



**Mid-Year Budget and Performance Assessment Report  
1<sup>st</sup> July 2020 – 31<sup>st</sup> December 2020**

**2020/2021**

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## **1. Purpose of the Mid-Year Report**

The purpose of this report is to comply with Section 81 of the Municipal Finance Management Act 56 of 2003 and Section 33 of the Municipal Budget and Reporting Regulations as promulgated in the Government Gazette No 32, 141 of April 2009, which requires that the municipal entity must by 20 January of each year-assess the performance of the entity during the first half of the financial year.

## **2. Legislative Background**

Section 88 of the Municipal Finance Management Act, Act no 56 of 2003 provides that the accounting officer of a municipal entity must by 20 January of each year assess the performance of the entity during the first half of the financial year taking into account-

- the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and
- the entity's annual report for the past year, and progress on resolving problems identified in the annual report

## **3. Budget Performance analysis**

### **3.1 Revenue**

Rental Revenue - Rental revenue is underperforming against the budget which is attributable to the rental boycott happening at Ga-Rena village the matter is receiving attention.

## **4. Expenditure**

### **Employee related cost**

Employee related costs – Employee related costs spending is at par with the budget, all vacant positions have been filled.

### **Remuneration of Directors**

Under performance due to most of the meetings to be held in the remainder of the financial year

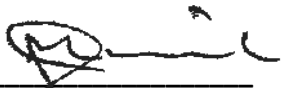
### **General Expenditure**

Under performance due to stringent spending by the entity due to low level of rental collection.

**5. Recommendation of the Accounting officer**

After having assessed the performance of the entity for the first half of the year (ended 31 December 2020) this is recommended

- that the projections as contained (attached) in this report inform the downward adjustment of the budget



**TIMAIMELA**  
**CHIEF FINANCIAL OFFICER**

### Financial Report Dec 2020

	Original Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Sales	1,042,540.00	932,406.00	6,255,240.00	5,676,111.00	579,129.00	9.26	12,973,000.00
Rental Income	1,042,540.00	932,406.00	6,255,240.00	5,676,111.00	579,129.00	9.26	12,973,000.00
Ga-Rena	876,540.00	770,850.00	5,259,240.00	4,706,775.00	552,465.00	10.50	10,518,480
Seshego C.R.U	166,000.00	161,556.00	996,000.00	969,336.00	26,664.00	2.68	2,000,000.00
Annadale Ext 2			-	-			454,520.00
<b>Other Income</b>	<b>996,195.00</b>	<b>998,225.00</b>	<b>39,966,510.00</b>	<b>36,944,748.51</b>	<b>3,021,761.49</b>	<b>128.17</b>	<b>65,087,000.00</b>
Subsidies from SHRA- Garena Phase 2		-	36,000,000.00	32,981,658.51	3,018,341.49	8.38	54,055,000.00

Financial Report Dec 2020

	Original Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Admin Income	1,000.00	3,200.00	6,600.00	4,000.00	2,600.00	39.39	30,000.00
	<b>Original Budget</b>	<b>Monthly Actual</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>	<b>Var%</b>	<b>Full Year Budget</b>
Operational grant Plk Muni	995,025.00	995,025.00	3,958,890.00	3,958,890.00	-		11,000,000.00
Interest Received	170.00	-	1,020.00	200.00	820.00	80.39	2,000.00
			-	-			
<b>Total Income</b>	<b>2,038,735.00</b>	<b>1,930,631.00</b>	<b>46,221,750.00</b>	<b>42,620,859.51</b>	<b>3,600,890.49</b>	<b>7.79</b>	<b>78,060,000.00</b>
			-	-			
<b>Expenses</b>	<b>1,156,618.00</b>	<b>1,031,217.32</b>	<b>7,107,108.00</b>	<b>6,359,286.50</b>	<b>747,821.50</b>	<b>10.52</b>	<b>32,252,891.00</b>
			-	-			
Advertising and Promotions			4,500.00	4,450.01	49.99	1.11	110,000.00
Accounting Fees			-	-	-		250,000.00

Financial Report Dec 2020

	Original Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Audit fees	35,000.00	29,593.36	250,000.00	226,133.36	23,866.64	9.55	1,800,000.00
Bank Charges	8,333.00	3,084.45	49,998.00	19,065.23	30,932.77	<b>61.87</b>	100,000.00
Landscapping & Garden services			-	-	-		75,000.00
U.I.F	5,000.00	3,850.20	25,000.00	22,802.93	2,197.07	8.79	54,662.00
Provident fund	62,000.00	61,365.88	364,000.00	362,420.62	1,579.38	0.43	810,072.00
	Original Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
S.D.L	5,000.00		30,000.00	-	30,000.00	<b>100.00</b>	60,041.00
B.C Admin levy/ Workmans Compensation	69.00	69.00	414.00	414.00	-	-	765.00
Courier & Postage			-	-	-		5,000.00
Credit checks			-	-	-		
Depreciation			-	-	-		5,027,000.00

Financial Report Dec 2020

	Original Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Directors Remuneration	45,000.00	31,300.15	493,000.00	450,335.55	42,664.45	8.65	1,889,448.00
Directors travel, accommodation & catering	800.00	290.40	9,800.00	8,915.20	884.80	9.03	365,065.00
Conference & Workshops			-	-	-		100,000.00
Medical aid	44,416.00	31,373.40	266,496.00	188,240.40	78,255.60	<b>29.36</b>	533,000.00
Membership fees	4,000.00	3,175.00	14,000.00	12,700.00	1,300.00	9.29	100,000.00
Insurance	50,000.00	18,352.18	300,000.00	109,032.84	190,967.16	<b>63.66</b>	600,000.00
Legal Fees			5,500.00	5,186.50	313.50	5.70	400,000.00
Motor vehicle-Fuel			-	-	-		35,000.00
Motor Vehicle-Repairs & Maintenance			-	-	-		20,000.00
	Original Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Printing & Stationery	3,000.00	2,522.90	36,000.00	34,202.66	1,797.34	4.99	80,000.00
Staff Welfare			1,900.00	1,780.00	120.00	6.32	20,000.00



**Financial Report Dec 2020**

	<b>Original Budget</b>	<b>Monthly Actual</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>	<b>Var%</b>	<b>Full Year Budget</b>
Staff Development ( Bursaries)			-	-			50,000.00
Repairs and Maintenance(Contracted Services)	50,000.00	43,996.95	218,000.00	199,568.68	18,431.32	8.45	800,000.00
Salary	580,000.00	578,297.58	3,480,000.00	3,409,132.12	70,867.88	2.04	7,209,942.00
13 <sup>th</sup> Cheque			-	-	-		369,896.00
Overtime			-	-	-		60,000.00
Housing Allowance	14,000.00	14,000.00	84,000.00	84,000.00	-	-	168,000.00
Travel allowance			-	-	-		
Software Licenses	12,000.00	10,051.00	50,500.00	46,003.51	4,496.49	8.90	100,000.00
Temporary staff			-	-	-		10,000.00
Debt Impairment			-	-	-		8,000,000.00
Rental external equipment			-	-	-		

**Financial Report Dec 2020**

	<b>Original Budget</b>	<b>Monthly Actual</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>	<b>Var%</b>	<b>Full Year Budget</b>
Security	183,000.00	177,514.48	1,098,000.00	1,065,086.88	32,913.12	3.00	2,200,000.00
	<b>Original Budget</b>	<b>Monthly Actual</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>	<b>Var%</b>	<b>Full Year Budget</b>
Subscriptions			-	-	-		
Safety clothing	2,000.00	1,776.00	4,000.00	3,749.00	251.00	6.28	100,000.00
Communications: Telephone and cellphones	13,000.00	11,218.73	82,000.00	74,048.29	7,951.71	9.70	200,000.00
Tenant committee workshop			-	-	-		50,000.00
Travel- staff	40,000.00	9,385.66	240,000.00	32,018.72	207,981.28	<b>86.66</b>	500,000.00
Valuation			-	-			
			-	-			
Capital Expenditure			-	-			
<b>Surplus / Deficit</b>	<b>882,117.00</b>	<b>899,413.68</b>	<b>39,114,642.00</b>	<b>36,261,573.01</b>	<b>2,853,068.99</b>		<b>45,807,109.00</b>



<b>Polokwane Housing Association Statement of Financial Position as at 31 December 2020</b>	
<b>Assets</b>	
Non-Current- Assets	
Property, Plant And Equipment	91 946 098
Work in Progress	151 134 834
	<b>243 080 932</b>
Current Assets	
Trade and other receivables	4 856 116
Cash and Cash equivalents	2 969 645
	<b>7 825 760</b>
	<b>250 906 692</b>
<b>Total Assets</b>	
<b>Equity and Liabilities</b>	
<b>Equity</b>	
Share Capital	1 000
Distributable reserve	119 313 970
Non- distributable reserve(Revaluation surplus)	78 317 795
	<b>197 632 766</b>
<b>Current Liabilities</b>	
Trade and other payables	53 273 927
	53 273 927
<b>Total Liabilities</b>	<b>53 273 927</b>
	<b>250 906 692</b>
<b>Total Equity and Liabilities</b>	

## 6. None Financial Performance

### 6.1 Summary of Overall Performance per Key Performance Indicators per KPA:

KPA	No of targets as per APP	No of targets applicable for 2 <sup>nd</sup> quarter	# Targets achieved	# Targets not achieved	Evidence not provided/complete
Service Delivery	8	8	7	1	-
Financial Viability	8	3	1	2	-
Governance and Transformation	17	9	9	0	-
<b>Total</b>	<b>33</b>	<b>20</b>	<b>17</b>	<b>3</b>	-
<b>Total in percentage</b>	<b>100%</b>	<b>100%</b>	<b>85%</b>	<b>15%</b>	-



6.2 Core Business/Basic Service Delivery

Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
Core Business/ Basic Service Delivery													
Improve quality of living	Maintenance	No of Maintenance requests received and attended to within 2 weeks by 30 June 2021	#	01-Jul-20	30-Jun-21	15	156	165	70	179	N/A	N/A	Maintenance request logbook and forms that will show when the request was logged and closed
		Number of new fire hydrants purchased for Ga-Rena and C.R.U by 30 June 2021	#	01-Jul-20	30-Jun-21	10	New	88	44	44	N/A	N/A	Purchase orders and delivery notes
		Number of fire hydrants serviced for Ga-Rena and C.R.U by 30 June 2021	#	01-Jul-20	30-Jun-21	10	New	203	101	95	The budget allowed for the work that was done	Request more funds to cover the shortfall	Purchase orders and proof of work done

Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
	SHRA Compliance	Number of monthly projects progress report compiled and submitted to SHRA by 30 June 2021	#	01-Jul-20	30-Jun-21	10	New	12	6	6	N/A	N/A	Monthly projects reports and proof of submission to SHRA
		Number of project reporting tools compiled and submitted to SHRA by 30 June 2021	#	01-Jul-20	30-Jun-21	10	New	4 Project Reporting Tools compiled and submitted to HRA	2	2	N/A	N/A	Project Reporting Tools and proof of submission
	Integrated housing units (BNG, GAP & Open market housing units and business unit)	Identify and obtain 1 land parcel to create integrated housing units (BNG, GAP & Open Market Housing units and business unit) by 30 June 2021	Date	01-Jul-20	30-Jun-21	15	1 land parcel identified and obtained	1 land parcel identified and obtained	1 land parcel identified and obtained	1 land parcel identified and obtained	Awaiting for response from CoGHSTA	Follow up with CoGHSTA on the letter submitted requesting the land	Council Resolution
	Rental Housing	Identify and obtain 1 land parcel to create Rental Housing Units by 30 June 2021	Date	01-Jul-20	30-Jun-21	15	1 land parcel identified and obtained	1 land parcel identified and obtained	1 land parcel identified and obtained	1 land parcel identified and obtained	Awaiting for response from CoGHSTA	Follow up with CoGHSTA on the letter submitted requesting the land	Council Resolution



Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
	Social Housing	Identify and obtain 1 land parcel to create residential units & Social Housing Units by 30 June 2021	Date	01-Jul-20	30-Jun-21	15	1 land parcel identified and obtained	1 land parcel identified and obtained	1 land parcel identified and obtained	1 land parcel identified and obtained	Awaiting for response from CoGHSTA	Follow up with CoGHSTA on the letter submitted requesting the land	Council Resolution

### 6.3 Financial Viability

Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
<b>Financial Viability</b>													
Enhance revenue and asset base	Revenue Management	% of PHA rental housing units occupied by 30 June 2021	%	01-Jul-20	30-Jun-21	20	94%	95%	95%	91,01%	Some units were being maintained which took longer than anticipated and could not be allocated	Fasttrack the maintenance of empty units and allocate to tenants	Monthly occupancy reports
		% of rental collected by 30 June 2021	%	01-Jul-20	30-Jun-21	20	30%	82%	42%	28,60%	Low rental collection at Ga-Rena Village	Implementing Credit control measures put in-place	Monthly financial reports

Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
													(section 71 )
	Budget and Reporting	Maintain unqualified audit opinion by 31 December 2020	Date	01-Jul-20	31-Dec-20	10	Unqualified audit opinion	Maintain unqualified audit opinion	Unqualified audit opinion	Target automarically Not Applicable as the audit period was adjusted by National Treasury hence the audit is currently being executed	National Treasury has adjusted the audit period due to the current National Disaster as declared within the country	The audit is currently being executed and the target will be reported on as soon as the audit is concluded and the report issued	AGSA Audit opinion report
		Development of the Audit Action Plan for AG Report by 31 January 2021	Date	01-Jul-20	31-Jan-21	5	Developed Audit Action Plan	Develop Audit Action Plan by 31 January 2021	N/A	N/A	N/A	N/A	Developed Audit Action Plan
	Assest Management	Complete Physical Asset Verification for moveable and immovable assets by August 2020	Date	01-Jul-20	30-Aug-20	10	Completed physical asset verification	Complete Physical Asset Verification for moveable and immovable assets by August 2020	Complete Physical Asset Verification for moveable and immovable assets by August 2020	Physical asset verification for moveable and immoveable assets conducted	N/A	N/A	Completed physical asset verification report
		Secure funding for one student accomodation project by 30 June 2021	Date	31-Jul-20	30-Jun-21	25	New	Secure funding for one student accomodation project by 30 June 2021	N/A	N/A	N/A	N/A	Signed agreements

Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
		Submit application for restructuring grants and top up subsidies for the construction of Bendor X 100 by 30 March 2021	Date	31-Oct-20	30-Mar-21	5	New	Submit application for restructuring grants and top up subsidies for the construction of Bendor X 100 by 30 March 2021	N/A	N/A	N/A	N/A	Signed agreements and proof of submission
		Secure for 30% for one GAP Market housing project 30 June 2021	Date	31-Jul-20	30-Jun-21	5	New	Secure for 30% for one GAP Market housing project 30 June 2021	N/A	N/A	N/A	N/A	Signed agreements

## 6.4 Governance and Transformation

Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
<b>Governance and Transformation</b>													
Improve admin and governance capacity	Budget and Reporting	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 Aug 2020	Date	01-Jul-20	31-Aug-20	15	31-Aug-19	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 Aug 2020	Submit AFS to Auditor General by 31 Aug 2020	AFS compiled and submitted to Auditor General	N/A	N/A	Signed AFS and proof of submission to AG
		Prepare and submit revised Budget to the Shareholder by 28 Feb 2021	Date	01-Jul-20	28-Feb-21	10	28-Feb-20	Prepare and submit revised Budget to the Shareholder by 28 Feb 2021	N/A	N/A	N/A	N/A	Revised budget and proof of submission
		Prepare and submit the final Entity Budget to the Shareholder by 30 March 2021	Date	01-Jul-20	30-Mar-21	5	30-Mar-20	Prepare and submit the final Entity Budget to the Shareholder by 30 March 2021	N/A	N/A	N/A	N/A	Final budget and proof of submission
	Performance Management	Prepare and submit the Entity Annual Report to the Shareholder by 20 December 2020	Date	01-Jul-20	20-Dec-20	5	20-Dec-11	Prepare and submit the Entity Annual Report to the Shareholder by 20 December 2020	Submit Entity Annual Report to shareholder by 20 Dec 2020	Annual Report prepared and submitted to shareholder on the 18th December 2020	N/A	N/A	Final Annual Report and proof of submission
		Number of Institutional Quarterly Performance Report compiled	#	01-Jul-20	30-Jun-21	5	4	4 Institutional Quarterly Performance Report compiled	2	2 quarterly performance reports compiled, audited by Internal Audit and	N/A	N/A	Institutional Quarterly Performance Report

Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
										Submitted to the Board			
		Development and submission the Mid-Year Budget and Performance Assessment Report to shareholder by 20 January 2021	Date	01-Jul-20	20-Jan-21	5	20-Jan-20	Develop and submit the Mid-Year Budget and Performance Assessment Report to shareholder by 20 January 2021	N/A	N/A	N/A	N/A	Mid-Year Budget and Performance Assessment Report and proof of submission
		Make public the Mid-Year Budget and Performance Assessment Report by 31 January 2021	Date	01-Jul-20	30-Jan-21	5	30-Jan-20	Make public the Mid-Year Budget and Performance Assessment Report by 31 January 2021	N/A	N/A	N/A	N/A	Public notice on notice boards and municipal website
	CIPC Compliance	Submit the Annual Returns and/or amendments to CIPC by 30 May 2021	Date	01-Jul-20	30-May-21	5	May-20	Submit the Annual Returns and/or amendments to CIPC by 30 May 2021	N/A	N/A	N/A	N/A	Annual Returns and/or amendments and proof of submission
	Secretariat	Number of ordinary Board meetings scheduled and convened	#	01-Jul-20	30-Jun-21	5	New	4 ordinary Board meeting scheduled and convened	2	2	N/A	N/A	Meeting notices, Agenda, Minutes and Attendance registers
		Number of ordinary Committee meetings scheduled and convened by 30 June 2021	#	01-Jul-20	30-Jun-21	5	New	16 Committee meetings scheduled and convened	8	8	N/A	N/A	Meeting notices, Agenda, Minutes and Attendance registers

Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
		Convene AGM by 30 November 2020	Date	01-Jul-20	30-Nov-20	5	New	Convene AGM by 30 November 2020	30-Nov-20	None	Due to the current COVID-19 regulations the AGM was moved back to Feb 2021 and the decision was communicated to the Board	To convene the AGM as communicated by Feb of 2021	Meeting notices, Agenda, Minutes and Attendance registers
		Convene Annual Strategic Planning Session by 31 December 2020	Date	01-Jul-20	31-Dec-20	5	New	Convene Annual Strategic Planning Session by 31 December 2020	31-Dec-20	None	Due to the current COVID-19 regulations the Strategic Planning Session was moved back to Feb 2021 and the decision was communicated to the Board	To convene the Strategic Planning Session as communicated by Feb of 2022	Meeting notices, Agenda, Minutes and Attendance registers
	Risk Management	Development of the Institutional Risk Register by 31 August 2020	Date	01-Jul-20	30-Sep-20	5	New	Develop Institutional Risk Register by 31 August 2020	31-Aug-19	Institutional Risk Register developed and served at the Risk Management Committee that was held on the 22nd June 2020	N/A	N/A	Approved Institutional Risk register

Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Mid Year Target	Actual Achievement	Challenges	Measures to Improve Performance	Portfolio of Evidence
		Number of quarterly Institutional Risk Register progress reports compiled by 30 June 2021	#	01-Jul-20	30-Jun-21	5	New	4 Institutional Risk Register progress reports compiled	2	2	N/A	N/A	Institutional Risk Register progress reports
Invest in human capital and retain skills	Hhuman Resource Management	Review Human Resources Strategy by 30 June 2021	Date	01-Jul-20	30-Jun-21	5	30-Jun-19	Review Human Resources Strategy by 30 June 2021	N/A	N/A	N/A	N/A	Reviewed and approved strategy
		Submission of Reviewed of WSP to LGSETA by 30 April 2021	Date	01-Jul-20	30-Apr-21	5	New	Submit reviewed WSP to LGSETA by 30 April 2021	N/A	N/A	N/A	N/A	Reviewed WSP and proof of submission
		Number of training/workshops convened by 30 June 2021	#	01-Jul-20	30-Jun-21	5	New	2 trainings/workshops convened	1	1 fraud awareness conducted online due to current COVID-19 restrictions prohibiting gatherings	N/A	N/A	Invitations and attendance registers