial Officer	Number	773
Financial Services Directorate	Provision of access to all basic services rendered to residents within the available budget	The percentage of the Municipal Capital Budget actually spent on capital projects by 30 June 2021 [(Actual amount spent on projects divided by the total amount budgeted for capital projects) x100]	Percentage of Capital Budget spent by 30 June 2022	All	Chief Financial Officer	Percentage	70
Financial Services Directorate	Maintaining a financially sustainable and viable Municipality	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations as at 30 June 2021 [(Total operating revenue minus operating grants received) divided by debt service payments due within the financial year]	Debt coverage as at 30 June 2022	All	Chief Financial Officer	Number	3:1

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Financial Services Directorate	Maintaining a financially sustainable and viable Municipality	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 [(total outstanding service debtors divided by revenue received for services rendered) x100]	Percentage outstanding service Debtors	All	Chief Financial Officer	Percentage	20
Financial Services Directorate	Maintaining a financially sustainable and viable Municipality	Financial viability measured in terms of available cash to cover fixed operating expenditure as at 30 June 2021 [(Available cash + Investments) divided by monthly fixed operating expenditure]	Number of months it takes to cover operating expenditure with available cash	All	Chief Financial Officer	Number	3
Financial Services Directorate	Maintaining a financially sustainable and viable Municipality	Submission of the Annual Financial Statements (AFS) to the Auditor-General (AGSA) by 31 August 2021	Submitted AFS to AGSA by 31 August 2021	All	Chief Financial Officer	Number	1
Financial Services Directorate	Maintaining a financially sustainable and viable Municipality	Achievement of a payment percentage of above 70% quarterly on all services rendered	Payment percentage Achieved	All	Chief Financial Officer	Percentage	70
Financial Services Directorate	Maintaining a financially sustainable and viable Municipality	Prepare and submit an Adjustment Budget to Council by 28 February 2023	Adjustment Budget by 28 February 2022	All	Chief Financial Officer	Number	1

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Financial Services Directorate	Maintaining a financially sustainable and viable Municipality	Prepare and submit a Draft Budget to Council by 31 March 2023	Draft Budget by 31 March 2022	All	Chief Financial Officer)	Number	1
Financial Services Directorate	Maintaining a financially sustainable and viable Municipality	Prepare and submit a Final Budget to Council by 31 May 2023	Final Budget 31 May 2022	All	(Chief Financial Officer)	Number	1
Financial Services Directorate	Development and transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	80% of the Approved Budget spent by 30 June 2021 for the Municipal Standard Chart of Accounts (mSCOA) compliance processes and implementation	Percentage of Approved Budget spent of mSCOA implementation	All	(Chief Financial Officer)	Percentage	80

#### Local Economic Development

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Corporate And Community Services	Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Facilitate a meeting with all business people and encourage them to form a chamber of business	Establishment of a Business Forum to encourage participation by Business Community and share mutual interests in developing the Municipal Area	All	Acting Municipal Manager	Meeting Minutes	1

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Corporate And Community Services	Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Establish a steering committee to coordinate all economic development projects,	Established Steering Committee by 30 June 2022	All	Acting Municipal Manager	Committee Establishment Minutes	1
Corporate And Community Services	Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Draft a policy as to the registration of all LED Projects	Draft Policy to Council by 31 March 2021 and Approved Policy by 30 June 2022	All	Acting Municipal Manager	Approved Policy	1
Corporate And Community Services	Contribution to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Draft a business incentive Policy	Policy drafted and presented to Council by 30 April 2021	All	Acting Municipal Manager	Policy	1

Good Governance

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Office of the Municipal Manager	Promote representative Governance through the sustainable utilization of available resources in consultation with the residents of Ubuntu Municipality	Develop a risk base Audit Plan and submit it to the Audit Committee for approval by 30 June 2023	Submission of the risk-based audit plan for 2020/2021	All	(Acting Municipal Manager)	Number	1
Office of the Municipal Manager	Development and transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	Review the PMS Framework to include individual performance and submit to council by 30 September 2020.	Reviewed PMS Framework by September 2021	All	(Acting Municipal Manager)	Number	1
Office of the Municipal Manager	Promote representative Governance through the sustainable utilisation of available resources in consultation with the residents of Ubuntu Municipality	Complete a customer survey and submit a report with recommendations to Council by 30 June 2023	Survey completed, and report submitted to Council by 30 June 2022	All	(Acting Municipal Manager)	Number	1
Office of the Municipal Manager	Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	Community engagements by having a Council community engagement programme developed and implemented by 30 November 2022	Final programme developed and implemented by 30 November 2020	All	(Acting Municipal Manager)	Number	1



Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Office of the Municipal Manager	Development and transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	No of IDP Representative Forum's meetings taking place.	Number of forum's that met	All	Mkontwana Nonceba Miriam (Hoof Admin Beamppte)	Number	4
Office of the Municipal Manager	Development and transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	No of budget consultation meetings taking place.	Number of actual meetings that met	All		Number	3
Office of the Municipal Manager	Development and transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	No of senior Management meetings held	Number of actual meetings sitting	All	(Acting Municipal Manager)	Number	8
Office of the Municipal Manager	Development and transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	No. general staff meeting	Number of actual meetings sitting	All	(Acting Municipal Manager)	Number	4

Department	Strategic Objective	Key Performance Indicator	Unit of Measurement	Ward	KPI Owner	Target Type	Annual Target
Office of the Municipal Manager	Development and transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	% Implementation of Council Resolution	Percentage of all council resolutions that were taken being implemented	All	(Acting Municipal Manager)	Percentage	80
Office of the Municipal Manager	Development and transformation of the Institution of the with the aim of capacitating the municipality in meeting their objectives	Submission of Mid- Year Budget and Performance Assessment report in terms of sec 54(1)(f) of the MFMA to Council by the 31 January	Number of Mid-Year reports approved	All	(Acting Municipal Manager)	Number	1

**Section 12**

**Municipal Manager's Quality Certification**

**QUALITY CERTIFICATE**

**I, D Molaole** as Acting Municipal Manager of **Ubuntu Municipality**,

hereby certify that –

(Mark as appropriate)

The monthly budget statements. Sec.71

The quarterly report on the implementation of the budget and financial state of the municipality. Sec.52 (d)

The mid-year budget and performance assessment. Sec.72

For M06 of **2022/2023 financial year** has been prepared in terms of Local Government Municipal Finance Management Act (56/2003) Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009

It should be however noted that these figures have been extracted from the financial system EMS with alterations, some discrepancies or deviations may exist due to data migration and integration of FMS and EMS financial systems. The Sebata EMS system is non-compliant with MSCOA regulations.

Municipal Manager of **Ubuntu Local Municipality (NC071)**

Signature \_\_\_\_\_

Date \_\_\_\_\_