

JB Marks
Local Municipality

2018/2019
Mid Year Budget and
Performance
Assessment Report



TABLE OF CONTENT

1.	INTRODUCTION.....	3
1.2.	EXECUTIVE MAYOR'S REPORT.....	4
1.3	EXECUTIVE SUMMARY.....	5
2.	STATUS OF SERVICE DELIVERY AGAINST INDICATOR AND TARGET SET.....	13
3.	OVERALL NON-FINANCIAL PERFORMANCE.....	14
4.	QUARTERLY PROJECTION OS SERVICE DELIVERY TARGET AND PERFORMANCE INDICATOR FOR EACH VOTE.....	15
5.	2017/2018 AG'S REPORT CORRECTIVE MEASURES.....	46
6.	RECOMMENDATION.....	49

DEPARTMENT FINANCE: THE MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT: SECTION 72 OF THE MFMA (TM/LE) (LEV2018.01.16.01) (RMS 22938)

PART 1: IN-YEAR REPORT

1. INTRODUCTION

Section 72(1) of the Municipal Finance Management Act 56 of 2003, states that the accounting officer of a municipality must by 25 January of each year:—

- (a) assess the performance of the municipality during the first half of the financial year, taking into account—
 - (i) the monthly statements referred to in section 71 (MFMA) for the first half of the financial year;
 - (ii) their municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and;

- (b) submit a report on the assessment to—
 - (i) the mayor of the municipality;
 - (ii) the National Treasury; and
 - (iii) the relevant Provincial Treasury.

- (c) make recommendations as to whether an adjustments budget is necessary; and; recommend revised projections for revenue and expenditure to the extent that this may be necessary.

1.2 THE EXECUTIVE MAYOR'S REPORT

Mayoral Foreword

As we present today our MTREF, as the country like the Minister of Finance said, MP, Tito Mboweni our economy is at cross roads.

Locally here like many municipalities in the county we are confronted by high number of unemployment rate, poverty and inequality.

As the caring Government and to give hope to our people, the State President, Mr Cyril Matamela Ramaphosa in his plan that he outlined last year September, amongst other he said, "He will create jobs, there will be an economic growth, and he will establish an infrastructure fund. And lastly he will invest in municipal social infrastructure improvement.

As I present this MTREF, as the JB Marks LM we have been confronted by service delivery challenges, lack of Senior Managers and lastly none payment of services.

We are expected to collect revenue of 95 percent but we are not doing well as we are now collecting 83 percent.

Our focus is to increase revenue so that we can deliver services to our people.

I also plead with all Government Departments and Business people to continue to pay for their services.

As JB Marks LM we are committed to lead and serve our communities and improve services such as refuse collection, water, electricity, improve our ailing infrastructure in sewer and roads. We are and will still improve to be the tourism attraction to many international and domestic tourists.

In my closing statement let me take this opportunity to congratulate our Administration and team Finance for their undying commitment to serve the people of JB Marks.

To show stability in political leadership, the Auditor General (AG) when he audited our books we showed improvement. From a Disclaimer to a Qualified Opinion.

As the municipality we are striving for a clean audit outcomes. And there are measures that are put in place such as the document management system, cost cutting measures, filling of critical positions in particular at our finance section and following the supply chain process to the latter when procuring goods.

Let me thank all the community members of our municipality, all employees of JB Marks, the Members of the Mayoral Committee, all Whips, Alderman's and opposition parties within Council and the ruling part, the ANC.

There will be changes and all challenges that we are faced with will be something of the past. We will indeed not fail our people and there will be improvement on service delivery.

I thank you.

Cllr. Kgotso Moses Khumalo
Executive Mayor

1.3 THE EXECUTIVE SUMMARY

The Mid-year budget and performance assessment report is prepared in terms Section 72 of the MFMA as well as Municipal Budget and Reporting Regulation (MBRR) and taking into account the National Treasury Budget Circulars.

The primary purpose of the report is to review the targets and indicators, conduct an assessment of the progress made in spending the 2018/19 annual budget, project implementation for the first half of the financial year and as well as determine if there is a need to pass an adjustment budget or not.

The report further seeks to assess in depth, the municipal performance of the first half of 2018/19 financial year in line with target set against the SDBIP as well as the actual performance.

Stringent internal control measures are currently being implemented to improve the collection rate, governance issues and staff morale.

The municipality held a successful team building session during December 2018 with objective in boosting the staff morale and this excise proved worthwhile. The municipal will continue to explore other avenues of building staff moral during the current financial year at reasonable cost.

The municipality further held a strategic planning session with all senior managers during January 2019. The main objective of session was to revisit the key performance areas of each department and measure them in terms of relevance to the vision and mission of the institution.

The session proved to be very rewarding as key performance areas with explicit timeframes were designed to further improve the municipal financial viability, attract and retain investors as well as improve internal business process, which will in turn improve service delivery. The key performance area as well set targets will be monitored on monthly basis.

In conclusion, based on the half yearly assessment report, there will be a need for the municipality to pass an adjustment budget, which will correct errors in the 2017/18 approved budget, take into consideration actual performance as at 31 December 2017 and Provincial Treasury recommendation on the adopted budget.

Table 1: Operating Revenue

Table 1 below shows total budgeted operating revenue against the billed revenue as at 31 December 2018. Total revenues amounted to R965, 1 million or 63 per cent against the budgeted revenue of R1, 5 billion.

Table 1

NW405 NW405 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		167 227	174 268	-	15 428	90 762	87 134	3 628	4%	174 268
Service charges - electricity revenue		739 878	704 219	-	114 151	507 592	352 110	155 482	44%	704 219
Service charges - water revenue		121 196	108 027	-	18 958	77 690	54 013	23 677	44%	108 027
Service charges - sanitation revenue		72 501	66 560	-	10 479	47 180	33 280	13 900	42%	66 560
Service charges - refuse revenue		65 969	61 753	-	5 795	34 668	30 877	3 791	12%	61 753
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		3 596	3 642	-	263	1 684	1 821	(137)	-8%	3 642
Interest earned - external investments		21 599	18 177	-	5 111	26 689	9 088	17 600	194%	18 177
Interest earned - outstanding debtors		32 938	22 790	-	-	-	11 395	(11 395)	-100%	22 790
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		76 961	85 455	-	94	1 166	42 727	(41 562)	-97%	85 455
Licences and permits		11 876	14 074	-	5	2 244	7 037	(4 793)	-68%	14 074
Agency services		-	-	-	86	130	-	130	#DIV/0!	-
Transfers and subsidies		346 689	241 906	-	68 384	166 227	120 953	45 274	37%	241 906
Other revenue		35 513	11 341	-	1 285	9 164	5 671	3 494	62%	11 341
Gains on disposal of PPE		-	560	-	-	-	280	(280)	-100%	560
Total Revenue (excluding capital transfers and contributions)		1 695 943	1 512 772	-	240 041	965 197	756 386	208 811	28%	1 512 772

Billed revenue from exchange and non-exchange transactions have performed over the expected 50 per cent norm during the 2nd quarter at 63%; there might be a need to adjust these revenues accordingly. Total budget revenue amounted to R965. 1 million against the budgeted amount of R1, 5 billion.

Property Rates

Total billed Property Rates amounted R90, 7 million or 72 per cent against the budgeted revenue of R 174, 2 million.

Electricity Revenue

Total billed electricity amounted to R507, 5 million or 53 per cent against the budgeted revenue of R704, 2 million.

Water Revenue

Total billed water amounted R77, 6 million or 71 per cent against the budgeted revenue of R121 million.

Sanitation Revenue

Total billed sanitation amounted to R34, 6 million or 71 per cent against the budgeted revenue of R66, 5 million.

Refuse Revenue

Total billed refuse amounted R33 million or 54 per cent against the budgeted revenue of R61, 7 million.

Other Revenue

Projected revenue from "Other" sources which comprises of Administrative Fees, Building Fees, Connection Fees, Posters and interest from investment might need to be adjusted upwards as revenue from these services.

Revenue from fines, penalties, rental of facilities and licence and permits might need to be adjusted downwards due to low collection on these services. The low collection can also be attributed to the traffic department financial system that is not seamlessly integrated to the main financial system.

Table 3: Operating Expenditure

Table 3 below shows operating expenditure against the budgeted expenditure as at 31 December 2017. Total operating expenditure amounted R635, 8 million or 37 per cent against the budgeted expenditure of R1, 7 billion.

Table 2

NW405 NW405 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands '000										
Expenditure By Type										
Employee related costs		404 559	439 668	-	35 619	208 510	219 834	(11 324)	-5%	439 668
Remuneration of councillors		21 127	32 551	-	2 148	13 034	16 276	(3 241)	-20%	32 551
Debt impairment		92 686	95 931	-	2 968	11 872	47 965	(36 093)	-75%	95 931
Depreciation & asset impairment		229 030	238 132	-	-	-	119 066	(119 066)	-100%	238 132
Finance charges		4 803	-	-	-	3	-	3	#DIV/0!	-
Bulk purchases		483 994	579 953	-	33 323	295 522	289 977	5 545	2%	579 953
Other materials		81 981	9 842	-	-	-	4 921	(4 921)	-100%	9 842
Contracted services		96 111	91 541	-	10 152	47 102	45 770	1 332	3%	91 541
Transfers and subsidies		-	74 241	-	9 803	43 481	37 121	6 361	17%	74 241
Other expenditure		233 736	250 585	-	13 177	68 095	125 292	(57 197)	-46%	250 585
Loss on disposal of PPE		-	-	-	-	-	-	-		-
Total Expenditure		1 648 027	1 812 443	-	107 190	687 619	906 221	(218 602)	-24%	1 812 443
Surplus/(Deficit)		47 916	(299 671)	-	132 851	277 577	(149 836)	427 413	(0)	(299 671)

Employee Related Costs

Total expenditure on Employee Related Costs amounted to R208, 5 million or 43 per cent against the budgeted expenditure of R439, 6 million. With the implementation of the upper limits of Section 56/57 Managers and filling of key vacant positions expenditure on employee related cost is expected to increase.

Remuneration of Councillors

Total expenditure on remuneration of councillors amounted to R13 million or 40 per cent against the budget expenditure of R32, 5 million. There is sufficient budget to cater for the upper limit on remuneration and benefits of councillors.

Bulk Purchases

Bulk Purchases relate to purchases from Eskom and the Department of Water Affairs collectively.

Total actual expenditure incurred on bulk purchases amounted to R295, 5 million or 50, 9 per cent against the budget of R579, 9 million. It should be noted however that most of the payment were channeled towards servicing the Eskom debt, whereas there is a substantial amount that is owed for water trading service as well as dispute between the municipality and the Department of Water and Sanitation.

Other Material

Other Material is included in Other Expenditure.

Contracted Services

Total expenditure incurred during the period under review amounted to R59 million or 55, 8 per cent against the cash flow budget of R105, 9 million. Expenditure on contracted services will be closely monitored to ensure that it is not in excess of the budgeted amount at the end of the financial year.

Other Expenditure

Total expenditure on "Other" expenditure, which comprises of Poverty Alleviation, Library Programs, Recreation Programs, Marketing, Free Basic Services amounted to R68 million or 27 per cent against the cash flow budget of R250, 5 million.

Depreciation, Asset Impairment and Debt Impairment

There will be a need to adjust allocation on these non-cash items, however if the allocated funds are not enough to fully cover these items due to low reserves. Then MFMA section 32 processes will be followed before year end.

Table 3: Capital Expenditure

NW405 NW405 - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Capital Expenditure - Functional Classification										
Governance and administration		1 462	630	-	-	184	315	(131)	-42%	630
Executive and council		597	-	-	-	-	-	-	-	-
Finance and administration		865	630	-	-	184	315	(131)	-42%	630
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		15 595	24 516	-	1 837	7 386	12 258	(4 872)	-40%	24 516
Community and social services		1 395	3 370	-	-	67	1 685	(1 618)	-96%	3 370
Sport and recreation		9 371	8 500	-	221	5 006	4 250	756	18%	8 500
Public safety		4 483	12 646	-	1 616	2 313	6 323	(4 010)	-63%	12 646
Housing		346	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		33 806	31 093	-	1 403	8 254	15 546	(7 293)	-47%	31 093
Planning and development		6 018	15 593	-	1 403	7 796	7 796	-	-	15 593
Road transport		27 036	15 500	-	-	457	7 750	(7 293)	-94%	15 500
Environmental protection		753	-	-	-	-	-	-	-	-
Trading services		103 145	76 208	-	357	24 807	38 104	(13 297)	-35%	76 208
Energy sources		4 332	24 917	-	-	4 906	12 458	(7 552)	-61%	24 917
Water management		39 120	45 386	-	79	6 596	22 693	(16 097)	-71%	45 386
Waste water management		58 282	5 905	-	278	13 305	2 953	10 353	351%	5 905
Waste management		1 411	-	-	-	-	-	-	-	-
Other		4 668	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	158 676	132 447	-	3 598	40 631	66 223	(25 592)	-39%	132 447
Funded by:										
National Government		-	120 547	-	2 518	25 272	60 273	(35 001)	-58%	120 547
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		97 923	-	-	-	-	-	-	-	-
Transfers recognised - capital		97 923	120 547	-	2 518	25 272	60 273	(35 001)	-58%	120 547
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	11 900	-	1 080	15 359	5 950	9 409	158%	11 900
Total Capital Funding		97 923	132 447	-	3 598	40 631	66 223	(25 592)	-39%	132 447

The Municipality has spent R 66, 2 million or 30, 6 per cent, of the total capital budget of R132, 4 million.

The contract of panel of consultants expired during 2018/19 financial year and it contributed to the delay in spending. 90 per cent of the 2018/19 tenders have been awarded and it is envisaged that expenditure trends will pick up during the 3rd quarter.

It must also be noted that the budget on internally generated funds will have to be increased for the procurement of new refuse trucks to address the current refuse crisis in the within the municipality.

Table 4: Cash Flow Statement

NW405 NW405 - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		167 227	151 613	-	11 715	66 489	75 807	(9 318)	-12%	151 613
Service charges		925 944	799 475	-	65 308	425 712	399 738	25 975	6%	799 475
Other revenue		12 282	61 558	-	898	13 395	30 779	(17 384)	-56%	61 558
Government - operating		345 657	241 917	-	68 384	167 103	120 959	46 145	38%	241 917
Government - capital		-	120 647	-	31 393	75 813	60 324	15 490	26%	120 647
Interest		54 002	40 967	-	5 111	26 689	20 483	6 205	30%	40 967
Dividends		4	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(1 269 134)	(1 413 586)	-	(94 418)	(627 121)	(706 793)	(79 672)	11%	(1 413 586)
Finance charges		(4 803)	-	-	-	-	-	-		-
Transfers and Grants		(3 293)	(8 315)	-	(9 803)	(49 266)	(4 158)	45 108	-1085%	(8 315)
NET CASH FROM/(USED) OPERATING ACTIVITIES		227 885	(5 725)	-	78 588	98 814	(2 862)	(101 677)	3552%	(5 725)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	560	-	-	(24 005)	-	(24 005)	#DIV/0!	560
Decrease (increase) other non-current receivables		-	33 600	-	-	-	-	-		33 600
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(178 327)	(132 447)	-	(3 598)	(40 631)	(66 223)	(25 592)	39%	(132 447)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(178 327)	(98 287)	-	(3 598)	(64 636)	(66 223)	(1 587)	2%	(98 287)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		1 619	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 619	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		51 177	(104 011)	-	74 991	34 178	(69 086)			(104 011)
Cash/cash equivalents at beginning:		195 470	169 000	-		280 825	169 000			280 825
Cash/cash equivalents at month/year end:		246 646	64 989	-		315 003	99 914			176 813

Cash flow statement reflects positive cash and cash equivalent of R315 million as at 31 December 2018.

The actual cash inflow as at 31 December 2017 shows that the all the trading services are performing below the budgeted cash flow, with exception of electricity trading service.

It is expected that collection on trading services will gradually increase with consistent the implementation of the debt collection and credit control policy as well as measures that are currently under way (public consultation and electricity cut-offs).

Table 6: Debtors Age Analysis

Table 6

NW405 NW405 - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December													
Description	NT Code	Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Waste	1200	15 758	4 562	3 098	2 651	2 161	1 819	1 114	52 262	83 427	60 008	-	-
Trade and Other Receivables from Exchange Transactions - Elect	1300	95 693	12 363	9 416	3 642	3 134	2 353	2 763	48 153	177 518	60 046	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	8 151	5 711	3 581	3 354	2 685	1 965	1 928	40 190	67 565	50 121	-	-
Receivables from Exchange Transactions - Waste Water Manage	1500	9 027	3 416	1 970	1 396	1 209	1 039	974	29 724	48 757	34 344	-	-
Receivables from Exchange Transactions - Waste Management	1600	4 333	2 428	1 394	1 169	1 035	954	881	22 646	34 841	26 686	-	-
Receivables from Exchange Transactions - Property Rental Debt	1700	37	25	5	3	2	3	2	59	136	69	-	-
Interest on Arrear Debtor Accounts	1810	3 782	4 202	2 944	2 798	2 737	2 680	2 633	37 767	59 544	48 616	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expe	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(1 452)	5 602	2 573	1 841	1 217	1 936	991	37 909	50 616	43 894	-	-
Total By Income Source	2000	135 329	38 310	24 982	16 855	14 180	12 751	11 286	268 711	522 403	323 783	-	-
2017/18 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	11 435	8 879	6 671	3 032	1 821	721	717	18 438	51 715	24 729	-	-
Commercial	2300	67 324	3 179	1 577	1 482	1 237	1 333	1 594	27 752	105 477	33 397	-	-
Households	2400	51 877	27 576	16 733	12 341	11 122	10 697	8 974	222 521	361 841	265 656	-	-
Other	2500	4 693	(1 324)	(0)	(0)	-	-	-	(0)	3 370	(0)	-	-
Total By Customer Group	2600	135 329	38 310	24 982	16 855	14 180	12 751	11 286	268 711	522 403	323 783	-	-

Total outstanding Debtors as at 31 December 2018 amounted to R 522, 4 million, of which R268, 7 million is owed for over a year. Collection of some of these outstanding debtors is doubtful.

Most of the debt is owed on electricity at R60 million, followed by debt owed on water and property rates at R60 million and R50 million respectively.

When categorising the outstanding debtors by customer group, households constitutes most of the outstanding debt at R265, 6 million, followed by debt owed by businesses/commercial and Government at R33 million and R24 million respectively.

Table 7: Creditors Age Analysis

NW405 NW405 - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description R thousands	NT Code	Budget Year 2018/19								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	33 058	36 056	-	-	-	-	-	-	69 114
Bulk Water	0200	167	447	167	11	10 009	-	-	-	10 802
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	713	880	-	-	11 229	-	-	-	12 822
Auditor General	0800	-	1 931	1 254	-	-	-	-	-	3 185
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	33 938	39 314	1 421	11	21 238	-	-	-	95 922

Total outstanding creditors amounted as at end of December 2018 amounted to R95, 9 and R21, 2 million is owed for 150 days. Most of the debt is owed on Eskom at R69 million followed by debt owed on water and trade creditors at R10, 8 million and R12, 8 million respectively.

2. STATUS OF SERVICE DELIVERY PERFORMANCE AGAINST INDICATORS AND TARGET SET

The SDBIP 2018/2019 was approved by the Executive Mayor on the 28 June 2018, which included Performance indicators, in terms of Section 53(1) (c) (ii) of the Local Government: Municipal Finance Management Act (MFMA).

In Order to comply with MFMA Section 72, the Municipal Budget and Reporting Regulations 2008 (Regulation 33-35) and MFMA Circular 13, the Monitoring and Evaluation Unit, conducted Mid-Year SDBIP Assessment by conducting session with Directorates, during these Assessment Sessions was placed on the following:-

- ✓ Submission dates and flow of information
- ✓ Adjustment of Budgets
- ✓ Adjustment of Targets
- ✓ Well defined indicators and targets
- ✓ Vote Numbers
- ✓ AG Outcomes on the 2017/2018 Performance Audit

Early indications are that the performance against the output and goals of the Service Delivery Budget Implementation Plan (SDBIP) that was broadly developed in the budget, are not in track. Projects are behind for various reasons listed as follows:-

- ✓ Late Appointment of Service Providers
- ✓ Slow progress by contractors
- ✓ Delays in SCM processes which impact negatively on Capital Projects e.g.(Bid Committees, Orders) etc.
- ✓ Re-Advertisement to tenders
- ✓ Financial Constraints
- ✓ Delay on Payments

Performance Highlights for the Mid-Year ending 31 Dec 2018 are as follows:-

- ✓ 61% MIG Grant allocated to the JB Marks Local Municipality
- ✓ 170% Collection from registration and licenses renewals
- ✓ 164% spent on Skills Developments for the Employees
- ✓ 128 collection from roadworthy centres in JB Marks LM
- ✓ 115% Jobs created through EPWP
- ✓ 2017/2018 Annual Performance Report and AFS submitted to Auditor General on 31 August 2018
- ✓ 2017/2018 SDBIP was approved by the Mayor by 28 June 2018
- ✓ 2018/2019 Performance Agreements for Section 56 and 57 Managers signed

Detailed below is the achievement for the first half of the financial year ending 31 Dec 2018, which means the overall performance of the Municipality per Key Performance Area as well as the Individual directorates.

3. OVERALL NON-FINANCIAL PERFORMANCE

The following table reflects a summary of the directorate's performance as well as the overall performance of the municipality by Dec 2018.

Overall Performance by 5 Key Performance Areas:-

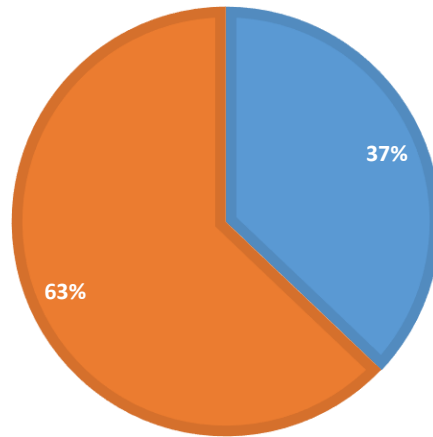
KEY PERFORMANCE AREAS	Annual KPI's	No. of KPI's APPLICABLE by Dec 2018	Number of KPI's ACHIEVED	% ACHIEVEMENT
Basic Services	30	28	4	14%
Local Economic Development	7	6	2	33%
Municipal Transformation and Organisational Development	7	6	1	17%
Finance Management and Viability	13	12	4	33%
Good Governance and Public Participation	29	19	12	63%
Spatial Rationale	0	0	0	0%
Total	86	71	23	32%

Overview of Non-Financial Performance Information by Dec 2018

Description	Number	Percentage
Total Number of annual KPI	86	100%
Total Number of KPI's applicable	71	100%
Total Number of KPI's not applicable	15	21%
Total Number of KPI's Achieved	23	32%
Total Number of KPI's Not Achieved	39	55%
Total Number of KPI's applicable but Not Reported	9	13%

PERFORMANCE SUMMARY

■ KPI Achieved ■ KPI Not Achieved ■ ■

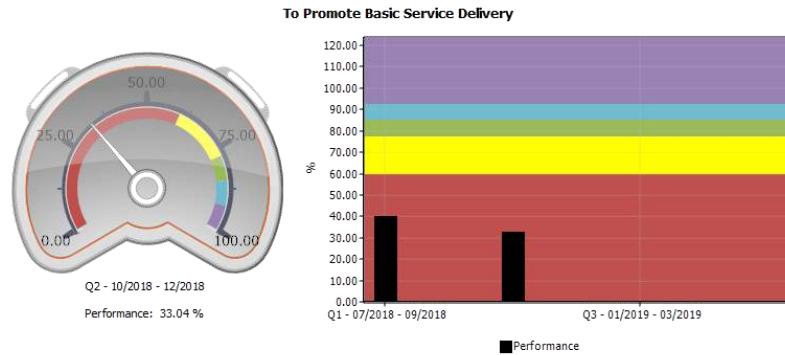


SUMMARY OF PROJECTION/SERVICES BY DEC 2018




Level	% Score	Terminology	Total	%
4	101%-above	Performance exceeds expectations	10	14%
3	86-100%	Targets met	12	17%
2	75-85%	Not Achieved	1	1.4
1	0-74%	Unacceptable Performance	48	67.6
Total		KPI's applicable for Mid -Year	71	100%



4. QUARTERLY PROJECTION ON SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATOR FOR EACH VOTE



KPA 1: Basic Service Delivery









Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	92% R86 860 484	% of MIG Grant spent in JB Marks Local Municipality by June 2019	100% of MIG Grant spent in JB Marks Local Municipality by June 2019	R 65 244 000.00	R16 035 435.96	40.00% R26 137 600 MIG Grant Spent by December 2018	61% R16 035 435.96 MIG Grant spent in JB Marks Local Municipality by June 2019	61%	MIG Spending is at 24% due to Late appointment of Service Providers	Bid committees to accelerate appointment of contractors, for the implementation and completion of the project by 3 rd Quarter
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	Phase 2 Completed	% of Km of Internal Road (Phase 3) Constructed in Appeldraai (Ward 32) by June 2019	100% of 1.1Km of Internal Road (Phase 3) Constructed in Appeldraai (Ward 32) by June 2019	R 5 000 000.00	R536 890.67	5.00% of 1.1km of Internal Roads Constructed in Appeldraai by December 2018	0.00% of 1.1km of Internal Roads Constructed in Appeldraai by December 2018	0%	Late appointment of contractor	SCM to accelerate contractor and projects construction by 3 rd quarter





Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	Designs completed	% of 3.2km of Road and Stormwater Constructed in Ext. 7 by June 2019	100.00% of 3.2km of Road and Stormwater Constructed in Ext. 7 by June 2019	R 6 500 000.00	R475 839.74	5.00% of 3.2km of Road and Stormwater Constructed in Ext. 7 by December 2018	0.00% of 3.2km of Road and Stormwater Constructed in Ext. 7 by December 2018	 0%	Late appointment of contractor	SCM to accelerate contractor and projects construction by 3rd quarter
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	460 households upgraded with Sewer in Ikageng Proper	% of 664 Households Upgraded (phase D) with Sewer in Ikageng Proper by June 2019	100.00% of 664 Households Upgraded (Phase D) with Sewer in Ikageng Proper by June 2019	R 4 500 000.00	R356 400	5.00% of 664 Households Upgraded with Sewer in Ikageng Proper by December 2018	0.00% of 664 Households Upgraded with Sewer in Ikageng Proper by December 2018	 0%	Late appointment of contractor	Bid to accelerate appointment of contractor and projects construction by 3rd quarter
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	% of Designs on Sewer Reticulation in Ikageng Ext. 13 Completed by June 2019	100.00% of Designs on Sewer Reticulation in Ikageng Ext. 13 Completed by June 2019	R 1 405 310.00	R982 917.31	100.00% of Designs on Sewer Reticulation in Ikageng Ext. 13 Completed by December 2018	n/a	n/a	Service Provider was appointed in 2016	n/a
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	Designs completed	% of 878 Households Upgraded with Bulk Water Supply in Boikhutso (Ward 32) by June 2019	100.00% of 878 Households Upgraded with Bulk Water Supply in Boikhutso (Ward 32) by June 2019	R 10 000 000.00	R8 695 652.00	5.00% of 878 Households Upgraded with Bulk Water Supply in Boikhutso by December 2018	0.00% of 878 Households Upgraded with Bulk Water Supply in Boikhutso by December 2018	 0%	Late appointment of contractor	Bid to accelerate appointment of contractor and projects construction by 3rd quarter





Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	% of Designs of upgraded with Bulk Water Supply in Goedgevonden (Ward 31) by Dec 2018	100% of Designs of upgraded with Bulk Water Supply in Goedgevonden (Ward 31) by Dec 2018	R 1 500 000.00	R1 493 555.57	100.00% of Designs on Bulk Water Supply in Goedgevonden Completed by December 2018	n/a	n/a	n/a	n/a
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	80% construction	% of 1.4Km Slip Lining in 600mm Asbestos Pipeline Constructed in Ikageng by June 2019	100.00% of 7Km Slip Lining in 600mm Asbestos Pipeline Constructed in Ikageng by June 2019	R12 386 000.00	R2 608 023.45	100% of 7 Slip Lining in 600mm Asbestos Pipeline Constructed in Ikageng by December 2018	4.00% of Slip Lining in 600mm Asbestos Pipeline Constructed in Ikageng by December 2018	 4%	Municipality was in financial constraints, and awaiting confirmation of funds allocation from DWS	Acceleration of construction of the project
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	% Upgraded of the Waste Water Treatment Works in VSD (All Wards) by June 2019	100% of Waste Water Treatment Works Upgraded in VSD (All Wards) in by June 2019	R 20 000 000.00	R8 195 180.74	50.00% of Waste Water Treatment Works Upgraded by December 2018	75.00% of Waste Water Treatment Works Upgraded by December 2018	 150%	n/a	n/a
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	2017/2018 project incomplete	Number of 12 000ℓ Water Tankers for Water Section Procured by June 2019	1 x 12 000ℓ Water Tanker for Water Section Procured by June 2019	R 1 000 000.00	R0.00	1 x 12 000ℓ Water Tanker for Water Section Procured by December 2018	0 #			




Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	2017/2018 project incomplete	Number of Graders procured for Roads Section in JB Marks Areas by Dec 2018	1 of Graders procured for Roads Section in JB Marks Areas by Dec 2018	R 2 200 000.00	R0.00	1 x Grader for Roads Section Procured by December 2018	0 #			
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	2017/2018 project incomplete	Number of Cherry Picker Vehicles for Electricity Section procured for JB Marks LM by Dec 2018	1 Cherry Picker Vehicles for Electricity Section procured for JB Marks LM by Dec 2018	R 1 000 000.00	R0.00	1 x Cherry Picker for Electricity Section Procured by December 2018	0 x Cherry Picker for Electricity Section Procured by December 2018	 0%	Transversal Tender delay in procurement	Department will edge the SCM to accelerate the procurement process, to achieve procurement by end of 3 rd Quarter
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	% of 214 houses supplied with electricity connection in Boikhutsong Phase 2 (Ward 32) by June 2019	100% of 214 houses supplied with electricity service connection in Boikhutsong Phase 2 (Ward 32) by June 2019	R 3 317 000.00	R77 120.25	5.00% of 214 Households Upgraded with Electricity Connections in Boikhutsong by December 2018	0.00% of 214 Households Upgraded with Electricity Connections in Boikhutso by December 2018	 0%	Late appointment of Service Provider	Bid Committees to finalise appointment and project will be accelerated by 3 rd Quarter

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	% of 214 houses supplied with electricity service connection in Boikhutso Phase 2 (Ward 31) by June 2019	214 Households electrification installed in Boikhutso Phase 2 (Ward 31) by June 2019	R 3 317 000.00	R77 120.25	5.00% of 214 Households Upgraded with Electricity Connections in Boikhutso by December 2018	0.00% of 214 Households Upgraded with Electricity Connections in Boikhutso by December 2018	 0%	Late appointment of Service Provider	Bid Committees to finalise appointment and project will be accelerated by 3 rd Quarter
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	% of 185 houses supplied with electricity service connection in Ikageng Greenfields (Ward 9) by June 2019	100% of 185 houses supplied with electricity service connection in Ikageng Greenfields (Ward 9) by June 2019	R 2 867 500.00	R68 103.12	5.00% of 185 Households Upgraded with Electricity Connections in Ikageng Greenfields by December 2018	0.00% of 185 Households Upgraded with Electricity Connections in Ikageng Greenfields by December 2018	 0%	Late appointment of Service Provider	Bid Committees to finalise appointment and project will be accelerated by 3 rd Quarter
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	% of 115 houses supplied with electricity service connection in Matlwang (PhalaKgomo) (Ward 27) by June 2019	100% of 115 houses supplied with electricity service connection in Matlwang (PhalaKgomo) (Ward 27) by June 2019	R 1 897 500.00	R46 488.75	5.00% of 115 Households Upgraded with Electricity Connections in Matlwang by December 2018	0.00% of 115 Households Upgraded with Electricity Connections in Matlwang by December 2018	 0%	Late appointment of Service Provider	Bid Committees to finalise appointment and project will be accelerated by 3 rd Quarter

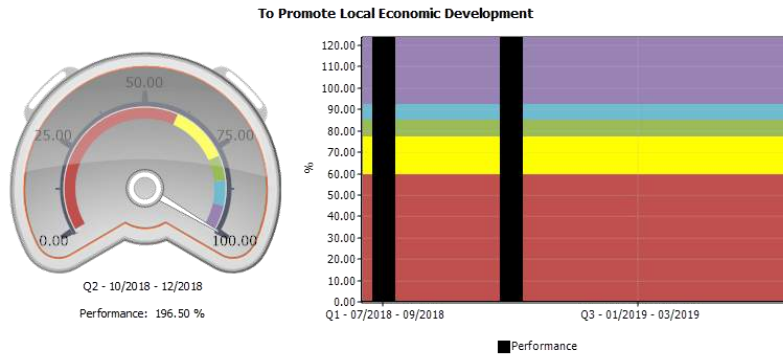
Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	Number of houses supplied with electricity service connection in Ikageng Ext 9 Phase 2 (Ward 4,18) by June 2019	100% or 485 Households electrification installed in Ikageng Ext 9 Phase 2 (Ward 4,18) by June 2019	R 7 517 500.00	R0.00	5.00% of 485 Households Upgraded with Electricity Connections in Ikageng Ext. 9 by December 2018	0.00% of 485 Households Upgraded with Electricity Connections in Ikageng Ext. 9 by December 2018	 0%	Late appointment of Service Provider	Bid Committees to finalise appointment and project will be accelerated by 3 rd Quarter
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	New Project	Number of Households electrification installed in Lindequesdrift (Ward 2) by June 2019	303 Households electrification installed in Lindequesdrift (Ward 2) by June 2019	R 5 000 000.00	R110 000.00	5.00% of 303 Households Upgraded with Electricity Connections in Lindequesdrift by December 2018	0.00% of 303 Households Upgraded with Electricity Connections in Lindequesdrift by December 2018	 0%	Late appointment of Service Provider	Bid Committees to finalise appointment and project will be accelerated by 3 rd Quarter
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	40% construction progress	% Taxi Rank & Hawkers Stalls constructed in Ikageng Ext 7 Taxi Rank by June 2019	60% Taxi Rank & Hawkers Stalls constructed in Ikageng Ext 7 Taxi Rank by June 2019	R3 592 690.00	R3 592 690.00	50.00% of Taxi Rank & Hawker Stalls Constructed in Ikageng Ext. 7 by December 2018	60.00% of Taxi Rank & Hawker Stalls Constructed in Ikageng Ext. 7 by December 2018	 120%	n/a	n/a

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	Designs and tender	% of Light Industrial Park Constructed in Ikageng by June 2019	40.00% of Light Industrial Park Constructed in Ikageng by June 2019	R 12 000 000.00	R0.00	5.00% of Light Industrial Park Constructed in Ikageng by December 2018	0.00% of Light Industrial Park Constructed in Ikageng by December 2018	 0%	Late appointment of contractor	Accelerate appointment in 3rd quarter and construction
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	64 800 HH	Number of households collected refuse in JB Marks LM Areas by June 2019	64 800 of households collected refuse in JB Marks LM Areas by June 2019	R 220 000.00		64 800 Households with Refuse Collections by December 2018		 0%		
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	6	Number of Arts Exhibitions for community in JB Marks LM areas by June 2019	10 of Arts Exhibitions for community in JB Marks LM areas by June 2019	R 25 000.00		4 Art Exhibitions for Community by December 2018	9 Art Exhibitions for Community by December 2018	 225%	Due to Marketing Strategy, the Municipality physically went out to encourage artists to exhibit	Proper planning will be submitted in terms of Targets
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	4	Number of Culture Exhibitions for Community by June 2019	4 Culture Exhibitions for Community by June 2019	R 25 000.00		2 Culture Exhibition for Community by December 2018	1 Culture Exhibition for Community by December 2018	 50%		




Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	10	Number of Culture Outreach Programmes for Community by June 2019	10 Culture Outreach Programmes for Community by June 2019	R 300 000.00		4 Culture Outreach Programmes for Community by December 2018	5 Culture Outreach Programmes for Community by December 2018	 125%	n/a	n/a
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	4	Number of Cultural Capacity Building Sessions for Community by June 2019	4 Cultural Capacity Building Sessions for Community by June 2019	R 100 000.00		2 Cultural Capacity Building Session for Community by December 2018	0 Cultural Capacity Building Session for Community by December 2018	 0%	Due to financial Constraint and Staff Capacity	Municipality to allocated enough funds and appoint more staff in Museum Section to be able to execute the work
To eradicate backlogs in order to improve access and ensure proper operation and maintenance		Number of Traffic Road Safety Awareness Campaigns Conducted for Community by June 2019	60 Traffic Road Safety Awareness Campaigns Conducted for Community by June 2019	R 150 000.00		30 Traffic Road Safety Awareness Campaigns Conducted for Community by December 2018	15 Traffic Road Safety Awareness Campaigns Conducted for Community by December 2018	 50%		
To eradicate backlogs in order to improve access and ensure proper operation and maintenance		Number of Disaster Risk Reduction Programmes Conducted for Community by June 2019	32 Disaster Risk Reduction Programmes Conducted for Community by June 2019	R 95 490.00		16 Disaster Risk Reduction Programmes Conducted for Community by December 2018	11 Disaster Risk Reduction Programmes Conducted for Community by December 2018	 69%		


Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To eradicate backlogs in order to improve access and ensure proper operation and maintenance	20% Construction	% Disaster Management Centre constructed in Tlokwe (Ward 12) by June 2019	80% Disaster Management Centre constructed in Tlokwe (Ward 12) by June 2019	R 11 246 000.00	R3 517 662.96	30.00% of Disaster Management Centre Constructed by December 2018	12.00% of Disaster Management Centre Constructed by December 2018	 40%	construction progress is slow	accelerate the works
Fire Brigade Services	To eradicate backlogs in order to improve access and ensure proper operation and maintenance	Number of Fire Safety Inspections Conducted for Community by June 2019	400 Fire Safety Inspections Conducted for Community by June 2019	OPEX		200 Fire Safety Inspections Conducted for Community by December 2018	0 #	 0%		
Fire Brigade Services	To eradicate backlogs in order to improve access and ensure proper operation and maintenance	Number of Fire Safety Awareness Campaigns Conducted for Community by June 2019	32 Fire Safety Awareness Campaigns Conducted for Community by June 2019	R 70 000.00		16 Fire Safety Awareness Campaigns Conducted for Community by December 2018	0 #	 0%		

To Promote Local Economic Development

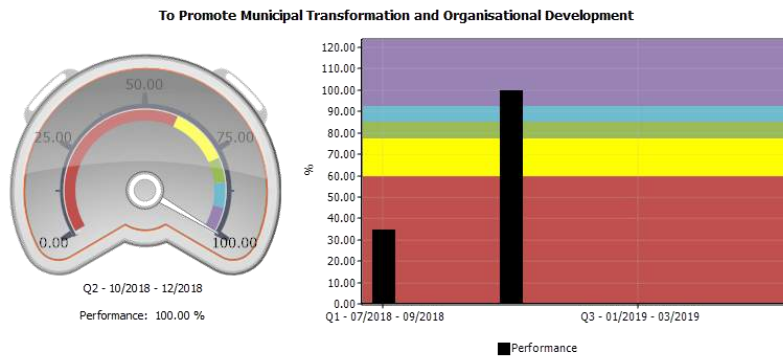


Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To create environment that promotes development of the economy and facilitate job creation	259	Number of Jobs created through EPWP in the JB Marks LM Areas by June 2019	259 of Jobs created through EPWP in the JB Marks LM Areas by June 2019	R 1 947 000.00		130 of Jobs created through EPWP in the JB Marks LM Areas by Dec 2018	149 of Jobs created through EPWP in the JB Marks LM Areas by Dec 2018	115%	N/A	N/A
To create environment that promotes development of the economy and facilitate job creation	1600	Number of Jobs created through Capital Projects in the JB Marks Areas by June 2019	160 of Jobs created through Capital Projects in the JB Marks Areas by June 2019	R 0.00		80 Jobs Created through Capital Projects by December 2018	48 of Jobs created through Capital Projects in the JB Marks Areas by Dec 2018	60%	Late appointment of contractor	To accelerate contractor and projects construction



Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid –Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To create environment that promotes development of the economy and facilitate job creation	12	Number of Capacity Building for SMME's in the JB Marks Areas by June 2019 (Tourism, Enterprise and Socio-Economic)	12 of Capacity Building for SMME's in the JB Marks Areas by June 2019 (Tourism, Enterprise and Socio-Economic)	R 191 192.00		6 of Capacity Building for SMME's in the JB Marks Areas by Dec 2018 (Tourism, Enterprise and Socio-Economic)	6 Capacity Building for SMME's in the JB Marks Areas by Dec 2018 (Tourism, Enterprise and Socio-Economic)	 100%	N/A	N/A
To create environment that promotes development of the economy and facilitate job creation	4	Number of Exhibition Events held for the SMME's in the JB Marks LM by June 2019	6 of Exhibition Events held for the SMME's in the JB Marks LM by June 2019	R 140 000.00		2 of Exhibition Events held for the SMME's in the JB Marks LM by Dec 2018	1 of Exhibition Events held for the SMME's in the JB Marks LM by Dec 2018	 50%	N/A	N/A
To create environment that promotes development of the economy and facilitate job creation	1	Number of Tourism Awards Ceremonies held in JB Marks LM by June 2019	1 Tourism Awards Ceremonies in JB Marks LM held by June 2019	R 280 000.00		No Projection/Activity by Dec 2018	N/A	N/A	N/A	N/A
To create environment that promotes development of the economy and facilitate job creation	4	Number of Tourism Awareness Programmes for the JB Marks Community by June 2019	4 of Tourism Awareness Programmes for the JB Marks Community by June 2019	R 0.00		2 of Tourism Awareness Programmes for the JB Marks Community by Dec 2018	1 of Tourism Awareness Programmes for the JB Marks Community by Dec 2018	 50%	N/A	N/A


Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid –Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To create environment that promotes development of the economy and facilitate job creation	Create Environment that Promotes Development of the Economy and Facilitate Job Creation	Number of Tourism Marketing Reports for JB Marks Areas by June 2019	4 Tourism Marketing Reports for JB Marks Areas by June 2019	R 20 000.00		2 Tourism Marketing Reports for JB Marks Areas by Dec 2018	0 Tourism Marketing Reports for JB Marks Areas by Dec 2018	 0%	n/a	n/a

To Promote Municipal Transformation and Organisational Development

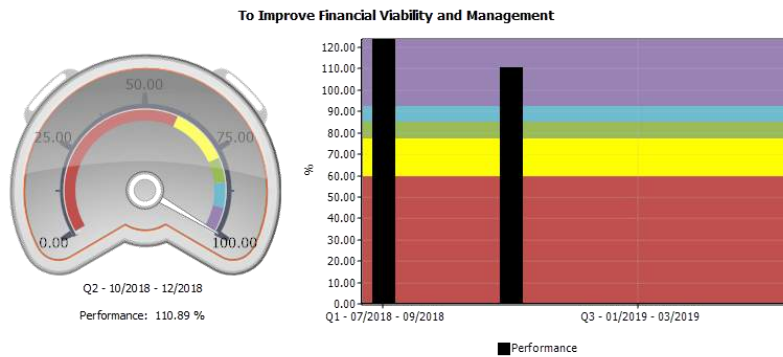


Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To improve organization stability and sustainability	8 PA Signed	Number of Performance Agreements for Section 56 & 57 Manager's Signed and approved by Council by July 2018	5 Performance Agreements for Section 56 & 57 Manager's signed and approved by Council by July 2018	R 0.00		5 Performance Agreements for Section 56 & 57 Manager's signed and approved by Council by July 2018	3 Performance Agreements for Section 56 & 57 Manager's signed by July 2018	60%	The Vacant positions of Section 56 and 57 Managers	Filling of Position to be priorities by 3 rd Quarter to be able to execute the target accordingly
To improve organization stability and sustainability		Number of Reports on Filling Critical Positions Submitted by June 2019	4 Reports on Filling Critical Positions Submitted by June 2019	R 0.00		2 Report on Filling Critical Positions Submitted by December 2018	1 Report on Filling Critical Positions Submitted by December 2018	50%		

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To improve organization stability and sustainability		Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment equity plan by June 2018	5 of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by June 2018	R 0.00		5 of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by Dec 2018	0 #			
To improve organization stability and sustainability	2	Number of LLF Meetings conducted in the JB Marks LM by June 2019	4 LLF meetings conducted in the JB Marks LM by June 2019	R 0.00		2 LLF meetings conducted in the JB Marks LM by December 2018	0 LLF meetings conducted in the JB Marks LM by December 2018	 0%	Composition of the LLF Members/Committee was misunderstood and Imatu conducted shopstewards elections	The meetings will be coordinated by 3rd Quarter
To improve organization stability and sustainability		Number of Health awareness campaigns conducted for employees of JB Marks LM by June 2019	4 Health awareness campaigns conducted for the employees of JB Marks LM by June 2019	R 10 610.00		2 Health awareness campaigns conducted for the employees of JB Marks LM by December 2018	2 Health awareness campaigns conducted for the employees of JB Marks LM by December 2018	 100%	N/A	N/A



Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To improve organization stability and sustainability		Number of Occupational Health and Safety Act compliance audits conducted in JB Marks LM by June 2019	4 of Occupational Health and Safety Act compliance audits conducted in JB Marks LM by June 2019	R 23 342.00		2 of Occupational Health and Safety Act compliance audits conducted in JB Marks LM by December 2018	0 of Occupational Health and Safety Act compliance audits conducted in JB Marks LM by December 2018	 0%		
To improve organization stability and sustainability		% of ICT Security Policy Developed and submitted to Council by June 2019	100% of ICT Security Policy Developed and submitted to Council by June 2019	R 23 342.00		No Projection for December 2018	N/A	N/A	N/A	N/A



To Improve Financial Viability and Management







Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedure		% Debt Coverage by June 2019	% Debt Coverage by June 2019	R 0.00		% Debt Coverage by December 2018	0 #			
To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedure		% Outstanding Service Debtors to Revenue by June 2019	% Outstanding Service Debtors to Revenue by June 2019	R 0.00		% Outstanding Service Debtors to Revenue by December 2018	0 #			National KPI not reported


Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems		% Cost Coverage by June 2019	% Cost Coverage by June 2019	R 0.00		% Cost Coverage by December 2018	0 #			National KPI not reported
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems	97%	R and % revenue collection for the JB Marks LM by June 2019	100% of R1 512 772 000.00 and 100% revenue collection for JB Marks Local Municipality by June 2019	R 1 512 772 000.00		50% of R756 386 000.00 of Revenue Collected for JB Marks by December 2018				

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems		% of R spend on Free Basic Services in JB Marks LM by June 2019	100% of R74 241 000.00 and spend on Free Basic Services in JB Marks LM by June 2017	R 74 241 000.00	R8 560 565.41	50% R37 120 500.00 Spend on Free Basic Services by June 2019	23% R8 560 565.41 Spent on Free Basic Services by Dec 2018	 23%		
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems	Outdated	% of Progress of General Revaluation of Properties in the JB Marks LM Areas by June 2019	100% of Progress of General Revaluation of Properties in the JB Marks LM Areas by June 2019	R 50 000.00		50.00% of Progress of General Revaluations of properties in JB Marks LM by December 2018	50.00% of Progress of General Revaluations of properties in JB Marks LM by December 2018	 100%	n/a	n/a

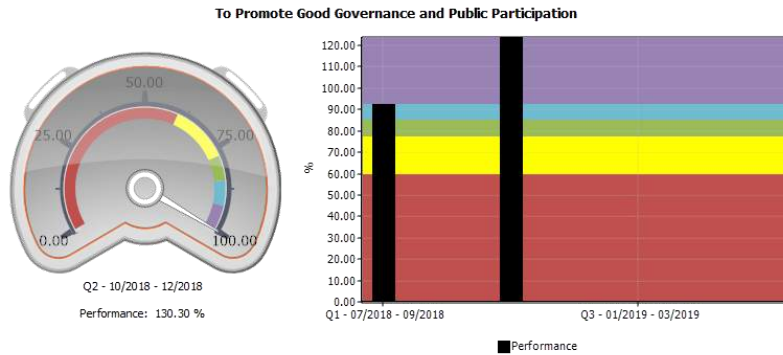
Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems	0%	% of Managing the contract Register of Council and informing relevant departments of expiry dates of contracts within 4 months of expiry of the contract by June 2019	100% Managing the contract Register of Council and informing relevant departments of expiry dates of contracts within 4 months of expiry of the contract by June 2019	R 0.00		50% Managing the contract Register of Council and informing relevant departments of expiry dates of contracts within 4 months of expiry of the contract by Dec 2018	0% Managing the contract Register of Council and informing relevant departments of expiry dates of contracts within 4 months of expiry of the contract by Dec 2018	 0%	The Contract Register was developed,	The SCM to update and manage the register accordingly
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems	100%	% of Monitored Procurement Plan in JB Marks by Dec 2018	100% of Monitored Procurement Plan in JB Marks by Dec 2018	R 0.00	OPEX	100% of Monitored Procurement Plan in JB Marks by Dec 2018	10% of Monitored Procurement Plan in JB Marks by Dec 2018	 10%	n/a	n/a

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems		% of R1 500 000.00 Spend on Implementing Workplace Skills Plan by June 2019	100.00% of R1 500 000.00 Spend on Implementing Workplace Skills Plan by June 2019	R 1 500 000.00	R1 232 757.23	50.00% of R750 000.00 Spend on Implementing Workplace Skills Plan by December 2018	164% R1 232 757.23 spent on implementation of workplace skills plan by Dec 2018	 164%	n/a	n/a
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems	R8 505 106.55	% of R value income collected from Vehicle registration and Licensing/renewals which is 20% on all vehicle income, minus 15% VAT on commission by June 2018	100% R8 488 000 income collected from Vehicle registration and Licensing/renewals which is 20% on all vehicle income, minus 15% VAT on commission by June 2018	R 8 488 000.00		40.00% of R3 395 200.00 Collected from Vehicle Registration and Licensing / Renewals by December 2018	170% R5 755 430.58 collected from vehicle registration and licensing/renewals by Dec 2018	 170%	n/a	Proper Planning in the next financial year


Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems		% of R5 690 648.00 Collected from Drivers Licences by June 2019	100.00% of R5 690 648.00 Collected from Drivers Licences by June 2019	R 5 690 648.00		40.00% of R2 276 259.20 Collected from Drivers Licences by December 2018	75% of R1 709 412.00 collection from Drivers licenses by Dec 2018	 75%	System failure	the system was updated and running accordingly
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems	R595 012.00	% of R value collected for roadworthy centres in JB Marks LM by June 2019	100% R590 000 value collected for roadworthy centres in JB Marks LM by June 2019	R 590 000.00		40.00% of R236 000.00 Collected from Roadworthy Centres in JB Marks LM by December 2018	128% R302 304.00 collected from roadworthy centres in JB Marks by Dec 2018	 128%	n/a	n/a

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To Improve Overall Financial Management in Municipalities by Developing and Implementing Appropriate Financial Management Policies, Procedures and Systems	R7 949 344	% of R value collected for Traffic Fines in JB Marks LM by June 2018	100% of R115 550 540 value collected for Traffic Fines in JB Marks LM by June 2018	R 115 550 540.00		40.00% of R46 220 216.00 Collected from Traffic Fines by December 2018	6% R2 788 976.00 collected from Traffic Fines in JB Marks LM areas by Dec 2018	 6%	n/a	n/a





To Promote Good Governance and Public Participation










Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To promote a culture of participation and good governance	0	Number of Strategic Risk assessment conducted in JB Marks LM by Dec 2018	1 Strategic Risk Assessment conducted in JB Marks LM by Dec 2018	OPEX		1 Strategic Risk Assessment conducted in JB Marks LM by Dec 2018	1 Strategic Risk Assessment conducted in JB Marks LM by Dec 2018	100%	n/a	n/a
To promote a culture of participation and good governance	0	Number of Operational Risk Assessment conducted in JB Marks LM by Dec 2018	1 Operational Risk Assessment conducted in JB Marks LM by Dec 2018	OPEX		1 Operational Risk Assessment conducted in JB Marks LM by Dec 2018	1 Operational Risk Assessment conducted in JB Marks LM by Dec 2018	100%	n/a	n/a
To promote a culture of participation and good governance	0	Number of Fraud and Corruption Risk Register developed for JB Marks by Dec 2018	1 Fraud and Corruption Risk Register developed for JB Marks by Dec 2018	OPEX		1 Fraud and Corruption Risk Register developed for JB Marks by Dec 2018	1 Fraud and Corruption Risk Register developed for JB Marks by Dec 2018	100%	n/a	n/a



Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To promote a culture of participation and good governance	0	Number of Risk Registers Reviewed in JB Marks by Mar 2019 (Strategic, Operational and Fraud and Corruption Risk Registers)	3 Risk Register Reviewed in JB Marks by Mar 2019 (Strategic, Operational and Fraud and Corruption Risk Registers)	OPEX		No projection by Dec 2018	n/a	n/a	n/a	n/a
To promote a culture of participation and good governance	0	Number of Fraud and Corruption Risk Awareness conducted in JB Marks by Mar 2019	1 of Fraud and Corruption Risk Awareness conducted in JB Marks by Mar 2019	OPEX		No projection by Dec 2018	n/a	n/a	n/a	n/a
To promote a culture of participation and good governance	0	Number of Risk Management Plan submitted to Council by Dec 2018	1 of Risk Management Plan submitted to Council by Dec 2018	OPEX		1 of Risk Management Plan submitted to Council by Dec 2018	1 of Risk Management Plan submitted to Council by Dec 2018	 100%	n/a	n/a

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To promote a culture of participation and good governance	0	Number of Risk Management Policies and Strategies submitted to Council by Dec 2018 Risk Management Charter, Anti-Fraud and Corruption Policy, Fraud and Corruption Prevention Plan, Risk Management Policy and Framework, Risk Management Strategy, Whistle Blowing Policy, Ethics Policy, and Public Sector Risk Management Framework)	8 of Risk Management Policies and Strategies submitted to Council by Dec 2018 (Risk Management Charter, Anti-Fraud and Corruption Policy, Fraud and Corruption Prevention Plan, Risk Management Policy and Framework, Risk Management Strategy, Whistle Blowing Policy, Ethics Policy, and Public Sector Risk Management Framework)	OPEX		8 of Risk Management Policies and Strategies submitted to Council by Dec 2018 (Risk Management Charter, Anti-Fraud and Corruption Policy, Fraud and Corruption Prevention Plan, Risk Management Policy and Framework, Risk Management Strategy, Whistle Blowing Policy, Ethics Policy, and Public Sector Risk Management Framework)	0 #			

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To promote a culture of participation and good governance		Number of progress report on Post Audit Action Plan submitted to AC by June 2019	4 progress report on Post Audit Action Plan submitted to AC by June 2019	OPEX		2 progress report on Post Audit Action Plan submitted to AC by Dec 2018	1 progress report on Post Audit Action Plan submitted to AC by Dec 2018	 50%	The Council approval of extension for the AC was received at the end of 1 st Quarter and PAAP report 1 st Quarter served in 18 Oct 2018	2 progress report on PAAP submitted to AC by 4 th Quarter
To promote a culture of participation and good governance		Number of AC reports submitted to Council by June 2019	4 Audit Committee Reports submitted to Council by June 2019	OPEX		2 Audit Committee Reports submitted to Council by Dec 2018	2 Audit Committee Reports submitted to Council by Dec 2018	 100%	n/a	n/a
To promote a culture of participation and good governance		Number of Internal Audit reports submitted to AC June 2019	4 Internal Audit reports submitted to AC June 2019	OPEX		2 Internal Audit reports submitted to AC Dec 2018	2 Internal Audit reports submitted to AC Dec 2018	 100%	n/a	n/a
To promote a culture of participation and good governance		Number of Charters submitted to Council for approval by Sep 2018 (Audit Committee and Internal Audit Charters)	2 of Charters submitted to Council for approval by Sep 2018 (Audit Committee and Internal Audit Charters)	OPEX		2 of Charters submitted to Council for approval by Sep 2018 (Audit Committee and Internal Audit Charters)	0 Charters submitted to Council for approval by Sep 2018 (Audit Committee and Internal Audit Charters)	 0%	The Charter was approved in Jan 2018 and no amendments were required	Review and submission by end of 3 rd Quarter

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To promote a culture of participation and good governance		Number of Mayoral Izimbizo conducted in JB Marks Areas by June 2019	2 Mayoral Izimbizo conducted in JB Marks Areas by June 2019	R 1 000 000.00	R815 250.00	1 Mayoral Izimbizo conducted in JB Marks Areas by Dec 2018	3 Mayoral Izimbizo conducted in JB Marks Areas by Dec 2018 (VSD: Lossie Sports Ground, Lusaka Hall, and Promosa Hall)	 300%	n/a	n/a
To promote a culture of participation and good governance	1	Number of Mandela Day Event hosted in J/b Marks LM by July 2018	1 of Mandela Day Event hosted in J/b Marks LM by July 2018	R 250 000.00		1 of Mandela Day Event hosted in J/b Marks LM by July 2018	1 of Mandela Day Event hosted in J/b Marks LM by July 2018	 100%		
To promote a culture of participation and good governance		Number of Community Participation Meetings Conducted in All Wards by June 2019	68 of Community Participation Meetings Conducted in All Wards by June 2019	R 600 000.00		34 of Community Participation Meetings Conducted in All Wards by Dec 2018	0 #			
To promote a culture of participation and good governance		Number of Council Meetings to be held by June 2019	4 of Council Meetings to be held by June 2019	R 0.00		2 of Council Meetings to be held by June 2019	3 of Council Meetings to be held by June 2019	 150%	n/a	n/a

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To promote a culture of participation and good governance		Number of Section 79 Committee Meetings to be held in JB Marks LM by June 2019	12 Section 79 Committee Meeting to be held in JB Marks LM by June 2019	OPEX		6 Section 79 Committee Meeting to be held in JB Marks LM by Dec 2018	1 Section 79 Committee Meeting to be held in JB Marks LM by Dec 2018	 17%		
To promote a culture of participation and good governance		Number of Mayoral Committee Meetings to be held in JB Marks LM by June 2018	4 Mayoral Committee Meetings to be held in JB Marks LM by June 2018	OPEX		2 Mayoral Committee Meetings to be held in JB Marks LM by June 2018	1 Mayoral Committee Meetings to be held in JB Marks LM by June 2018	 50%	n/a	n/a
To promote a culture of participation and good governance		Number of Ward Committee meetings in JB Marks region held by June 2019	408 Ward Committee meetings held in JB Marks Region by June 2019	OPEX		204 Ward Committee meetings held in JB Marks Region by Dec 2018	8 Ward Committee meetings held in JB Marks Region by Dec 2018	 2%		
To promote a culture of participation and good governance		2019/2020 IDP, BUDGET and PMS Process Plan tabled by Council by Aug 2018	2019/2020 IDP, BUDGET and PMS Process Plan tabled by Council by Aug 2018	OPEX		2019/2020 IDP, BUDGET and PMS Process Plan tabled by Council by Aug 2018	2019/2020 IDP, BUDGET and PMS Process Plan tabled by Council by Aug 2018	 100%	n/a	n/a
To promote a culture of participation and good governance		2019/2020 IDP Reviewed tabled by Council by 31 May 2019	2019/2020 IDP Reviewed tabled by Council by 31 May 2019	OPEX		No Projection by Dec 2018	n/a	n/a	n/a	n/a
To promote a culture of participation and good governance		2019/2020 Annual Budget tabled by Council by 31 May 2019	2019/2020 Annual Budget tabled by Council by 31 May 2019	OPEX		No Projection by Dec 2018	n/a	n/a	n/a	n/a

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To promote a culture of participation and good governance		2018/2019 Mid Term Budget and Performance Assessment Report adopted by Council by Jan 2019	2018/2019 Mid Term Budget and Performance Assessment Report adopted by Council by Jan 2019	R 0.00		No Projection by Dec 2018	n/a	n/a	n/a	n/a
To promote a culture of participation and good governance		2018/2019 Adjustment Budget approved by Council by Feb 2019	2018/2019 Adjustment Budget approved by Council by Feb 2019	R 0.00		No Projection by Dec 2018	n/a	n/a	n/a	n/a
To promote a culture of participation and good governance		2019/2020 Final SDBIP approved by Mayor by 28 June 2018	2019/2020 final SDBIP approved by Mayor by 28 June 2019	R 0.00		No Projection by Dec 2018	n/a	n/a	n/a	n/a
To promote a culture of participation and good governance		2016/2017 Annual Performance Report was submitted to AG by 31 Aug 2017	2017/2018 Annual Performance Report submitted to AGSA by Aug 2018	R 0.00		2017/2018 Annual Performance Report submitted to AGSA by Aug 2018	2017/2018 Annual Performance Report submitted to AGSA by Aug 2018	 100%		
To promote a culture of participation and good governance		2016/2017 Audited Annual Report tabled by 31 Jan 2018 (C19/2018-01-31)	Audited 2017/2018 Annual Report tabled before Council by Jan 2019	R 0.00		No Projection by Dec 2018	n/a	n/a	n/a	n/a
To promote a culture of participation and good governance		2017/2018 Annual Financial Statement submitted to AG by 31 Aug 2017	2017/2018 Financial statement submitted to AG by 31 August 2018	R 0.00		2017/2018 Financial statement submitted to AG by 31 August 2018	2017/2018 Financial statement submitted to AG by 31 August 2018	 100%	n/a	n/a

Strategic Objective	Baseline	Key Performance Indicator	Annual Performance Target	Annual Budget	Actual Budget Expenditure	Mid-Year Target	Actual Performance	% Achievement	Challenges	Remedial Activities
To promote a culture of participation and good governance		2017/2018 Oversight report tabled by Council by March 2019	2017/2018 Oversight report tabled to Council by March 2019	R 0.00		No Projection by Dec 2018	n/a	n/a	n/a	n/a
To promote a culture of participation and good governance		2017/2018 Oversight and 40 Annual reports submitted (Provincial legislature and MEC of Local Government) by April 2019	2017/2018 Oversight and 40 Annual reports submitted (Provincial legislature and MEC of Local Government) by April 2019	R 0.00		No Projection by Dec 2018	n/a	n/a	n/a	n/a

5. 2017/2018 AG's Report Corrective Measures to be Taken

Auditor-General Report on Financial Performance Year 2017/18	
Status of audit report: Qualified Opinion	
Non-Compliance Issues	Remedial Action Taken
Consumer Debtors: Allowance for impairment of consumer debtors was wrongly calculated and did not conform to GRAP 104. The municipality did not quantify full extent of the misstatement and it was impractically impossible for AGSA to determine the extent of the overstatement of consumer debtors.	The 2018/19 AFS will go through intensive review before submission to AGSA to improve the quality of AFS and ensure full compliance with the standard. The standard will also be monitored monthly through 2017/18 Audit Action Plan.
RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS: Refer to AGSA 2016/17 audit report for full qualification information	<ol style="list-style-type: none"> 100% verification of all fines issued by checking all books and ensuring they have been recorded on the mavhambo system Review policy on impairment of fines and draft policy and submit to council for approval. Management is currently in process of ensuring that all journals are accompanied by supporting documentation. Internal controls have been developed for safe keeping of all supporting documentation.
PAYABLES FROM EXCHANGE TRANSACTIONS: AGSA could not obtain sufficient evidence for trade creditors included in the payables from exchange transactions due to lack of appropriate accounting records.	Monthly reconciliation of the creditors account. Internal controls have been developed for safe keeping of all supporting documentation.
SERVICE CHARGES: Revenue from services provided to indigent debtors and revenue from interdepartmental charges incorrectly recognised.	Controls are put in place as part of the review of AFS before submission for audit purposes to ensure that errors are identified timeously and corrected before the AFS are submitted for audit purposes.
EXPENDITURE: AGSA was unable to obtain sufficient evidence for general expenses due to inadequate document management system that occurred during 2016/17 audit.	All payment vouchers are scanned before filing. The municipality has also established and implemented a systematic document management system for safe keeping of all payment vouchers.
UNAUTHORISED EXPENDITURE: Unauthorised expenditure was understated as a result of unauthorised expenditure from previous years not being included as an opening balance.	The entire population of unauthorised expenditure will be revisited. Sec 32 of MFMA will be followed to the later when addressing this finding.
IRREGULAR EXPENDITURE: Irregular expenditure was understated and also included items that do not meet the criteria of irregular expenditure.	The entire population of irregular expenditure prior to the merger of the two municipalities will be revisited. Management will further ensure that Sec 32 of MFMA process are followed to the later.
CASH FLOW: The municipality did not correctly take into account cash items in the calculation of the net cash flows from operating and investing activities as required by GRAP 2.	Controls are put in place as part of the review of AFS before submission for audit purposes to ensure that errors are identified timeously and corrected before the AFS are submitted for audit purposes.
PRIOR PERIOD ERRORS: The municipality did not disclose all corrections made as a result of prior period errors in the notes to the AFS as required by GRAP 3.	The 2018/19 AFS will go through intensive review before submission to AGSA to improve the quality of AFS and ensure full compliance with the standard.

Note: The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.*

<p>During the audit, it was noted that the indicators and targets as listed are not appropriate and relevant as required. Management should develop well-defined, appropriate and relevant indicators and targets.</p> <p>The indicators should not give managers incentives to carry out activities simply to meet a particular target, but the indicator should relate logically and directly to an aspect of the institution's mandate and the realisation of strategic goals and objectives.</p> <p>The internal audit and audit committee can also assist the municipality by reviewing the objectives, indicators and targets on the performance plans to ensure that it complies with applicable legislations.</p>	<p>Directorates to be workshopped on Capital and Operational KPI's and Budget, Budget should include Irrelevant Indicator/projects as Capital Budget</p>
<ol style="list-style-type: none"> 1. The percentage of households earning less than R1100 per month with access to free basic services; 2. The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan; 3. The number of jobs created through municipality's local, economic development initiatives including capital projects; and 4. Financial viability as expressed in ratios. Leadership and management should ensure that they exercise oversight by ensuring that there are processes in place to ensure compliance with applicable legislations. <p>The internal audit and audit committee should assist the municipality by reviewing the objectives, indicators and targets on the performance plans to ensure that it complies with applicable legislations.</p>	<p>Department to adhere to the Municipal Planning and Performance Regulation and include all National KPI's as required</p>
<p>AG identified differences between the achievements reported in the Annual Performance Report and the achievements as the register/list or the POE. The accounting officer should develop and implement controls to ensure that all reported achievements are reconciled to the list/register or POE of achievements before the report is approved.</p>	<p>PMS and Internal Audit should properly verification and reviews to be conducted on evidence</p>
<p>Inconsistencies were noted on the Service Delivery Budget Implementation Plan (SDBIP) and Annual Performance Report (APR). The accounting officer through the performance monitoring unit must verify that the planning documents and reporting documents are consistent.</p> <p>The accounting officer must ensure that a proper review of the annual performance report against planning documents is performed to ensure that the planning documents and reporting documents are consistent.</p> <p>The internal audit and audit committee should assist the municipality by verifying the consistency of planning documents and reporting documents before the annual performance report is submitted to the external auditors.</p>	<p>proper review of the annual performance report against planning documents performed to ensure that the planning documents and reporting documents are consistent.</p>
<p>During the audit of predetermine objective, we have considered management's reason for not achieving the planned targets. The challenges to the indicators and measures taken to improve performance were evaluated. For the following indicators we do not agree with management's reasons as per our comments in the management report. The accounting officer should develop and implement controls to ensure that all indicator not achieved during the year reason were provided and supported with valid evidence. The accounting officer should put measures in place to address under-performing indicators to ensure service delivery to the community</p>	
<p>Misstatement were identified for some indicators reported in JB Marks Local Municipality annual Performance Report for 2017/2018. Management must take all necessary steps to ensure an efficient and effective performance reporting process. This includes: Ensuring that sufficient, appropriate source documents are kept for all the targets as listed in the municipality's SDBIP and annual performance report and that this source documentation is readily available for audit purposes.</p> <p>Management or PMS office should validate the information reported by various department managers, the actual achievement should be supported by valid underlying documents.</p> <p>The PMS office should have a clear understanding of the indicator and their target. It is advisable for the municipality to develop technical indicator description document that will include purpose of the indicator, source/collection of data, method of calculations, reporting cycle, desired performance, indicator responsibilities, etc.</p>	<p>Management and PMS office should validate the information reported by various department managers, the actual achievement should be supported by valid underlying documents and POE audited internally before submitted to Council</p>

<p>During the audit it was noted that the below listed indicators were not well defined. Management should develop well-defined strategic goals and objectives to provide a better basis to develop suitable programmes and projects as well as appropriate indicators.</p> <p>The internal audit and audit committee can also assist the municipality by reviewing the objectives, indicators and targets on the performance plans to ensure that it complies with applicable legislations.</p>	<p>KPI's, objectives and target to be reviewed by internal Audit</p>
<p>Misstatement were identified for indicators reported in JB Marks Local Municipality annual Performance Report for 2017/2018 financial year. Management or PMS office should validate the information reported by various department managers, the actual achievement should be supported by valid underlying documents.</p> <p>The PMS office should have a clear understanding of the indicator and their target. It is advisable for the municipality to develop technical indicator description document that will include purpose of the indicator, source/collection of data, method of calculations, reporting cycle, desired performance, indicator responsibilities, etc</p>	<p>Timeous submission of reports and Management and PMS office to validate the information reported; actual achievement should be supported by valid underlying documents.</p>
<p>However, the indicators set by JB Marks Municipality are not relevant to the performance of the year under review for the municipality as these targets refers to the number of households already having access to these services at the start of the year (being the same as the baseline). In addition, there are no technical indicator descriptions or other relevant information relating to these indicators to clearly set out how the number of households in total and with access to basic services will be determined and reported on. Management should review the SDBIP and ensure that targets are verifiable.</p> <p>The PMS office should develop technical data indicators description which will assist to identify the methods of collecting, processing and verifying the information.</p> <p>The internal audit and audit committee can also assist the municipality by reviewing the objectives, indicators and targets on the performance plans to ensure that it is verifiable.</p>	<p>Management to fill in technical data indicators description which will assist to identify the methods of collecting, processing and verifying the information.</p>
<p>No oversight was exercised to ensure that the 2017/18 PMS Policy Framework is adopted by council. Management should ensure that the PMS Policy framework is adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its integrated development plan</p>	<p>PMS Office will conduct workshop for Councillors and submit PMS Policy Framework for approval by end of Feb</p>
<p>During the audit of 100 of VIP Toilets constructed in Ga-Mogopa by June 2018 target, we noted that there is control deficiency in terms of managing the beneficiaries. We noted that there are beneficiaries were not included on the list but did receive the VIP toilets.</p> <p>Others details as per signed letter does not agree with the details as per the list</p>	<p>Verification of POE by PMS Office will be conducted accordingly on timeous submission of quarterly report</p>

6. RECOMMENDATIONS

- i. That Council take cognisance of the 2018/19 Mid-year budget and Performance Assessment report prepared in line with Section 72 of the MFMA.
- ii. That Council notes there will be a need for an adjustment capital budget on internally generated funds to cater for the procurement of new refuse trucks as the current trucks are absolute as well as to address the current refuse removal crisis within the municipality.
- iii. That Council note that the municipality does not a bank overdraft nor loans except the INCA loan of the former Ventersdorp, which is currently disclosed under contingent liabilities on the Annual Financial Statement as the matter is still at the court of law.
- iv. That Council note that there will be need for adjustment budget to correct errors in the budget, correct votes which have under or over performed.
- v. That the 2018/2019 Service Delivery Budget and Implementation Plan, be amended with necessary adjustments approved by Council.
- vi. Budget and Implementation Plan, with the necessary adjustment budget be signed by section 57 and 56 and that be attached to their Performance Agreements and forwarded to the National and Provincial Treasury.
- vii. That Council approves the below proposed KPI's to be Adjusted/Amended accordingly:-

No	FUNCTIONAL AREA / DEVELOPMENT PRIORITIES	VOTE NUMBER	KEY PERFORMANCE INDICATOR (KPI) ANNUAL TARGET	REASON FOR CHANGE	NEW KPI/ TARGET / AMOUNT	TOTAL ADJUSTED AMOUNT
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT						
1.	IDP-MIG Funding-Capital Project PMU-Road and Storm Water	07034000 0002	% of Km of Internal Road (Phase 3) Constructed in Appeldraai (Ward 32) by June 2019	Budget allocation to increase from R5 000 000.00 to R5 887 858.00 due to scope of work	100% of 1.1Km of Internal Road (Phase 3) Constructed in Appeldraai (Ward 32) by June 2019	R5 887 858.00

	IDP-MIG Funding-Capital Project PMU-Road and Storm Water	07034000 0015	% of Km of Road & Storm (Phase 1) Water Constructed in Ext 7 (Ward 20) by June 2019	The allocation of R6 5000 000.00 will not complete the planned target of 3.2km, the KM to decrease from 3.2km to 1.5km, as the amount allocated will be enough to complete 1.5km Road	100% of 1.5Km of Road & Storm (Phase1) Water Constructed in Ext 7 (Ward 20) by June 2019	N/A
2.	IDP- MIG funding-Capital Project PMU-Road	07034000 0010	Number of Graders procured for Roads Section in JB Marks Areas by Dec 2018	Budget to increase from R2 200 000.00 to R3 300 000.00 as per prices for procurement of graders	1 of Graders procured for Roads Section in JB Marks Areas by Dec 2018	R3 300 000.00
2	IDP- MIG funding-Capital Project PMU-Water	070736030 000	% of 878 Households Upgraded with Bulk Water Supply in Boikhutso (Ward 32)by June 2019	This is the multiyear project, 100% is not the realistic target, reduction required to 40%	<u>KPI:</u> % of Constructed Bulk Water reticulation in Boikhutso (Ward 32) by June 2019 <u>Annual Target:</u> 40% of Constructed Bulk Water reticulation in Boikhutso (Ward 32) by June 2019 <u>3rd Q:</u> 15% construction progress by March 2019 <u>4th Q:</u> 25% construction progress by June 2019	
3.	IDP- MIG funding-	070500600 65	% of Designs on Sewer Reticulation in	Project is not applicable to 2018/19, due to	0% of Designs on Sewer Reticulation in	N/A

	Capital Project PMU-Water		Ikageng Ext. 13 Completed by June 2019	designs completed in the previous financial year, Feb 2018. Municipality budgeted for outstanding balance of the Service provider	Ikageng Ext. 13 Completed by June 2019	
4.	IDP-INEP Funding-Capital Project PMU-Elec	070670000 007	100% or 485 Households electrification installed in Ikageng Ext 9 Phase 2 (Ward 4,18) by June 2019	The Greenfield and Ext 9 projects were completed in 2017/18 financial year, The two projects Number of household and amount of	KPI: Number of households connected with electricity in Ikageng Ext 13, Zakhele by June 2019	
		070670000 005	100% of 185 houses supplied with electricity service connection in Ikageng Greenfields (Ward 9) by June 2019	(R10 385 000.00) to be combined into one project, which will be implemented in Ext 13 The amounts allocated R7 517 500.00 plus R2 867 500.00 to be redirected to Ext 13	Target: 670 of households connected with electricity in Ikageng Ext 13, Zakhele by June 2019 Q3: 234 % Progress Q4: 670 Progress	
5.	IDP-INEP Funding-Capital Project PMU-Elec	070670000 008	303 Households electrification installed in Lindegessdrift (Ward 2) by June 2019	The project to be redirected to Rysmierbult due to installation in Lindegessdrift was completed by 2017/2018 financial year	303 Households electrification installed in Rysmierbult (Ward) by June 2019	
6.	IDP- MIG funding-Capital Project	070736030 0001	100% of Designs of upgraded with Bulk Water Supply in Goedgevonden	Designs drawn in Nov 2016, Project not applicable for the 2018/2019 FY, allocated budget was for	indicator to be taken out of the SDBIP	N/A

	PMU-Water		(Ward 31) by Dec 2018	outstanding payment of service provider		
7.	IDP- MIG funding-Capital Project PMU-Disaster	07011000001	% Disaster Management Centre constructed in Tlokwe (Ward 12) by June 2019	KPI allocation to increase from R11 246 000.00 to R14 525 258.00 due to scope of work	100% Disaster Management Centre constructed in Tlokwe (Ward 12) by June 2019	R14 525 258.00
	IDP- MIG funding-Capital Project PMU-LED	070465000007	% Taxi Rank & Hawkers Stalls constructed in Ikageng Ext 7 Taxi Rank by June 2019	Budget allocation to be increased from R3 592 690.00 to R7 015 493.00 due to scope of work	100% Taxi Rank & Hawkers Stalls constructed in Ikageng Ext 7 Taxi Rank by June 2019	R7 015 493.00


 MUNICIPAL MANAGER
 MR. L. RALEKGETHO


 CLLR. K. KHUMALO
 EXECUTIVE MAYOR