

**1. STRATEGIC THRUST**

The Integrated Development Plan of the Rustenburg Local Municipality advocates amongst its objectives to: “Drive good governance and legislative compliance in all municipal processes.” This item aims to achieve all objectives of the Rustenburg Local Municipality as outlined in the Municipal IDP.

**2. PURPOSE OF THE REPORT**

The purpose of this report is to request Council to note the actual performance of the municipality against the Top Layer SDBIP for the mid-term period ended 31 December 2018.

**3. EXECUTIVE SUMMARY**

Section 72(1) of the Municipal Finance Management Act (MFMA), 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 (of the MFMA) for the first half of the financial year.
  - (ii) the municipality’s service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set in the service delivery and budget implementation plan,
  - (iii) the past year’s annual report and progress on resolving the problems identified in the annual report
  - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account the report in terms of section 88 from any entities.
  
- (b) submit a report on such assessments to
  - (i) the mayor of the municipality
  - (ii) the National Treasury; and
  - (iii) the relevant Provincial Treasury

Section 72(3) further stipulates that as part of the assessment, recommendation must be made whether an adjustment budget is necessary, taking into consideration the revised projections for revenue and expenditure’s extent.

The mid-term budget and performance must be consistent with the monthly budget statements on the implementation of the annual budget in accordance with the Service Delivery Budget and Implementation Plan (SDBIP) for the first half of the financial year

and be submitted to the Executive Mayor, National Treasury and relevant Provincial Treasury

The report is in line with the Municipal Budget and Reporting Regulation under schedule C and includes all the required tables, charts and explanatory information. The Regulation further prescribes the report must be public by placing it on the municipal website within 5 working days.

In terms of section 71 of the MFMA the following must be reported in the monthly statements:

- Actual revenue per source
- Actual borrowings
- Actual expenditure per vote
- Actual capital expenditure per vote
- The amount of any allocations
- Actual expenditure on those allocations

In addition to the above an explanation should be given if necessary on the following:

- Material variances in projected revenue and expenditure
- Material variances in SDBIP
- Remedial and corrective steps to ensure the projected revenue and expenditure remain within the approved budget.

The statement must also include revenue and expenditure projections and the results of the municipal entity should be included.

The accounting officer must also, in terms of section 72 (3) of the MFMA, make recommendations as to whether an adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that it might be necessary.

Below please find a summary of performance. It should be noted that the scores are not weighted.

Local Government KPAs	Mid-Term Performance (01 July 2018 – 31 Dec 2018)			
Key Performance area	Total KPIs	Applicable KPIs	KPI Not Achieved	KPA Score
Basic Service Delivery and Infrastructure Development	41	33	19	<b>42%</b>
Good Governance and Public Participation	26	14	5	<b>93%</b>
Municipal Financial Viability	24	19	9	<b>53%</b>
Local Economic Development	8	5	0	<b>100%</b>
Municipal Transformation and Institutional Development	10	2	1	<b>50%</b>
Spatial Rationale	6	5	2	<b>60%</b>
<b>TOTAL ORGANIZATIONAL SCORE</b>	<b>115</b>	<b>78</b>	<b>36</b>	<b>59%</b>

- Attached as “Annexure A” is the Mid-Year Performance report
- “Annexure B” – Mid-Year Report of the Rustenburg Water Services Trust.

It should be noted that the full panel could not be constituted due to the unavailability of the identified Executive Mayor.

- Attached as “Annexure C” is the apology email received from the municipality.

#### **4. FINANCIAL IMPLICATIONS**

There are no direct financial implications for of the Mid-Year performance report.

#### **5. LEGAL IMPLICATIONS**

Submission of the Mid-Year Performance report is in terms of Section 72(1)(b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003.

## **RECOMMENDATIONS**

## **ACTIONS**

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|---|----|
| 1. The report be noted  | CC |
| 2. That the mid-year report be submitted to National and Provincial treasury. | MM |
| 3. That the report be made public within five days of approval by Council.    | MM |

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