



**Mid-Year Budget and Performance Assessment Report
1st July 2019 – 31st December 2019**

Contents

1. Purpose of the Mid-Year Report.....	3
2. Legislative Background.....	3
3. Budget Performance analysis	3
4. Expenditure.....	3
5. Capital expenditure	3
6. Recommendation of the Accounting officer	3
7. None Financial Performance.....	9

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-

- I. 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
- II. 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

Under performance due to vacant posts not filled. Spending will improve in the 3rd quarter as all of the vacant positions we advertised in the second quarter.

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. Capital expenditure

Capital expenditure not spend to date as spending will happen in the third and fourth quarter.

6. Recommendation of the Accounting officer

After having assessed the performance of the entity for the first half of the year (ended 31 December 2019) this is recommended

- that the projections as contained (attached) in this report inform the Adjustment Budget

Financial Report December 2019

	Monthly Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Sales	1 042 540.00	962 831.00	6 255 240.00	5 792 086.00	463 154.00	7.40	12 973 000.00
Rental Income	1 042 540.00	962 831.00	6 255 240.00	5 792 086.00	463 154.00	7.40	12 973 000.00
Ga-Rena	876 540.00	801 675.00	5 259 240.00	4 823 550.00	435 690.00	8.28	10 518 480
Seshego C.R.U	166 000.00	161 156.00	996 000.00	968 536.00	27 464.00	2.76	2 000 000.00
Annadale Ext 2							454 520.00
Other Income	952 715.00	5 952 227.22	3 656 840.00	70 253 725.99	3 402.67	0.09	11 010 700.00
Subsidies from SHRA		5 000 000.00	-	66 600 288.66	-		
Admin Income	800.00	200.00	4 800.00	600.00	4 200.00	87.50	10 400.00
Operational grant Plk Muni	951 890.00	951 890.00	3 651 890.00	3 651 890.00	-		11 000 000.00
Interest Received	25.00	137.22	150.00	947.33	(797.33)	(531.55)	300.00
Total Income	1 995 255.00	6 915 058.22	9 912 080.00	76 045 811.99	466 556.67		23 983 700.00

	Monthly Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Expenses	1 186 943.55	1 043 493.76	7 117 761.30	6 120 959.72	996 801.58	14.00	27 499 720.00
		-					
Advertising and Promotions			5 000.00	4 850.00	150.00	3.00	110 000.00
Accounting Fees			-	-	-		300 000.00
Audit fees	38 000.00	36 336.00	227 000.00	212 316.36	14 683.64	6.47	1 500 000.00
Bank Charges	5 834.00	3 581.11	36 170.00	28 066.11	8 103.89	22.41	70 000.00
Landscaping & Garden services			-	-	-		50 000.00
U.I.F	4 192.00	3 190.38	25 152.00	20 028.38	5 123.62	20.37	50 307.00
Provident fund	53 071.00	56 248.10	318 426.00	298 583.57	19 842.43	6.23	636 857.00
S.D.L	4 800.00	4 399.22	32 100.00	31 952.86	147.14	0.46	55 861.00
B.C Admin levy/ Workmans Compensation	65.55	65.55	393.30	393.30	-	-	765.00
Courier & Postage			-	-	-		5 000.00
Credit checks			-	-	-		80 000.00
Depreciation			-	-	-		5 027 000.00
Directors Remuneration	90 000.00	86 358.67	493 000.00	465 949.92	27 050.08	5.49	1 919 437.00
Directors travel, accommodation & catering	38 000.00	36 596.38	122 500.00	115 203.90	7 296.10	5.96	331 420.00
Conference & Workshops			11 000.00	10 405.20	594.80	5.41	200 000.00
Medical aid	44 416.00	28 607.80	266 496.00	166 694.40	99 801.60	37.45	533 000.00
Membership fees			-	-	-		100 000.00
Insurance	50 000.00	13 685.97	300 000.00	105 802.72	194 197.28	64.73	600 000.00
Legal Fees			45 000.00	42 048.68	2 951.32	6.56	550 000.00
Motor vehicle-Fuel			-	-	-		80 000.00

	Monthly Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Motor Vehicle-Repairs & Maintenance			-	-	-		
Printing & Stationery			56 334.00	39 259.25	17 074.75	30.31	80 000.00
Staff Welfare			2 300.00	2 160.16	139.84	6.08	25 000.00
Staff Development (Bursaries)			-	-			200 000.00
Repairs and Maintenance(Contracted Services)	5 000.00	4 107.50	39 100.00	37 179.02	1 920.98	4.91	800 000.00
Salary	583 698.00	532 548.85	3 502 188.00	3 059 438.29	442 749.71	12.64	7 004 381.00
13 Cheque			-	-	-		379 082.00
Overtime	1 500.00	1 392.12	10 600.00	9 835.23	764.77	7.21	40 000.00
Housing Allowance	14 700.00	14 000.00	88 200.00	83 300.00	4 900.00	5.56	176 400.00
Travel allowance			-	-	-		
Software Licenses	5 000.00	4 784.00	35 000.00	34 091.03	908.97	2.60	100 000.00
Temporary staff			-	-	-		10 000.00
Debt Impairment			-	-	-		4 000 000.00
Rental external equipment	15 000.00	4 399.80	90 000.00	26 398.80	63 601.20	70.67	180 000.00
Security	182 000.00	181 376.00	1 092 000.00	1 087 340.40	4 659.60	0.43	1 600 210.00
Subscriptions			-	-	-		
Safety clothing			4 800.00	4 377.60	422.40	8.80	75 000.00
Communications: Telephone and cell phones	16 667.00	10 507.11	100 002.00	64 182.43	35 819.57	35.82	200 000.00
Tenant committee workshop			-	-	-		30 000.00
Travel- staff	35 000.00	21 309.20	215 000.00	171 102.11	43 897.89	20.42	400 000.00
Valuation			-	-			
			-	-			

	Monthly Budget	Monthly Actual	YTD Budget	YTD Actual	YTD Variance	Var%	Full Year Budget
Capital Expenditure			-	-			
Surplus / Deficit	808 311.45	5 871 564.46	2 794 318.70	69 924 852.27	(530 244.91)		(3 516 020.00)

**Polokwane Housing Association
Statement of Financial Position as at 31 December 2019**

	Notes	
Assets		
Non Current- Assets		
Property, Plant And Equipment	2	133 867 866
Investments		26 994 541
		160 862 407
Current Assets		
Trade and other receivables	3	5 614 277
Cash and Cash equivalents	4	2 337 615
		7 951 891
Total Assets		168 814 298
Equity and Liabilities		
Equity		
Share Capital	5	000 1
CG Polokwane Municipality		7 595 282
Distributable reserve		17 569 258
Non- distributable reserve(Revaluation surplus)		90 060 663
		115 226 002
Liabilities		
Non Current Liabilities		
Loan from related parties	6	
National housing finance Corporation loan	7	16 580 940
Deferred Income	8	26 994 540
		43 575 480
Current Liabilities		
National housing finance Corporation loan		-
Trade and other payables	9	816 10 012
		816 10 012
Total Liabilities		53 588 296
Total Equity and Liabilities		168 814 298

7. None Financial Performance

7.1 Summary of Overall Performance per Key Performance Indicators per KPA:

Key Performance Area	Achieved	Not Achieved	Not Applicable	Total
Core Business	3	0	3	6
Financial Viability	2	2	4	8
Governance and Transformation	9	1	7	17

7.2 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	Ref
Core Business/ Basic Service Delivery														
Improve quality of living	Maintenance	No of Maintenance requests received and attended to by 30 June 2020	#	01-Jul-19	30-Jun-20	25	156	165	70	75	None	None	Maintenance request logbook and forms that will show when the request was logged and closed	CEO 1
	SHRA Compliance	Number of monthly projects progress report compiled and submitted to SHRA	#	01-Jul-19	30-Jun-20	15	New	12	6	6	None	None	Monthly projects reports and proof of submission to SHRA	CEO 2
		Number of project reporting tools compiled and submitted to SHRA by 30 June 2020	#	01-Jul-19	30-Jun-20	15	New	4 Project Reporting Tools compiled and submitted to HRA	2	2	2	None	None	Project Reporting Tools and proof of submission

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	Ref
	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 2020	#	01-Jul-19	30-Dec-19	15	1 land parcel identified and obtained	1 land parcel identified and obtained	1	N/A	N/A	N/A	Council Resolution	CEO 4
	Rental Housing	Identify and obtain 1 land parcel to create Rental Housing Units by 30 June 2020	#	01-Jul-19	30-Dec-19	15	1 land parcel identified and obtained	1 land parcel identified and obtained	1	N/A	N/A	N/A	Council Resolution	CEO 5
	Social Housing	Identify and obtain 1 land parcel to create residential units & Social Housing Units by 30 June 2020	#	01-Jul-19	30-Dec-19	15	1 land parcel identified and obtained	1 land parcel identified and obtained	1	N/A	N/A	N/A	Council Resolution	CEO 6

7.3 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	Ref
Financial Viability														
Enhance revenue and asset base	Revenue Management	% of PHA rental housing units occupied by 30 June 2020	%	01-Jul-19	30-Jun-20	20	94%	95%	95%	94%	Non allocation Ga-Rena rental units due to ongoing negotiations with the tenants committee	It is anticipated that allocations will happen in Q3 as negotiations will be concluded by then	Monthly occupancy reports	CEO 7
		% of rental collected by 30 June 2020	%	01-Jul-19	30-Jun-20	20	30%	82%	42%	26,00%	Rental Boycotts	Hahlekethe a Debt Collectors have been appointed to strengthen the activities of Mohale Attorneys to normalize rental collections at Ga-Rena	Monthly financial reports (section 71)	CEO 8
	Budget and Reporting	Maintain unqualified audit opinion by 31	Date	01-Jul-19	31-Dec-19	10	Unqualified audit opinion	Maintain unqualified audit opinion	Unqualified audit opinion	Unqualified Audit Opinion	N/A	N/A	AGSA Audit opinion report	CEO 9

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	Ref
		December 2019												
		Development of the Audit Action Plan for AG Report by 31 January 2020	Date	01-Jul-19	31-Jan-20	5	Developed Audit Action Plan	Develop Audit Action Plan by 31 January 2020	N/A	N/A	N/A	N/A	Developed Audit Action Plan	CEO 10
	Assets Management	Complete Physical Asset Verification for moveable and immovable assets by August 2019	Date	01-Jul-19	30-Aug-19	10	Completed physical asset verification	Complete Physical Asset Verification for moveable and immovable assets by August 2019	Complete Physical Asset Verification for moveable and immovable assets by August 2019	Asset verification completed by 31 July 2019	N/A	N/A	Completed physical asset verification report	CEO 11
		Secure funding for one student accommodation project by 30 June 2020	date	31-Jul-19	30-Jun-20	25	New	Secure funding for one student accommodation project by 30 June 2020	N/A	N/A	N/A	N/A	Signed agreements	CEO 12
		Submit application for restructuring grants and top up subsidies for	date	31-Oct-19	30-Mar-20	5	New	Submit application for restructuring grants and top up subsidies for	N/A	N/A	N/A	N/A	Signed agreements and proof of submission	CEO 13

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	Ref
		the construction of Bendor X 100 by 30 March 2020						the construction of Bendor X 100 by 30 March 2020						
		Secure for 30% for one GAP Market housing project 30 June 2020	Date	31-Jul-19	30-Jun-20	5	New	Secure for 30% for one GAP Market housing project 30 June 2020	N/A	N/A	N/A	N/A	Signed agreements	CEO 14

7.4 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	Ref
Governance and Transformation														
Improve admin and governance capacity	Budget and Reporting	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 Aug 2019	Date	01-Jul-19	31-Aug-19	15	31-Aug-18	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 Aug 2019	Submit AFS to Auditor General by 31 Aug 2019	AFS submitted to AGSA by 31 August 2019	None	None	Signed AFS and proof of submission to AG	CEO 15
		Prepare and submit revised Budget to the	Date	01-Jul-19	28-Feb-20	10	28-Feb-19	Prepare and submit revised Budget to the Shareholder	N/A	N/A	N/A	N/A	Revised budget and proof of	CEO 16

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	Ref
		Shareholder by 28 Feb 2020						by 28 Feb 2019					submission	
		Prepare and submit the final Entity Budget to the Shareholder by 30 March 2020	Date	01-Jul-19	30-Mar-20	5	30-Mar-20	Prepare and submit the final Entity Budget to the Shareholder by 30 March 2020	N/A	N/A	N/A	N/A	Final budget and proof of submission	CEO 17
	Performance Management	Prepare and submit the Entity Annual Report to the Shareholder by 20 December 2019	Date	01-Jul-19	20-Dec-19	5	20-Dec-18	Prepare and submit the Entity Annual Report to the Shareholder by 20 December 2019	Submit Entity Annual Report to shareholder by 20 Dec 2019	Submitted Entity Annual Report to shareholder by 20 Dec 2019	N/A	N/A	Final Annual Report and proof of submission	CEO 18
		Number of Institutional Quarterly Performance Report compiled	#	01-Jul-19	30-Jun-20	5	4	4 Institutional Quarterly Performance Report compiled	2	2	N/A	N/A	Institutional Quarterly Performance Report	CEO 19
		Development and submission the Mid-Year Budget and Performance Assessment Report to shareholder by 20 January 2020	#	01-Jul-19	20-Jan-20	5	20-Jan-19	Develop and submit the Mid-Year Budget and Performance Assessment Report to shareholder by 20 January 2020	N/A	N/A	N/A	N/A	Mid-Year Budget and Performance Assessment Report and proof of submission	CEO 20

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	Ref
		Make public the Mid-Year Budget and Performance Assessment Report by 31 January 2020	#	01-Jul-19	30-Jan-20	5	30-Jan-19	Make public the Mid-Year Budget and Performance Assessment Report by 31 January 2020	N/A	N/A	N/A	N/A	Public notice on notice boards and municipal website	CEO 21
	CIPC Compliance	Submit the Annual Returns and/or amendments to CIPC by 30 May 2020	Date	01-Jul-19	30-May-20	5	May-19	Submit the Annual Returns and/or amendments to CIPC by 30 May 2020	N/A	N/A	N/A	N/A	Annual Returns and/or amendments and proof of submission	CEO 22
	Secretariat	Number of ordinary Board meetings scheduled and convened	#	01-Jul-19	30-Jun-20	5	New	4 ordinary Board meeting scheduled and convened	2	2	None	None	Meeting notices, Agenda, Minutes and Attendance registers	CEO 23
		Number of ordinary Committee meetings scheduled and convened by 30 June 2020	#	01-Jul-19	30-Jun-20	5	New	16 Committee meetings scheduled and convened	8	8	None	None	Meeting notices, Agenda, Minutes and Attendance registers	CEO 24
		Convene AGM by 30 30 August 2019	Date	01-Jul-19	30-Sep-19	5	New	Convene AGM by 31 August 2019	30-Sep-19	1	16 September 2019	None	None	Meeting notices, Agenda, Minutes and Attendance

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	Ref
													ce registers	
		Convene Annual Strategic Planning Session by 31 December 2019	Date	01-Jul-19	31-Dec-19	5	New	Convene Annual Strategic Planning Session by 31 December 2019	31-Dec-19	target not met	Cash flow problems	Moved to February 2020	Meeting notices, Agenda, Minutes and Attendance registers	CEO 26
	Risk Management	Development of the Institutional Risk Register by 31 August 2019	Date	01-Jul-19	30-Sep-19	5	New	Develop Institutional Risk Register by 31 August 2019	31-Aug-19	Institutional Risk register developed by 29 May 2019	The target as per the KPI was erroneously captured	The target will be revised to "by 30 June 2019"	Approved Institutional Risk register	CEO 27
		Number of quarterly Institutional Risk Register progress reports compiled by 30 June 2020	#	01-Jul-19	30-Jun-20	5	New	4 Institutional Risk Register progress reports compiled	2	2	None	None	Institutional Risk Register progress reports	CEO 28
Invest in human capital and retain skills	Human Resource Management	Review Human Resources Strategy by 30 June 2020	Date	01-Jul-19	30-Jun-20	5	30-Jun-19	Review Human Resources Strategy by 30 June 2020	N/A	N/A	N/A	N/A	Reviewed and approved strategy	CEO 29
		Submission of Reviewed of WSP to LGSETA by 30 April 2020	Date	01-Jul-19	30-Apr-20	5	New	Submit reviewed WSP to LGSETA by 30 April 2020	N/A	N/A	N/A	N/A	Reviewed WSP and proof of submission	CEO 30

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	Ref
		Number of training/workshops convened by 30 June 2020	#	01-Jul-19	30-Jun-20	5	New	2 trainings/workshops convened	1	1	N/A	N/A	Invitations and attendance registers	CEO 31