

LAINGSBURG MUNICIPALITY SECTION 52 REPORT

QUARTERLY PERFORMANCE

ASSESSMENT REPORT - Q 3

01 January – 31 March 2016

A municipality that works



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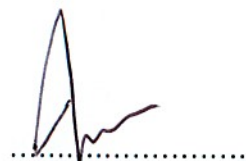
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QUALITY CERTIFICATE

I, Pedro Allan Williams the municipal manager of Laingsburg Local Municipality, here certify that quarterly report on the implementation of the budget and financial state affairs

For the period of 1 January 2016 until 31 March 2016 has been prepared in accordance of the Municipal Finance Management Act and regulations made under the Act.

A handwritten signature in dark ink, appearing to be 'PA Williams', written over a horizontal dotted line.

PA WILLIAMS
MUNICIPAL MANAGER

19 April 2016

1 Purpose

The purpose of this report is to inform Council regarding the progress made with the implementation of Key Performance Indicators (KPI's) in the realisation of the developmental priorities and strategic objectives as determined in the Municipality's Integrated Development Plan (IDP) as well as in the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the first quarter (01 January – 31 March 2016) of the 2015/2016 financial year.

2 Non- Financial Performance Report

2.1 Legislative Requirements

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

Definition of Performance Management

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

Institutionalising Performance Management

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether the strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an “accountable government”. The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

Strategic Performance

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the IDP Strategic objectives, performance on the National Key Performance Indicators prescribed in terms of Regulation 796. Details regarding specific basic service delivery targets, achievements and challenges will be included in the Annual Report of the municipality.

Definition of Service Delivery Budget Implementation Plan

The SDBIP is defined in terms of Section 1 of the Municipal Finance Management Act (MFMA), no. 56 of 2003, and the format of the SDBIP is prescribed by MFMA Circular 13.

Section 41(1) (e) of the Municipal Systems Act (MSA), no 32 of 2000, prescribes that a process must be established of regular reporting to Council.

The Report is a requirement in terms of section 52 of the Local Government: Municipal Financial Management Act, no. 56 of 2003 which provide for:

- a) The Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality;
- b) The Accounting Officer, while conducting the above, must take into account:
 - Section 71 Reports;
 - Performance in line with the Service Delivery & Budget Implementation Plans.

The IDP and the Budget

The reviewed IDP and the budget for 2015/16 were approved by Council on 27 May 2015. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

Municipal Scorecard

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- One-year detailed plan, but should include a three-year capital plan
- The 5 necessary components includes:
- Monthly projections of revenue to be collected for each source
- Expected revenue to be collected NOT billed
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Section 71 format (Monthly budget statements)
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators
- Output not input / internal management objectives
- Level and standard of service being provided to the community
- Ward information for expenditure and service delivery

- Detailed capital project plan broken down by ward over three years

2.2 Background to the format of SDBIP

The Municipality's SDBIP consists of a Top Layer (TL) as well as a Departmental Plan for each individual Department. For purposes of reporting, the TL SDBIP is used to report to Council and the Community on the organisational performance of the Municipality. The TL SDBIP measure the achievement of performance indicators with regards to the provision of basic services as prescribed in Section 10 of the Local Government: Municipal Planning and Performance Regulations of 2001, National Key Performance Areas and Strategic Objectives as detailed in the Integrated Development Plan (IDP) of the Laingsburg Local Municipality (LLM).

The Top Layer SDBIP was approved by the Mayor on the 14th of June 2015. The Departmental SDBIP's measure the achievement of performance indicators that have been determined with regard to operational service delivery within each department and have been aligned with the Top Layer SDBIP. The Departmental Plans have been approved by the Municipal Manager. This Quarterly Performance Assessment Report are based on the seven (7) Strategic Objectives of the municipality.

The overall assessment of actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Colour	Category	Explanation
	KPI Not Yet Measured	KPI's with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target more than 150% achieved

Table 3.1: SDBIP Measurement Categories

The Performance Management System is an internet based system and it uses the Service Delivery Budget Implementation Plan (SDBIP) which is approved as its basis. The SDBIP is a layered plan comprising Top Layer SDBIP and Departmental SDBIPs. The performance reporting on the top layer SDBIP is done to Council on a quarterly, half

yearly (Mid-year Budget and Performance Assessment Report) and annual basis. Annual amendments to the Top Layer SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report as well as the approved adjustment budget.

This non-financial part of the report is based on the Top Layer SDBIP and comprises the following;

- Summary of the quarterly performance of the Municipality in terms of the seven (7) Municipal Strategic Objective; and
- A detailed performance review per Municipal directorate.

2.3 Monitoring and Evaluation

The performance is monitored and evaluated via the SDBIP system. The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets every month for the previous month's performance.

The system close every month between the 10th to the 15th day for updates of the previous month's actual performance as a control measure to ensure that performance is updated and monitored on a monthly basis. No access is available to a month's performance indicators after closure of the system. This is to ensure that the level of performance is consistent for a particular period in the various levels at which reporting take place. Departments must motivate to the Municipal Manager should they require the system to be re-opened once the system is closed.

The system provides management information in tables and graphs, indicating actual performance against targets. The graphs provide a good indication of performance progress and where corrective action is required.

The system requires key performance indicator owners to update performance comment for each actual captured, which provides a clear indication of how the actual was calculated/ reached and serves as part of the portfolio of evidence for audit purposes.

In terms of Section 46(1) (a) (iii) of the Municipal Systems Act the Municipality must reflect annually in the Annual Performance Report on measures taken to improve

performance, in other words targets not achieved. The system utilised requires corrective actions to be captured for targets not achieved.

3 Actual Performance for the 3rd Quarter

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

The Top Layer SDBIP contains performance indicators per Municipal Key Performance Area and comments with corrective measures with regard to indicators not achieved. A detailed analysis of actual performance for the third quarter of the financial year 2015/2016 is provided for in section 6 of this report.

Overall performance (dashboard) per National and Municipal Key Performance Area will be provided for in section 6 of this report.

3.1 Overall Performance of the Municipality

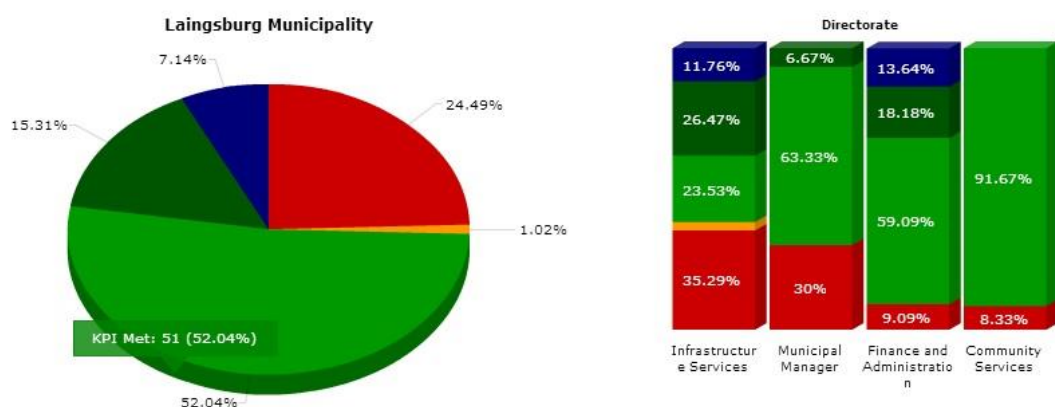
The following graphs illustrate the overall performance of the LLM measured in terms of the Top Layer (strategic) SDBIP 2015/2016 (third quarter).

The performance is also measured and reported on; per National and Municipal Key Performance Area.

The following graphs and tables give an overview on performance per directorate for the term under review (01 January 2016 to 31 March 2016).

Q3 2015 2016 SDBIP PMS REPORT

Report drawn on 20 April 2016 at 11:01
for the months of January 2016 to March 2016.



	Laingsburg Municipality	Directorate			
		Infrastructure Services	Municipal Manager	Finance and Administration	Community Services
KPI Not Met	24 (24.5%)	12 (35.3%)	9 (30%)	2 (9.1%)	1 (8.3%)
KPI Almost Met	1 (1%)	1 (2.9%)	-	-	-
KPI Met	51 (52%)	8 (23.5%)	19 (63.3%)	13 (59.1%)	11 (91.7%)
KPI Well Met	15 (15.3%)	9 (26.5%)	2 (6.7%)	4 (18.2%)	-
KPI Extremely Well Met	7 (7.1%)	4 (11.8%)	-	3 (13.6%)	-
Total:	98	34	30	22	12

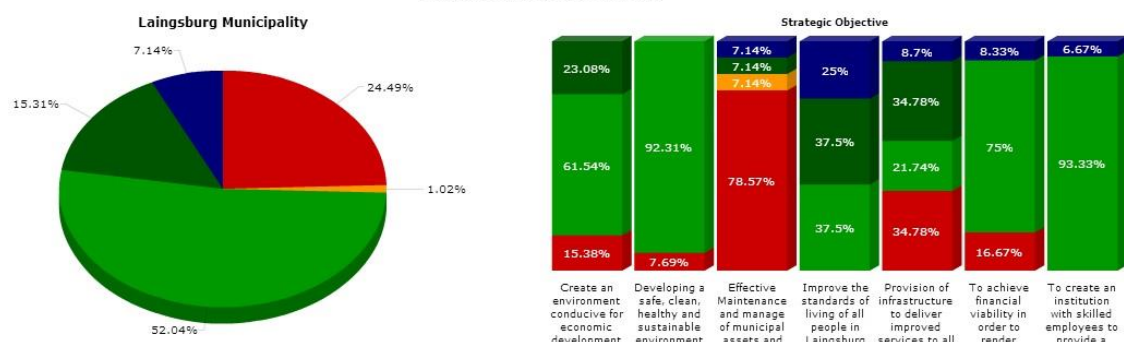
Table 6. 1: Directorate Performance in line with KPI's

The above diagrams illustrate that 24 KPI's which counts for 24% of KPI's was not met. The 24 KPI's not met falls in all four (4) directorates within the municipality, 9 KPI's within the office of the municipal manager, 8 KPI's within the Finance and Administration directorate, 1 KPI's within Community safety and 12 KPI's within the Infrastructure Departments. Not all departments submitted their reports with reasons for under performance, but the received reports states that the lack of access to the Financial System as well as annual staff leave prohibited the achievement of targets. It also state that they reported that some of the targets can only reported on at year-end or they are still in process of achieving of set targets.

The next diagrams outline municipal performance in line with the seven (7) strategic objectives of the municipality. Summarising institutional performance in achieving the municipal vision;

Q3 2015 2016 SDBIP PMS REPORT

Report drawn on 20 April 2016 at 11:17
for the months of January 2016 to March 2016.



	Laingsburg Municipality	Strategic Objective						
		Create an environment conducive for economic development	Developing a safe, clean, healthy and sustainable environment for communities	Effective Maintenance and manage of municipal assets and natural resources	Improve the standards of living of all people in Laingsburg	Provision of infrastructure to deliver improved services to all residents and business	To achieve financial viability in order to render affordable services to residents	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values
KPI Not Met	24 (24.5%)	2 (15.4%)	1 (7.7%)	11 (78.6%)	-	8 (34.8%)	2 (16.7%)	-
KPI Almost Met	1 (1%)	-	-	1 (7.1%)	-	-	-	-
KPI Met	51 (52%)	8 (61.5%)	12 (92.3%)	-	3 (37.5%)	5 (21.7%)	9 (75%)	14 (93.3%)
KPI Well Met	15 (15.3%)	3 (23.1%)	-	1 (7.1%)	3 (37.5%)	8 (34.8%)	-	-
KPI Extremely Well Met	7 (7.1%)	-	-	1 (7.1%)	2 (25%)	2 (8.7%)	1 (8.3%)	1 (6.7%)
Total:	98	13	13	14	8	23	12	15

Table 6.2. Strategic Performance in line with Strategic Objectives

The above diagrams give a reflection on strategic performance in line with pre-determined objectives set by council in the municipal strategic objectives.

24% of KPI's was not met during this quarter. Strategic Objectives that requires intervention is Strategic Objective (SO) 4 and 7. The responsible directorates and officials will be identified during the informal review that will be conducted by the municipal manager. Correctives measures will be put in place to improve performance and ensure that the municipality achieve its strategic goals and vision.

The next section focus on performance linked to the Top level (TL) SDBIP for the quarter under review.

The TL consists of 35 KPI's of which 20 KPI's in not applicable for this period and 15 KPI's are applicable for monitoring and performance measurement. Performance with regards to the TL SDBIP has improved with only 27% of targets not achieved and 73% of targets met of (60% of the 73 was above the expected).

Top Layer SDBIP Report

Report drawn on 20 April 2016 at 12:01
for the month of March 2016.

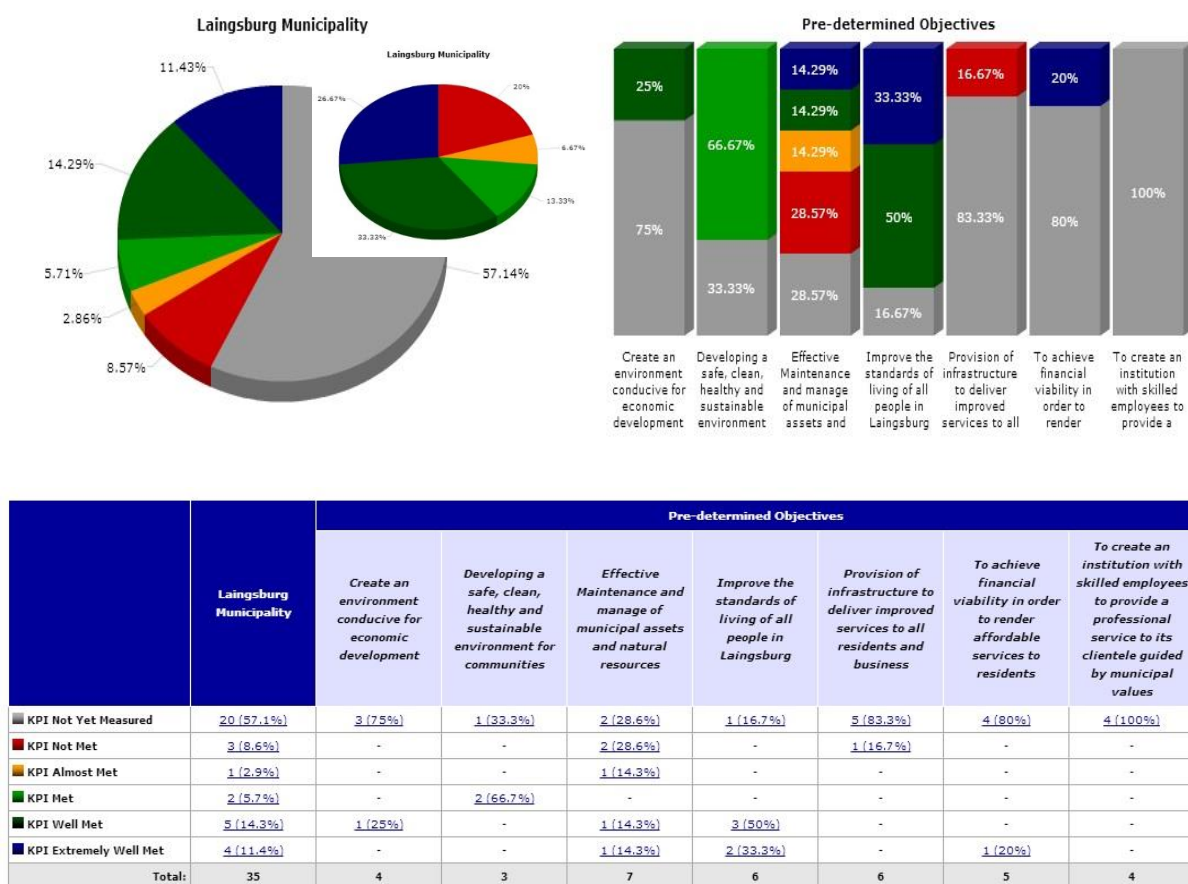


Table 6.3 TL KPI's Performance vs Pre-determined Objective

Although 73% of KPI's was achieved it needs to be flagged SO4: **Provision of infrastructure to deliver improved services to all residents and businesses** needs intervention, as no targets was met during the time of review. The municipal manager will also have to address this poor performance to ensure that strategic performance is improved and corrective measures and even penalties are considered.

A more detailed TL and Departmental SDBIP are attached as annexure A and B that supports the above diagrams. It will also be used as basis for the quarterly performance review.

4 Financial Performance Report

4.1 Legislative Framework

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 services delivery.

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

- The Municipal Finance Management Act – No. 56 of 2003, Sections 71 & 52,
- And The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

“28. the monthly budget statement of a Municipality 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.

4.2 Financial problems or risks facing the Municipality

There are no financial problems facing the Municipality. Operating revenues and expenditures to date remain in line with the projected year to date budgets taking accruals and prior year trends into account.

The new financial year started on 1 July 2015, and no major spending has occurred during the financial year.

4.3 Other relevant information

Year-to-date revenue raised is 98.8% of the projected year-to-date budget for the first quarter. Operating expenditure incurred amounts to 93.39% of year-to-date budget.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the quarter ended March 2016.

R thousands	Original	YTD Actual	YTD %
Total Revenue (Excl. Capital transfers and contributions)	36 043	11 452	32,00
Total Expenditure	46 376	6 991	15,00
Surplus (Deficit) (Exl Capital transfers)	-10 333	4 461	
Capital Expenditure			
Sources of Finance			
Transfers from Grants	11 943	2 155	18,00
Transfers from Internal funds	541	65	12,00
Capital Expenditure	12 484	2 220	18,00

4.4 Operating Revenue

The Municipality have generated 77.3% or R76, 048 million of the Budgeted Revenue to date which is in line with the budgeted amounts. During the month operating grants totalling R3, 125million were received. The largest part of the grants received forms part of the Equitable Share allocation for the financial year.

4.5 Operating Expenditure

For the month ending March 2016, the Municipality managed to spend within the budgeted norms. An amount of R56, 531 million or 65.15% have been spent to date.

4.6 Capital Expenditure

The Municipality has incurred R19, 191 million or 52.96% of the Capital Budget to date.

4.7 Cash Flow

The Municipality started off with a cash flow balance of R14, 758 million at the beginning of the year and increased it with R19, 649 million. The closing balance for the month ended March is R34, 407 million. The increase in cash flow is due to the receipt of the operational grants as well as the MIG payments. The Municipal Cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2015/2016 financial year.

4.8 Debtors

The Outstanding Debtors of the Municipality amounts to R8, 119 million for the month ending March 2016. The outstanding debt for more than 90 days amounts to 71.2%.

The payment rate for 2014/2015 financial year was 96.9%. The Municipality is fully implementing the Debt Collection and Credit Control Policy. It should be noted that the municipal debt collection and credit control policy was revised during February 2013.

4.9 Creditors

Total outstanding creditors amount to R0 for the month ending March 2016. All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. Cases occur where suppliers issue invoices more than 30 days after the date of the invoice for payment, but in most cases the payments are made at presentation of the invoices.

5 IN YEAR BUDGET STATEMENT TABLES

The following tables outline performance against the budget;

5.1 Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	3 040	3 000	3 756	93	3 418	2 817	601	21%	3 756
Service charges	13 929	17 826	15 614	4 149	11 719	11 554	165	1%	15 614
Investment revenue	1 101	827	1 050	392	1 051	788	263	33%	1 050
Transfers recognised - operational	19 788	16 841	20 353	3 545	17 831	12 701	5 129	40%	20 353
Other own revenue	31 675	29 483	25 120	4 303	19 323	18 840	483	3%	25 120
Total Revenue (excluding capital transfers and contributions)	69 532	67 977	65 893	12 482	53 342	46 700	6 641	14%	65 893
Employee costs	12 930	17 096	17 568	3 389	12 144	12 628	(483)	-4%	17 568
Remuneration of Councillors	2 220	2 453	2 453	601	1 613	1 840	(227)	-12%	2 453
Depreciation & asset impairment	9 523	12 073	12 867	1 837	7 033	9 883	(2 850)	-29%	12 867
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	6 573	6 523	8 000	1 236	5 197	6 000	(803)	-13%	8 000
Transfers and grants	3 244	4 231	4 276	1 029	2 330	3 207	(877)		4 276
Other expenditure	37 452	35 159	40 729	10 581	28 214	29 381	(1 167)	-4%	40 729
Total Expenditure	71 940	77 536	85 894	18 672	56 531	62 939	(6 408)	-10%	85 894
Surplus/(Deficit)	(2 408)	(9 559)	(20 000)	(6 191)	(3 189)	(16 239)	13 049	-80%	(20 000)
Transfers recognised - capital	19 707	27 082	32 762	14 606	22 706	21 061	1 645	8%	32 762
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	17 298	17 523	12 762	8 415	19 517	4 823	14 694	305%	12 762
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	17 298	17 523	12 762	8 415	19 517	4 823	14 694	305%	12 762
Capital expenditure & funds sources									
Capital expenditure	28 348	28 419	36 196	10 674	19 171	5 655	13 516	239%	36 196
Capital transfers recognised	27 834	26 754	33 440	10 641	18 749	5 419	13 330	246%	33 440
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	514	1 666	2 755	33	422	236	186	79%	2 755
Total sources of capital funds	28 348	28 419	36 196	10 674	19 171	5 655	13 516	239%	36 196
Financial position									
Total current assets	18 711	25 997	25 997		31 206				25 997
Total non current assets	152 413	166 679	166 679		180 387				166 679
Total current liabilities	7 003	14 077	14 077		13 727				14 077
Total non current liabilities	6 872	4 051	4 051		3 961				4 051
Community wealth/Equity	157 249	174 548	174 548		193 906				174 548
Cash flows									
Net cash from (used) operating	25 335	22 257	22 257	9 825	33 729	27 079	6 650	25%	22 257
Net cash from (used) investing	(18 491)	(12 484)	(12 484)	(10 674)	(19 171)	(7 430)	(11 741)	158%	(12 484)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	21 602	24 532	24 532	-	29 317	34 407	(5 090)	-15%	24 532
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Revenue Source	1 308	864	163	145	110	1 010	108	4 411	8 119
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Table 10.1: C1 Summary

5.2 Table C2: Financial Performance (Standard Classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Financed Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structure used by the different institutions.

The main functions are Government and Administration, Community and Public Safety, Economic and Environmental Services, Trading Services and Other Services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		40 037	47 523	55 869	17 951	43 365	37 071	6 294	17%	52 788
Executive and council		20 481	39 219	40 211	8 588	23 714	30 158	(6 444)	-21%	40 211
Budget and treasury office		8 102	5 134	7 655	140	3 517	4 413	(896)	-20%	4 574
Corporate services		11 454	3 171	8 003	9 223	16 133	2 500	13 634	545%	8 003
<i>Community and public safety</i>		31 008	28 900	24 611	4 324	18 993	18 535	458	2%	24 611
Community and social services		920	974	974	321	650	807	(157)	-19%	974
Sport and recreation		3	2	2	2	4	2	2	102%	2
Public safety		29 723	27 913	23 623	4 000	18 331	17 717	614	3%	23 623
Housing		363	11	11	3	8	8	(0)	-1%	11
Health		-	0	0	(1)	-	0	(0)	-100%	0
<i>Economic and environmental services</i>		2 737	1 129	1 123	215	704	842	(139)	-16%	1 123
Planning and development		-	90	90	-	-	68	(68)	-100%	90
Road transport		2 737	1 039	1 033	215	704	775	(71)	-9%	1 033
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		15 456	17 507	16 417	4 596	12 987	11 314	1 673	15%	16 417
Electricity		9 471	11 352	10 620	2 990	8 323	7 003	1 320	19%	10 620
Water		2 361	2 078	2 051	660	1 845	1 501	344	23%	2 051
Waste water management		1 895	2 106	2 085	517	1 560	1 564	(4)	0%	2 085
Waste management		1 730	1 971	1 662	429	1 260	1 247	13	1%	1 662
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	89 238	95 059	98 020	27 087	76 049	67 762	8 287	12%	94 939
Expenditure - Standard										
<i>Governance and administration</i>		20 558	25 722	29 859	6 766	17 816	20 833	(3 017)	-14%	29 859
Executive and council		7 502	10 920	11 054	1 997	6 800	7 682	(883)	-11%	11 054
Budget and treasury office		7 939	7 610	10 578	3 390	6 993	6 639	354	5%	10 578
Corporate services		5 116	7 193	8 227	1 380	4 023	6 511	(2 488)	-38%	8 227
<i>Community and public safety</i>		28 568	28 460	30 412	6 966	21 708	22 879	(1 171)	-5%	30 412
Community and social services		1 851	1 904	2 184	380	1 304	1 638	(334)	-20%	2 184
Sport and recreation		65	451	451	9	37	349	(312)	-90%	451
Public safety		26 441	25 828	27 510	6 514	20 210	20 691	(481)	-2%	27 510
Housing		186	188	188	54	142	141	2	1%	188
Health		26	90	79	8	14	59	(45)	-76%	79
<i>Economic and environmental services</i>		10 742	11 199	11 293	2 346	7 777	8 477	(700)	-8%	11 293
Planning and development		660	774	797	159	494	605	(110)	-18%	797
Road transport		10 082	10 425	10 497	2 187	7 282	7 872	(590)	-7%	10 497
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12 067	12 143	14 318	2 593	9 226	10 741	(1 516)	-14%	14 318
Electricity		7 183	7 077	8 554	1 299	5 425	6 415	(990)	-15%	8 554
Water		1 775	2 172	2 276	346	1 443	1 707	(264)	-15%	2 276
Waste water management		1 677	1 505	2 092	670	1 548	1 569	(21)	-1%	2 092
Waste management		1 432	1 390	1 397	278	810	1 051	(240)	-23%	1 397
<i>Other</i>	5	12	12	12	2	5	9	(4)	-48%	12
Total Expenditure - Standard	3	71 940	77 536	85 894	18 672	56 531	62 939	(6 408)	-10%	85 894
Surplus/ (Deficit) for the year		17 298	17 523	12 126	8 415	19 518	4 823	14 695	305%	9 045

Table 10.2: C2 Financial Performance (Standard Classification)

5.3 Table C3: Financial Performance (Revenue and Expenditure by Municipal Vote)

WC051 Laingsburg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter

Vote Description		Ref	2015/16	Budget Year 2016/17							Full Year Forecast
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands											
Revenue by Vote		1									
Vote 1 - MAYORAL & COUNCIL			20 481	39 219	40 211	8 588	23 714	30 158	(6 444)	-21.4%	40 211
Vote 2 - MUNICIPAL MANAGER			-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES			11 454	3 171	8 003	9 223	16 133	2 500	13 634	545.5%	8 003
Vote 4 - BUDGET & TREASURY			8 102	5 134	7 655	140	3 517	4 413	(896)	-20.3%	7 655
Vote 5 - PLANNING AND DEVEOLPMENT			-	90	90	-	-	68	(68)	-100.0%	90
Vote 6 - COMMUNITY AND SOCIAL SERV			920	974	974	320	649	807	(158)	-19.6%	974
Vote 7 - SPORTS AND RECREATION			3	2	2	2	4	2	2	102.2%	2
Vote 8 - HOUSING			363	11	11	3	8	8	(0)	-0.9%	11
Vote 9 - PUBLIC SAFETY			29 723	27 913	23 623	4 000	18 331	17 717	614	3.5%	23 623
Vote 10 - ROAD TRANSPORT			2 737	1 039	1 033	215	704	775	(71)	-9.2%	1 033
Vote 11 - WASTE MANAGEMENT			1 506	1 971	1 662	429	1 260	1 247	13	1.0%	1 662
Vote 12 - WASTE WATER MANAGEMENT			1 895	2 106	2 085	517	1 560	1 564	(4)	-0.2%	2 085
Vote 13 - WATER			2 361	2 078	2 051	660	1 845	1 501	344	22.9%	2 051
Vote 14 - ELECTRICITY			9 471	11 352	10 620	2 990	8 323	7 003	1 320	18.9%	10 620
Vote 15 -			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	89 015	95 059	98 020	27 087	76 048	67 762	8 286	12.2%	98 020
Expenditure by Vote		1									
Vote 1 - MAYORAL & COUNCIL			4 815	7 231	7 365	1 274	4 541	4 915	(374)	-7.6%	7 365
Vote 2 - MUNICIPAL MANAGER			2 687	3 689	3 689	723	2 258	2 767	(509)	-18.4%	3 689
Vote 3 - CORPORATE SERVICES			5 116	7 193	8 227	1 380	4 023	6 511	(2 488)	-38.2%	8 227
Vote 4 - BUDGET & TREASURY			7 940	7 610	10 578	3 390	6 993	6 639	354	5.3%	10 578
Vote 5 - PLANNING AND DEVEOLPMENT			660	774	797	159	494	605	(110)	-18.3%	797
Vote 6 - COMMUNITY AND SOCIAL SERV			1 193	1 306	1 295	254	821	971	(150)	-15.4%	1 295
Vote 7 - SPORTS AND RECREATION			754	1 151	1 431	144	539	1 084	(546)	-50.3%	1 431
Vote 8 - HOUSING			186	188	188	54	142	141	2	1.2%	188
Vote 9 - PUBLIC SAFETY			26 441	25 828	27 510	6 514	20 210	20 691	(481)	-2.3%	27 510
Vote 10 - ROAD TRANSPORT			10 082	10 425	10 497	2 187	7 282	7 872	(590)	-7.5%	10 497
Vote 11 - WASTE MANAGEMENT			1 208	1 390	1 397	278	810	1 051	(240)	-22.9%	1 397
Vote 12 - WASTE WATER MANAGEMENT			1 677	1 505	2 092	670	1 548	1 569	(21)	-1.4%	2 092
Vote 13 - WATER			1 775	2 172	2 276	346	1 443	1 707	(264)	-15.4%	2 276
Vote 14 - ELECTRICITY			7 183	7 077	8 554	1 299	5 425	6 415	(990)	-15.4%	8 554
Vote 15 -			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	71 717	77 536	85 894	18 672	56 531	62 939	(6 408)	-10.2%	85 894
Surplus/ (Deficit) for the year		2	17 298	17 523	12 126	8 415	19 517	4 823	14 694	304.7%	12 126

Table 10.3: C3 Financial Performance (Revenue and Expenditure by Municipal Vote)

5.4 Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

W0051 Langsburg - Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - Q3 third quarter										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>Revenue By Source</u>										
Property rates		2 794	2 875	3 630	15	3 206	2 723	484	18%	3 630
Property rates - penalties & collection charges		246	126	126	78	212	94	117	124%	126
Service charges - electricity revenue		9 315	11 352	10 620	2 936	8 170	7 003	1 168	17%	10 620
Service charges - water revenue		1 312	2 078	927	372	995	1 501	(506)	-34%	927
Service charges - sanitation revenue		1 485	2 106	2 085	405	1 229	1 564	(335)	-21%	2 085
Service charges - refuse revenue		1 730	1 971	1 662	428	1 259	1 247	12	1%	1 662
Service charges - other		87	319	320	8	66	240	(174)	-72%	320
Rental of facilities and equipment		1 275	887	885	234	731	664	67	10%	885
Interest earned - external investments		856	652	850	329	871	638	233	37%	850
Interest earned - outstanding debtors		245	175	200	63	180	150	30	20%	200
Dividends received		-	-	-	-	-	-	-	-	-
Fines		28 433	27 530	23 240	3 667	17 432	17 430	1	0%	23 240
Licences and permits		1 115	252	256	300	804	192	612	319%	256
Agency services		84	105	100	45	95	75	20	26%	100
Transfers recognised - operational		19 788	16 841	20 353	3 545	17 831	12 701	5 129	40%	20 353
Other revenue		769	709	639	57	263	479	(216)	-45%	639
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		69 532	67 977	65 893	12 482	53 342	46 700	6 641	14%	65 893
<u>Expenditure By Type</u>										
Employee related costs		12 930	17 096	17 568	3 389	12 144	12 628	(483)	-4%	17 568
Remuneration of councillors		2 220	2 453	2 453	601	1 613	1 840	(227)	-12%	2 453
Debt impairment		19 976	21 682	21 682	5 368	16 104	16 261	(158)	-1%	21 682
Depreciation & asset impairment		9 523	12 073	12 867	1 837	7 033	9 883	(2 850)	-29%	12 867
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		6 573	6 523	8 000	1 236	5 197	6 000	(803)	-13%	8 000
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		3 210	2 976	4 321	506	2 130	3 241	(1 111)	-34%	4 321
Transfers and grants		3 244	4 231	4 276	1 029	2 330	3 207	(877)	-27%	4 276
Other expenditure		14 265	10 502	14 726	4 708	9 980	9 879	101	1%	14 726
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		71 940	77 536	85 894	18 672	56 531	62 939	(6 408)	-10%	85 894
Surplus/(Deficit)		(2 408)	(9 559)	(20 000)	(6 191)	(3 189)	(16 239)	13 049	(0)	(20 000)
Transfers recognised - capital		19 707	27 082	32 762	14 606	22 706	21 061	1 645	0	32 762
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		17 298	17 523	12 762	8 415	19 517	4 823			12 762
Taxation								-		
Surplus/(Deficit) after taxation		17 298	17 523	12 762	8 415	19 517	4 823			12 762
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		17 298	17 523	12 762	8 415	19 517	4 823			12 762
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		17 298	17 523	12 762	8 415	19 517	4 823			12 762

Table10.4: C4 Financial Performance (Revenue and Expenditure)

5.5 Table C5: Capital Expenditure (Municipal Vote, Standard Classification and Funding)

WC051 Laingsburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q3 Third Quarter

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - MAYORAL & COUNCIL		6	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		6	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		159	196	266	-	3	6	(3)	-50%	266
Vote 4 - BUDGET & TREASURY		284	20	25	-	15	-	15	#DIV/0!	25
Vote 5 - PLANNING AND DEVEOLPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		99	1 726	804	121	128	20	108	539%	804
Vote 7 - SPORTS AND RECREATION		2 950	581	581	222	222	10	213	2240%	581
Vote 8 - HOUSING		8 601	14 520	19 200	8 860	13 538	4 840	8 698	180%	19 200
Vote 9 - PUBLIC SAFETY		10	675	1 029	11	365	195	170	87%	1 029
Vote 10 - ROAD TRANSPORT		8 936	2 575	4 941	(17)	1 768	314	1 454	462%	4 941
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		2 535	1 868	445	13	212	72	140	196%	445
Vote 13 - WATER		2 725	258	905	108	285	198	87	44%	905
Vote 14 - ELECTRICITY		2 037	6 000	8 000	1 356	2 635	-	2 635	#DIV/0!	8 000
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	28 348	28 419	36 196	10 674	19 171	5 655	13 516	239%	36 196
Total Capital Expenditure		28 348	28 419	36 196	10 674	19 171	5 655	13 516	239%	36 196
Capital Expenditure - Standard Classification										
Governance and administration		455	216	291	-	18	6	12	199%	291
Executive and council		12	-	-	-	-	-	-	-	-
Budget and treasury office		284	20	25	-	15	-	15	#DIV/0!	25
Corporate services		159	196	266	-	3	6	(3)	-50%	266
Community and public safety		11 660	17 503	21 614	9 215	14 253	5 065	9 189	181%	21 614
Community and social services		35	1 646	724	121	128	20	108	539%	724
Sport and recreation		2 950	581	581	222	222	10	213	2240%	581
Public safety		10	675	1 029	11	365	195	170	87%	1 029
Housing		8 601	14 520	19 200	8 860	13 538	4 840	8 698	180%	19 200
Health		64	80	80	-	-	-	-	-	80
Economic and environmental services		8 936	2 575	4 941	(17)	1 768	314	1 454	462%	4 941
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8 936	2 575	4 941	(17)	1 768	314	1 454	462%	4 941
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		7 297	8 126	9 350	1 476	3 132	270	2 862	1062%	9 350
Electricity		2 037	6 000	8 000	1 356	2 635	-	2 635	#DIV/0!	8 000
Water		2 725	258	905	108	285	198	87	44%	905
Waste water management		2 535	1 868	445	13	212	72	140	196%	445
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	28 348	28 419	36 196	10 674	19 171	5 655	13 516	239%	36 196
Funded by:										
National Government		27 834	26 754	33 440	10 641	18 749	5 419	13 330	246%	33 440
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		27 834	26 754	33 440	10 641	18 749	5 419	13 330	246%	33 440
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		514	1 666	2 755	33	422	236	186	79%	2 755
Total Capital Funding		28 348	28 419	36 196	10 674	19 171	5 655	13 516	239%	36 196

Table 10.5: C5 Capital Expenditure (Municipal Vote, Standard Classification and Funding)

5.6 Table C6: Financial Position

WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		8 317	14 758	14 758	29 317	14 758
Call investment deposits		–	–	–	–	–
Consumer debtors		4 336	6 127	6 127	(8 417)	6 127
Other debtors		360	(201)	(201)	4 994	(201)
Current portion of long-term receivables		–	–	–	–	–
Inventory		5 698	5 313	5 313	5 313	5 313
Total current assets		18 711	25 997	25 997	31 206	25 997
Non current assets						
Long-term receivables		9	9	9	5	9
Investments		–	–	–	–	–
Investment property		4 440	4 511	4 511	4 442	4 511
Investments in Associate		–	–	–	–	–
Property, plant and equipment		147 576	161 601	161 601	175 549	161 601
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		343	547	547	381	547
Other non-current assets		43	11	11	11	11
Total non current assets		152 413	166 679	166 679	180 387	166 679
TOTAL ASSETS		171 124	192 677	192 677	211 594	192 677
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		396	406	406	415	406
Trade and other payables		6 322	7 903	7 903	7 558	7 903
Provisions		286	5 768	5 768	5 754	5 768
Total current liabilities		7 003	14 077	14 077	13 727	14 077
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		6 872	4 051	4 051	3 961	4 051
Total non current liabilities		6 872	4 051	4 051	3 961	4 051
TOTAL LIABILITIES		13 875	18 129	18 129	17 688	18 129
NET ASSETS	2	157 249	174 548	174 548	193 906	174 548
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		120 313	137 618	137 618	156 976	137 618
Reserves		36 937	36 930	36 930	36 930	36 930
TOTAL COMMUNITY WEALTH/EQUITY	2	157 249	174 548	174 548	193 906	174 548

Table 10.6: C6 Financial Position

5.7 Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		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										
Ratepayers and other		37 289	21 696	21 696	16 523	44 594	16 198	28 397	175%	21 696
Government - operating		20 188	16 751	16 751	3 333	19 554	16 722	2 831	17%	16 751
Government - capital		12 055	27 082	27 082	2 609	13 578	27 082	(13 504)	-50%	27 082
Interest		1 491	827	827	304	788	620	168	27%	827
Dividends		-			-	-	-	-		-
Payments										
Suppliers and employees		(42 536)	(43 562)	(43 562)	(12 399)	(44 267)	(33 098)	(11 169)	34%	(43 562)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		(3 153)	(537)	(537)	(545)	(518)	(446)	(72)	16%	(537)
NET CASH FROM/(USED) OPERATING ACTIVITIES		25 335	22 257	22 257	9 825	33 729	27 079	29 134	108%	22 257
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(18 491)	(12 484)	(12 484)	(10 674)	(19 171)	(7 430)	(11 741)	158%	(12 484)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18 491)	(12 484)	(12 484)	(10 674)	(19 171)	(7 430)	11 741	-158%	(12 484)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		6 844	9 773	9 773	(849)	14 558	19 649			9 773
Cash/cash equivalents at beginning:		14 758	14 758	14 758		14 758	14 758			14 758
Cash/cash equivalents at month/year end:		21 602	24 532	24 532		29 317	34 407			24 532

Table 10.7: C7 Cash Flow

5.8 Table SC1: Material variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - Q3 Third Quarter

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Property rates	484	Property rates levied in July for FY not on a monthly basis	None
	Property rates - penalties & collection charge	117	Interest are now levied on all outstanding rates 30+	None
	Transfers recognised - operational	5 129	More grants were received during quarter	None
2	Expenditure By Type			
	Employee related costs	(483)	Bonusses are now accrued on a monthly basis, but were paid in cash at the end of November	
	Depreciation & asset impairment	(2 850)	Depreciation for new aquisitions during fin year will only be accounted for during end of fy	
	Remuneration of councillors	(227)	Telephone expences for councillors are included in other expences	
	Bulk purchases	(803)	The account for March was only paid on 1 April	None but will monitor
3	Capital Expenditure			
	Road transport	1 454	Construction work on the project accelerated and will be finished	none - MIG grant
	Housing	8 698	project is in process - payment was made during November	
4	Financial Position			
5	Cash Flow			
	Ratepayers and other	28 397	Inflow of debtors paying rates higher and rise in traffic fines	None
	Transfers and Grants	(72)	Indigent subsidies transferred to qualifying accounts	None
	Suppliers and employees	(11 169)	Some expenditure items are before the ytd budget but will stabilize during the fin year	
	Government - capital	(13 504)	Not all capitals grants budgeted for were received till this month - housing still to be claimed	
6	Measureable performance			
7	Municipal Entities			

Table 10.8: SC1 Material Variance Explanations

5.9 Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q3 Third Quarter

WC051 Laingsburg - Supporting Table 3C2 Monthly Budget Statement - performance indicators - Q3 third Quarter							
Description of financial indicator	Basis of calculation	Ref	2015/16	Budget Year 2016/17			
			Audited Outcome	Original Budget	Adjusted Budget	Year TD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	15.6%	15.0%	0.0%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		4.0%	4.5%	4.5%	3.9%	4.5%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	267.2%	184.7%	184.7%	227.3%	184.7%
Liquidity Ratio	Monetary Assets/Current Liabilities		118.8%	104.8%	104.8%	213.6%	104.8%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		6.8%	8.7%	9.0%	-6.4%	9.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		90.0%	90.0%	90.0%	92.0%	90.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	9.1%	9.0%	9.0%	10.2%	9.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	29.8%	25.0%	25.0%	32.7%	25.0%
Employee costs	Employee costs/Total Revenue - capital revenue		18.6%	25.2%	26.7%	22.8%	26.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.5%	3.5%	4.8%	3.0%	4.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue		13.7%	17.8%	19.5%	0.0%	3.7%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		16.0%	11.1%	10.8%	-17.8%	10.8%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		31.1%	34.4%	39.2%	-16.9%	13.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	8.2%	7.8%	4.2%	7.8%

Table 10.9: SC2 Performance Indicators

6 Supporting Documentation

6.1 Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

W0031 Langsburg - Supporting Table SCS Monthly Budget Statement - aged Debtors - Q3 third Quarter												
Description	NT Code	Budget Year 2016/17									Total	Bad Debts
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Revenue Source												
Trade and Other Receivables from Ex change Transactions - Water	1200	41	33	27	35	28	24	26	691	905	-	
Trade and Other Receivables from Ex change Transactions - Electricity	1300	898	20	48	33	8	10	14	273	1 305	-	
Receivables from Non-ex change Transactions - Property Rates	1400	221	20	15	15	17	923	14	1 743	2 968	-	
Receivables from Ex change Transactions - Waste Water Management	1500	84	24	29	28	24	24	26	730	970	-	
Receivables from Ex change Transactions - Waste Management	1600	41	16	21	21	15	14	16	395	540	-	
Receivables from Ex change Transactions - Property Rental Debtors	1700	12	15	20	13	14	14	11	313	412	-	
Interest on Arrear Debtor Accounts	1810	38	733	-	-	-	-	-	224	995	-	
Recoverable unauthorised, irregular or fruitless and wasteful Ex penditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(27)	2	3	1	3	-	0	41	23	-	
Total By Revenue Source	2000	1 308	864	163	145	110	1 010	108	4 411	8 119	-	
2015/16 - totals only		746 016	767 141	150 461	121 529	124 543	128 612	113 508	4 384 306	6 536	0	
Debtors Age Analysis By Customer Category												
Organs of State	2200	156	26	60	38	15	308	15	1 115	1 732	-	
Commercial	2300	610	2	3	5	1	-	3	67	692	-	
Households	2400	437	833	97	93	92	696	89	3 107	5 445	-	
Other	2500	105	3	3	9	1	6	2	122	251	-	
Total By Customer Category	2600	1 308	864	163	145	110	1 010	108	4 411	8 119	-	

Table 11.1 Debtors Analysis

6.2 Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

Wessex Langleybury - Supporting Table 004 Monthly Budget Statement - aged creditors - Q3 Third Quarter										
Description	NT Code	Budget Year 2016/17								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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	2600	-	-	-	-	-	-	-	-	-

Table 11.2 Creditors Analysis

6.3 Transfers and Grants

WC051 Laingsburg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

WC051 Laingsburg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 third Quarter										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		15 611	15 735	15 735	3 260	18 327	12 551			15 735
Local Government Equitable Share		9 294	12 015	12 015	3 004	15 472	9 011	6 461	71.7%	12 015
Finance Management		1 700	1 700	1 700	-	-	1 275	(1 275)	-100.0%	1 700
Municipal Systems Improvement		934	930	930	-	-	698	(698)	-100.0%	930
EPWP Incentive		1 147	1 000	1 000	202	689	750	(61)	-8.2%	1 000
Integrated National Electrification Programme		-	-	-	-	-	-	-		-
GRANT - WORKFORCE	3	-	90	90	-	-	68	(68)	-100.0%	90
GRANT - INEP ELEC		2 536	-	-	55	2 166	750	1 416	188.8%	-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		1 417	1 064	1 064	228	1 643	870	773	88.9%	1 064
Sport and Recreation		907	962	962	219	641	798	(157)	-19.6%	962
CDW		-	72	72	9	72	54	18	33.3%	72
LGSETA		-	-	-	-	-	-	-		-
MAIN ROAD SUBSIDY	4	10	30	30	-	-	18	(18)	-100.0%	30
MSG		-	-	-	-	930	-	930	#DIV/0!	-
GRANT - SPATIAL DEV INV		-	-	-	-	-	-	-		-
GRANT - SUPPORT		500	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
NEW FINANCIAL SYSTEM		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Dept of Water Affairs		-	-	-	-	-	-	-		-
								-		
Total Operating Transfers and Grants	5	17 028	16 799	16 799	3 488	19 970	13 421	773	5.8%	16 799
Capital Transfers and Grants										
National Government:		8 523	27 082	27 082	13 553	20 540	20 311	229	1.1%	27 082
Municipal Infrastructure Grant (MIG)		8 523	27 082	27 082	4 764	7 296	20 311	(13 016)	-64.1%	27 082
GRANT - FMG CAPITAL		-	-	-	-	-	-	-		-
GRANT - MIG UNSPEND ROLLOVER		-	-	-	-	-	-	-		-
GRANT - MSIG CAPITAL		-	-	-	-	-	-	-		-
SEWER MASTER PLAN		-	-	-	-	-	-	-		-
MASIBAMBANE		-	-	-	-	-	-	-		-
SPATIAL DEV INVESTIGATION		-	-	-	-	-	-	-		-
GRANT - DEPT OF WATER AFFAIRS		-	-	-	-	-	-	-		-
MIG HOUSING		-	-	-	8 790	13 244	-	13 244	#DIV/0!	-
Other capital transfers [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		575	-	-	-	-	-	-		-
Housing		575	-	-	-	-	-	-		-
GRANT - EPWP CAPITAL WORKS		-	-	-	-	-	-	-		-
Road and Transport		-	-	-	-	-	-	-		-
Library		-	-	-	-	-	-	-		-
Taxi Rank		-	-	-	-	-	-	-		-
USIP		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-	-				-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]			-	-				-		
								-		
Total Capital Transfers and Grants	5	9 098	27 082	27 082	13 553	20 540	20 311	229	1.1%	27 082
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	26 126	43 881	43 881	17 041	40 510	33 733	1 002	3.0%	43 881

Table 11.3 Transfers and grants

6.4 Councillor and Staff Benefits

WC051 Laingsburg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter

WC051 Langsburg - Supporting Table S06 Monthly Budget Statement - Councillor and Staff Benefits - Q3 Third Quarter										
Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		1 900	2 453	2 453	456	1 324	1 840	(516)	-28%	2 453
Pension and UIF Contributions		-	-	-	-	1	-	1	#DIV/0!	-
Medical Aid Contributions		-	-	-	16	34	-	34	#DIV/0!	-
Motor Vehicle Allowance		267	-	-	145	434	-	434	#DIV/0!	-
Cellphone Allowance		-	180	180	-	-	135	(135)	-100%	180
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		2 166	2 633	2 633	617	1 793	1 975	(182)	-9%	2 633
% increase	4		21.5%	21.5%						21.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 047	2 261	2 261	667	1 864	1 696	169	10%	2 261
Pension and UIF Contributions		123	170	170	41	119	128	(8)	-7%	170
Medical Aid Contributions		90	104	104	27	80	78	2	2%	104
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		232	263	263	68	199	197	2	1%	263
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		162	21	21	43	135	16	119	741%	21
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	46	97	97	14	42	72	(31)	-42%	97
Sub Total - Senior Managers of Municipality		2 699	2 916	2 916	860	2 439	2 187	252	12%	2 916
% increase	4		8.1%	8.1%						8.1%
Other Municipal Staff										
Basic Salaries and Wages		6 939	9 529	9 529	2 317	7 616	7 146	469	7%	9 529
Pension and UIF Contributions		883	1 366	1 366	368	1 023	1 025	(2)	0%	1 366
Medical Aid Contributions		227	617	617	91	286	463	(177)	-38%	617
Overtime		372	506	506	116	378	380	(2)	0%	506
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		299	405	405	121	323	304	19	6%	405
Cellphone Allowance		12	-	-	2	7	-	7	#DIV/0!	-
Housing Allowances		21	26	26	26	56	20	36	185%	26
Other benefits and allowances		255	108	108	80	200	81	119	146%	108
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		9 008	12 558	12 558	3 121	9 888	9 419	470	5%	12 558
% increase	4		39.4%	39.4%						39.4%
Total Parent Municipality		13 874	18 107	18 107	4 597	14 120	13 580	540	4%	18 107

Table 11.4 Councillor and staff Benefits

6.5 Monthly Cash Flow

W0051 Laingsburg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q3 Third Quarter

WC051 Laingsburg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q3 Third Quarter																
Description	Ref	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	2016/17	+1 2017/18	+2 2018/19
Cash Receipts By Source																
Property rates		97	416	741	211	178	94	80	106	79	115	201	270	2 587	2 846	3 073
Property rates - penalties & collection charges		19	19	20	20	28	27	26	26	25	10	(107)	126	138	149	
Service charges - electricity revenue	618	1 012	743	885	705	745	684	980	869	863	865	1 475	10 445	11 489	12 408	
Service charges - water revenue	93	153	145	151	133	181	202	197	188	155	153	165	1 915	2 106	2 275	
Service charges - sanitation revenue	93	100	95	119	104	100	94	106	112	168	172	820	2 083	2 291	2 474	
Service charges - refuse	94	105	90	120	95	96	90	105	108	151	151	624	1 830	2 013	2 174	
Service charges - other	20	16	12	10	8	17	3	9	8	6	6	(47)	67	74	80	
Rental of facilities and equipment	59	47	41	39	138	49	35	32	57	74	74	241	887	975	1 053	
Interest earned - external investments	34	-	119	71	60	83	81	86	75	54	54	(65)	652	717	774	
Interest earned - outstanding debtors	18	20	18	20	18	23	17	24	21	15	15	(34)	175	193	208	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	770	601	233	-	1	0	2	1	1	58	58	(1 033)	691	760	821	
Licences and permits	101	67	84	74	76	110	88	98	114	21	21	(604)	252	277	299	
Agency services	-	-	-	-	-	-	-	-	-	9	9	88	105	116	125	
Transfer receipts - operating	5 942	63	2 424	4 776	3 007	8	102	219	3 013	3	3	(2 810)	16 751	18 426	19 900	
Other revenue	10 091	3 670	(11 869)	3 257	6 530	5 142	1 127	4 968	5 864	22	22	(28 115)	709	780	842	
Cash Receipts by Source		18 049	6 290	(7 104)	9 754	11 083	6 674	2 632	6 955	10 533	1 724	1 814	(29 131)	39 274	43 202	46 658
Other Cash Flows by Source																
Transfer receipts - capital	-	-	10 969	-	-	-	-	-	2 609	-	-	-	13 504	27 082	29 790	32 173
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	3	7	7	1	9	3	18	1	21	-	-	(69)	-	-	-	-
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		18 052	6 298	3 872	9 754	11 092	6 677	2 650	6 957	13 163	1 724	1 814	(15 696)	66 356	72 992	78 831
Cash Payments by Type																
Employee related costs	1 080	1 088	1 361	2 359	2 472	1 207	628	1 305	1 455	1 307	1 307	1 441	17 011	18 712	20 208	
Remuneration of councillors	193	193	193	48	193	193	193	204	204	204	204	431	2 453	2 699	2 914	
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	1 573	62	-	675	1 075	576	615	621	-	449	436	441	6 523	7 175	7 749	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	1	5	7	75	11	7	9	95	21	-	-	(232)	-	-	-	-
Contracted services	61	460	51	488	262	268	48	151	176	240	240	530	2 976	3 273	3 535	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	98	164	176	(452)	46	(58)	462	(71)	155	25	25	(32)	537	591	638	
General expenses	2 359	5 586	8 211	1 234	2 753	(4 511)	-	1 479	5 194	1 048	1 048	(9 799)	14 600	16 060	17 344	
Cash Payments by Type		5 364	7 558	9 998	4 426	6 813	(2 318)	1 956	3 784	7 205	3 273	3 260	(7 220)	44 099	48 509	52 390
Other Cash Flows/Payments by Type																
Capital assets	0	342	1 997	315	5 526	316	1 276	4 228	5 171	1 393	2 015	(10 095)	12 484	13 732	14 831	
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		5 365	7 900	11 996	4 741	12 339	(2 002)	3 231	8 011	12 376	4 666	5 275	(17 315)	56 583	62 241	67 221
NET INCREASE/(DECREASE) IN CASH HELD																
Cash/cash equivalents at the month/year beginning:		14 758	27 446	25 844	17 721	22 734	21 486	30 166	29 584	28 530	29 317	26 374	22 913	14 758	24 532	35 282
Cash/cash equivalents at the month/year end:		27 446	25 844	17 721	22 734	21 486	30 166	29 584	28 530	29 317	26 374	22 913	24 532	24 532	35 282	46 893

Table 11.4 Monthly Cash flows

7 Portfolio of Evidence

The SDBIP makes provision for uploading of supporting documents. Departments utilise the option to upload documents, but hardcopies of POE's (Portfolio of Evidences) of each depart is ready for Internal Audit for auditing purposes.

On reviewing of POE's not uploaded on the system it was found that not all departments have a readily available POE file for auditing purpose. Departments was informed that there POE's must be submitted on the 15th of April 2016 to the PMS Unit but only the Development Services division's POE is available. The Internal Audit will its quarterly audit submit a report on the POE's on the reported figures, which will be submitted to the Audit Committee and Council for action or recognition.

8 Down Cascading of Performance Management

We proudly report that this year performance management are scaled down to all levels within the municipality.

All staff who has a staff a performance agreement or plan will be informally evaluated the respective Supervisors and managers.

9 Compliance Performance Report

The purpose of this report is to inform Council regarding the Compliance status of the Municipality with Requirements of Local Government Legislation, regulations and guidelines.

The Municipality utilizes Eunomia a Compliance monitoring system, it is an electronic web based system that is monthly updated with actual Compliance.

- The system requires Action owners to update Compliance on a monthly basis and attach evidence for each action complied with, this serves as part of the portfolio of evidence (POE) for auditing purposes.
- It provides management information in graphs and report format and indicates actual updated compliance. The graphs provide a good indication of the Municipality's Compliance status and where corrective action is required.

Compliance reports generated from the Eunomia system are submitted to the Council on a quarterly and annual basis. The Quarterly Compliance Assessment Report is structured to report on the Municipality's overall status of compliance to legislation, regulations and guidelines during that relevant period.

This report is based on the updated compliance with Local Government legislation on the compliance system and comprises the following;

- Summary of the overall Compliance of the Municipality in terms of Local Government legislation for the Third quarter;
- Summary of the overall compliance per department of the Municipality.

The overall assessment of actual Compliance with legislation documented in the Eunomia Compliance System is illustrated in terms of the following assessment methodology:

Colour	Explanation
	Compliance Not Due
	Not Complete and Over due
	Compliant After Deadline
	Compliant On deadline
	Compliant Before Deadline
	Unable to Comply

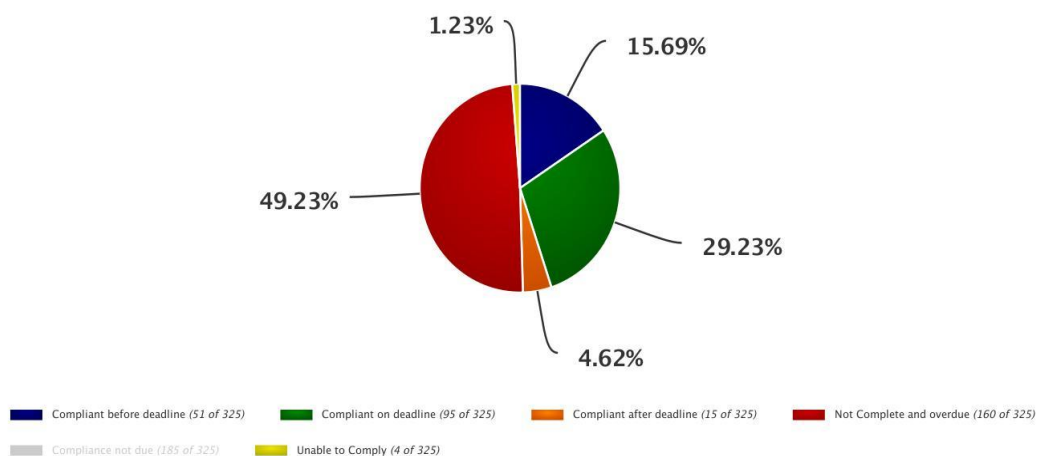
The system make provision for the upload of a POE but the evidence can also be kept in hardcopy format on file. The system also assist users to implement actions which are linked to the SDBIP and PMS timeously.

The following graphs illustrate the overall performance of the LLM measured in terms of the reporting of the compliance system for the period under review.

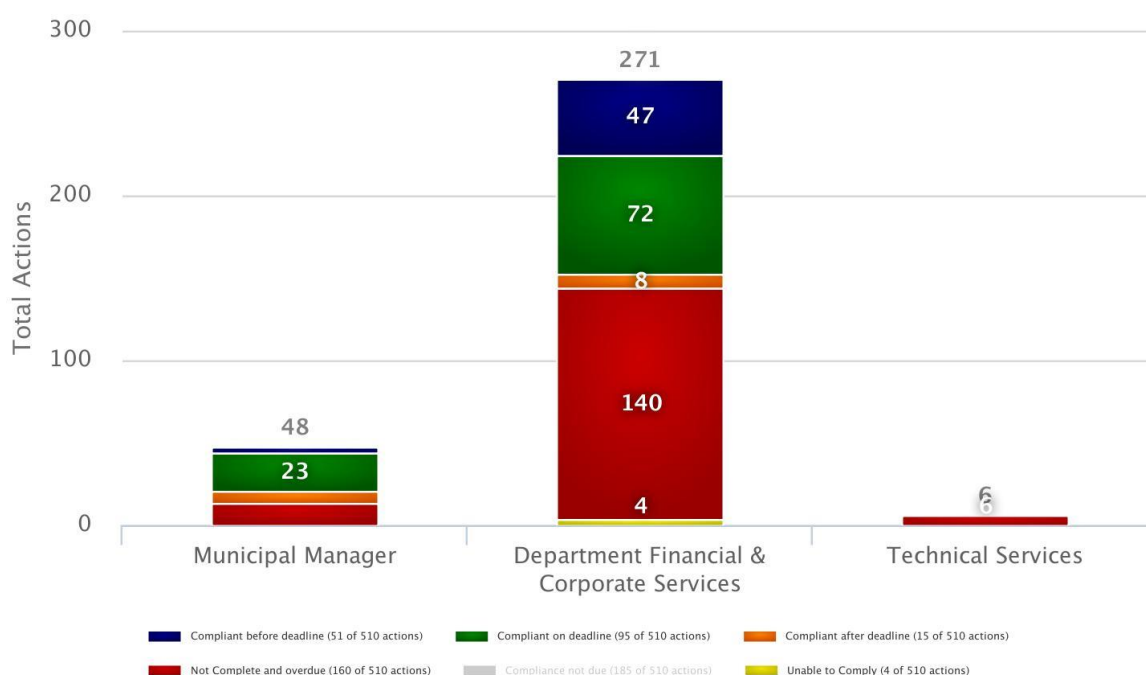
OVERALL COMPLIANCE OF THE MUNICIPALITY

Compliance Action Status Dashboard for 2015/16 as at 20 April 2016

Overall Compliance Status



Compliance Status per Department



The third quarter (1 January- 31 March 2016) Compliance Report states that the municipality had an overall number of 121 actions to complete in order to comply with certain legislation and guidelines.

The Compliance system depicts the following picture in terms of the compliance status of certain actions:

- Compliant before deadline-1
- Compliant on deadline-14
- Compliant after deadline-4
- Not complete and overdue-102

Therefore the above information show that the Municipality did not complete compliance pertaining to the following legislation and guidelines:

- Municipal Finance Management Act
- Municipal Structures Act
- Municipal Systems Act
- Municipal Budget and Reporting Regulations
- Municipal Investment Regulations
- Municipal Planning and Performance Management Regulations
- Municipal Property Rates Act
- Municipal Supply Chain Management Regulations
- Compensation for Occupational Injuries and Diseases Act
- Guidelines for the establishment and operation of Municipal Ward Committees
- Municipal Regulations on Minimum Competency Levels
- National Water Act
- Skills Development Levies Act

10 Recommendations

- a) That Council notes the contents of this report and supporting documentations for the 3rd quarter of 2015/2016 financial year.
- b) That the Managers ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan projections and spending of funds, and that revenue collection proceeds in accordance with the budget

11 Conclusion

The above-mentioned report outline the performance of the municipality with regards to the overall Performance of the municipality, Financial Performance as well as Non-financial Performance with regards legislative compliance. The overall performance was good, but there is still areas that requires intervention and mitigation measures to prevent it in the following quarters of the year as well as improve the reporting on the system.

The municipal manager will conduct a quarterly review and the outcome of the Performance Review will be recorded to rectify non-performance to ensure that that all targets can be achieved in the last quarter of the year before year-end.

Compliance

This Quarterly Compliance Assessment Report is based on reported information only, and is un-audited. The information is also not reflecting the accurate compliance status of the municipality, this is due to the fact that the system is still fairly new and officials are not yet adhering to the reporting requirements desired by the

municipality. Management is encouraged to update the system frequently so to assist in the effectiveness of the Compliance system and monitoring thereof.

This report is subject to change on finalisation of the Internal Performance Audit Report for the 3rd Quarter of the 2015/2016 financial year.

Portfolio of Evidence

The PMS Unit identified the challenge of Portfolios of Evidence's (POE's) with regards to the reported achievements on the SDBIP System. The issue is therefore referred to the Internal Audit Unit to investigate. The PMS Unit will regard the lack of performance evidence as a non-performance during the Performance Review which is scheduled for the 28th of April 2016. The municipal manager will address the matter of lack of POE's during the performance review.

Down Cascading of Performance Management

All staff has Performance Agreements and Plans with the municipality. The majority of the staff utilise the online web based PMS system and are trained to use the system. Ongoing assistance from the PMS Unit will be provided for the next couple of years as part of the Change Management Strategy. **Provincial Treasury assisted the municipality through Grant funding in down cascading performance management to all levels within the municipality and we can report that we managed to achieve this.**