

**PRESENTATION OF THE MID YEAR PERFORMANCE ASSESSMENT AND ADJUSTMENT BUDGET FOR THE FINANCIAL YEAR 2012/13 TO FULL COUNCIL OF UMZUMBE MUNICIPALITY BY HIS WORSHIP THE MAYOR, CLLR S.T.GUMEDE ON THE 24<sup>TH</sup> JANUARY 2013, AT UMZUMBE MUNICIPAL COUNCIL CHAMBER**

Honourable Speaker  
Members of the Executive Committee  
Chairpersons of Portfolio Committees  
All Councillors  
Representatives from the office of the Auditor General  
Municipal Manager and Members of the Top Management Committee  
Invited guests  
Officials

I greet you all in the name of service delivery

As government, the month of January is a significant month in the calendar of our activities because; in this month President Jacob Zuma has presented to us, in his January 08 statement, a reminder of our commitments to better the lives of our people. Through his presentation, we have been able to assess ourselves of our achievements thus far and also fine tune our objectives for the road ahead of us in terms of improving the lives of our people.

Today, Mr Speaker, following the January 8 Statement, I stand here to present to the full council of Umzumbe our mid- year performance assessment and budget adjustment for the financial year 2012/13. This mid-year performance assessment and adjustment budget is presented in accordance with section 72 (1) of the Municipal Finance Management Act No. 56 of 2003, which clearly states that the Accounting Officer must by the 25<sup>th</sup> of January each year:

- Assess the performance of the municipality during the first half of the financial year, taking into account the
  - a) The monthly statements for the previous year
  - b) Annual reports for the previous year; and
  - c) The 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 Budget and Implementation plan (SDBIP), ( and furthermore must):
- Submit such a report on such assessment to
  - a) The Mayor of the Municipality
  - b) The National treasury and
  - c) The Provincial Treasury

In light of these legal requirements, I am therefore presenting this report today, as an indication of our commitment to comply with the legislative framework within which we operate, as well as our undertaking as government to review our performance based on our first six months assessment for the financial year 2012/13. Our performance assessment is based on the planned programmes for past six months ending on the 31<sup>st</sup> December 2012. In reviewing our performance, Mr Speaker, we have taken into cognisance a variety of issues raised by our community and other issues that may have tempted to hinder our progress in delivering services to our people.

During the past six months we had received revenue to the value of R76, 964 million and the year budget to date is R99, 559 million, which indicates a favourable 77% of revenue that has been collected.

Mr Speaker, I am very confident to say that Umzumbe Municipality remained in a favourable liquidity position as at 31 December 2012, with a bank balance of R92, 542 million whilst investments were amounting to R9, 573 million. We have therefore planned that these investments will be held by the municipality for the next six months.

In terms of our infrastructure projects, we are all aware that the municipality is grant dependant and therefore our infrastructure and other capital projects are funded through grants from Provincial and National governments, such as The Municipal Infrastructure Grant (MIG), Disaster Management Grant, Equitable Share and the low cost housing grant. Our MIG grant of R29 908 million for the 2012/13 financial year was allocated to the construction of roads and the progress thus far is reflected accordingly in the attached report from page 25 to page 27.

With regards to other capital projects as listed on page 28 to 29 of the report, we have incorporated in our plan projects such as the upgrading of sports grounds, maintenance of community facilities, purchase of plant for maintenance of roads, and the housing projects as funded through the low cost housing grant, and these are all in progress and we are thus far optimistic that the pace at which we are moving now will enable us to achieve all our targets by the end of the financial year.

Due to the change in weather conditions over the past six months, many areas within the municipality have been affected by disasters and the road infrastructure has been severely damaged. This has necessitated us to fast track a plan to procure a grader to ensure that the grading of access roads is done internally. Furthermore, it has become critical of the municipality to assess the extent of the disasters and manage them accordingly within the allocated financial resources.

Mr Speaker, I further wish to report to the council that the municipality has successfully held its quarterly reviews in which actual performance was measured against targets as set out in the SDBIP, and the results of these interactive sessions indicate that the implementation of the budget against the service delivery targets is on track with no major deviations.

With specific reference to the MIG, the municipality was allocated an amount of R29, 908. For the financial year and to date an amount of R18 841 million has been received and an expenditure of R12, 965 has been incurred. The municipality's spending thus far indicates a 43% spending which in our view shows reasonable progress on our MIG Spending. Early indications are that 100% of the capital budget will be spent by 30 June 2013.

The attached detailed adjustment budget is a reflection of our efforts to accelerate service delivery thereby improving further on our performance in the next half of the financial year 2012/13. Our mid- year assessment has given us an opportunity to assess our performance for the last six months period, through which we have now been able to refine our plan for the next six months and redirect our resources to prioritized projects for the financial year.

Mr Speaker, the proposed detailed budget adjustment as attached here is expected to enhance service delivery thereby ensuring that financial resources are utilised in manner that will not result in any under-spending whatsoever in the financial year 2012/13. I therefore recommend that the Mid - Year budget and Performance assessment be approved by council.

Thank you