

Kannaland Municipality



**Quarterly Budget Report for the period ended 30
September 2018**

MFMA Section 52 Report

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Glossary

Adjustments budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

Equitable share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement - A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF - Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure - Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - Generally, is spending without, or in excess of, an approved budget.

Virement - A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act 56 of 2003

Section 52: Quarterly budget statements

52. The mayor of a municipality—

- (a) must provide general political guidance over the fiscal and financial affairs of the municipality;*
- (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;*
- (c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;*
- (d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and*
- (e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.*

66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely—

- (a) salaries and wages;*
- (b) contributions for pensions and medical aid;*
- (c) travel, motor car, accommodation, subsistence and other allowances;*
- (d) housing benefits and allowances;*
- (e) overtime payments;*
- (f) loans and advances; and*
- (g) any other type of benefit or allowance related to staff.*

Mayor's Report

The purpose of this report is for the mayor to inform council on the performance of Kannaland Municipality against the approved budget and report on the performance against the service delivery budget implementation plan (SDBIP). Section 2 will deal with the financial performance of the organisation; section 3 deals with MFMA Implementation while section 4 will deal with the non-financial performance of Kannaland Municipality.

Financial problems and risks facing the municipality

The first quarter of the 2018/19 financial year was a quarter in which the persistent pressure on cash flow was partially relieved by the transfer of the first tranche of the equitable share allocation during July and the payment received for annual levied property rates during September 2018. An overdraft facility of R4 million was approved during August 2018, reviewed during September and approved until 31 March 2019. Liquidity risk remains a constant threat in Kannaland Municipality and the situation demands careful cash flow planning, monitoring and control on a continuous basis. Operational risks that are of serious concern are legal, fraud and people risk.

mSCOA implementation remains one of the biggest threats to the implementation and monitoring of the budget. It is not within the financial means of Kannaland Municipality to address all mSCOA problems timeously. This had an adverse effect on meeting legislative timelines given that not all reports can be generated from the accounting system and thus required significant manual intervention in the preparation thereof. This is also having a negative impact on the implementation of the financial recovery plan as reconciliations cannot be done and the implementation of internal controls is being delayed as a consequence.

Other information considered relevant by the mayor

It should be noted that this report was compiled from all the functioning sub-systems and has not been entirely system-generated and because of the extensive manual intervention required; this might have a negative influence on the accuracy to a certain extent, but the impact is not expected to deviate materially from the reported figures.

2. Budget Summary

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2017/18	Budget Year 2018/19							
	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	-	20 113	-	1 071	7 497	5 028	2 469	49%	20
Service charges	-	74 994	-	6 651	19 799	18 747	1 052	6%	75
Investment revenue	-	500	-	-	15	125	-110	-88%	1
Transfers and subsidies	-	33 146	-	2 718	7 288	8 286	-998	-12%	33
Other own revenue	-	17 713	-	760	2 474	4 426	-1 952	-44%	18
Total Revenue (excluding capital transfers and contributions)	-	146 466	-	11 200	37 073	36 612	461	1%	146
Employee costs	-	55 215	-	4 157	11 920	13 803	-1 883	-14%	55
Remuneration of Councillors	-	3 053	-	247	741	763	-22	-3%	3
Depreciation & asset impairment	-	10 661	-	936	2 809	2 665	144	5%	11
Finance charges	-	422	-	-	-	105	-105	-100%	0
Materials and bulk purchases	-	35 312	-	3 924	11 576	8 827	2 749	31%	35
Transfers and subsidies	-	3 126	-	-	-	781	-781	-100%	3
Other expenditure	-	36 188	-	2 859	7 132	9 046	-1 914	-21%	36
Total Expenditure	-	143 977	-	12 123	34 177	35 990	-1 813	-5%	144
Surplus/(Deficit)	-	2 489	-	-923	2 896	622	2 274	366%	2
Transfers and subsidies - capital (monetary allocation)	-	44 648	-	493	1 047	11 162	-10 115	-91%	45
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	47 137	-	-430	3 944	11 784	-7 840	-67%	47
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	47 137	-	-430	3 944	11 784	-7 840	-67%	47
Capital expenditure & funds sources									
Capital expenditure	-	44 978	-	493	1 047	11 245	-10 197	-91%	-
Financial position									
Total current assets	-	64 474	-	20 595	20 595				64
Total non current assets	-	347 816	-	344 434	344 434				348
Total current liabilities	-	44 028	-	41 123	41 123				44
Total non current liabilities	-	37 851	-	37 909	37 909				38
Community wealth/Equity	-	330 411	-	285 997	285 997				330
Cash flows									
Net cash from (used) operating	-	47 190	-	-1 444	7 494	11 797	4 303	36%	47
Net cash from (used) investing	-	-44 648	-	-493	-1 805	-11 162	-9 357	84%	(45)
Net cash from (used) financing	-	-720	-	-60	3 820	-180	-4 000	2222%	(1)
Cash/cash equivalents at the month/year end	-	2 381	-	-	10 999	1 015	-9 984	-983%	3
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 Income Source	8 164	1 531	1 453	1 331	1 371	1 299	8 667	43 583	67 397
Creditors Age Analysis									
Total Creditors	4 754	2 803	2 071	2 930	20	-	-	14 702	27 279

2.1 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates			20 113		1 071	7 497	5 028	2	49%	20 113
Service charges - electricity revenue			46 578		4 635	13 708	11 644	2	18%	46 578
Service charges - water revenue			13 824		1 018	2 949	3 456	(1)	-15%	13 824
Service charges - sanitation revenue			8 401		499	1 583	2 100	(1)	-25%	8 401
Service charges - refuse revenue			6 190		498	1 558	1 547	0	1%	6 190
Service charges - other			-		-	-	-	-		-
Rental of facilities and equipment			909		51	100	227	(0)	-56%	909
Interest earned - external investments			500		-	15	125	(0)	-88%	500
Interest earned - outstanding debtors			5 327		393	1 326	1 331	(0)	0%	5 327
Dividends received			3		-	-	-	-		3
Fines, penalties and forfeits			8 486		69	573	2 121	(2)	-73%	8 486
Licences and permits			152		12	12	38	(0)	-68%	152
Agency services			960		-	155	240	(0)	-35%	960
Transfers and subsidies			33 146		2 718	7 288	8 286	(1)	-12%	33 146
Other revenue			1 876		236	308	469	(0)	-34%	1 876
Gains on disposal of PPE			-		-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		-	146 466	-	11 200	37 073	36 612	0	1%	146 466
Expenditure By Type										
Employee related costs			55 215		4 157	11 920	13 803	(2)	-14%	55 215
Remuneration of councillors			3 053		247	741	763	(0)	-3%	3 053
Debt impairment			16 018		1 335	4 004	4 004	0	0%	16 018
Depreciation & asset impairment			10 661		936	2 809	2 665	0	5%	10 661
Finance charges			422		-	-	105	(0)	-100%	422
Bulk purchases			32 259		3 924	11 576	8 064	4	44%	32 259
Other materials			3 054		-	-	763	(1)	-100%	3 054
Contracted services			8 280		639	1 699	2 070	(0)	-18%	8 280
Transfers and subsidies			3 126		-	-	781	(1)	-100%	3 126
Other expenditure			11 891		885	1 428	2 972	(2)	-52%	11 891
Loss on disposal of PPE			-		-	-	-	-		-
Total Expenditure		-	143 977	-	12 123	34 177	35 990	(2)	-5%	143 977
Surplus/(Deficit)		-	2 489	-	-923	2 896	622	2	0	2 489
Transfers and subsidies - capital (monetary allocations)										
(National / Provincial and District)			44 648		493	1 047	11 162	(10)	(0)	44 648
Transfers and subsidies - capital (in-kind - all)			-		-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		-	47 137	-	-430	3 944	11 784			47 137
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		-	47 137	-	-430	3 944	11 784			47 137
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		-	47 137	-	-430	3 944	11 784			47 137
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		-	47 137	-	-430	3 944	11 784			47 137

Kannaland Municipality showed an operating surplus of R2.9 million for the first quarter and if capital contributions are to be taken into account the surplus was increased to R3.9 million. It should however be noted that annual billed rates were due in September and did inflate the surplus. Significant deviations can be attributed to the straight-lining of the budget that complicates budget comparison and need to be urgently addressed within an adjustments-budget in order to make the year to date budget comparison a useful tool to ensure budgetary control.

2.1.1 Operating Revenue

The statement of financial performance indicates several significant variances due to the straight-line approach that has been followed within the budget.

Property rates exceeded the quarterly budget by 49% and this, as well as the 18% deviation in electricity service charges were caused by the straight-line budget approach. Property rates include the annual billing of the public sector and rural property rates. The electricity income exceeded the budget due to the application of time of use billing and is currently falling under the winter (high) season billing period, where a higher tariff was aimed to reduce the higher demand for electricity during the winter months. Revenue expressed as a percentage of the main appropriation for the first quarter is in line compared with the first quarter of 2017/18 (See Appendix D).

Service charges revenue indicated during the first quarter a significant shortfall under sanitation (15 %) and refuse (25%) revenue. The shortfall was caused by a reporting error, as the service charges were reported as a net amount and did not separately disclose the cost of free basic services and will need further investigation and need to be adjusted if necessary. The balance of the revenue deviations are significant in percentage, but not in value and are due to the timing of cash flows that were not considered within the monthly budget break-down.

2.1.2 Operating Expenditure

The full year expenditure incurred is 5% (R1.8 million) less than the budgeted forecast and was only incurred in line with revenue realising.

Employee cost has been influenced by the straight-line approach as well and considerations that were ignored included the bonus component, the provision for planned new appointments and the annual salary increase that was belatedly finalised. The before mentioned factors caused a deviation of 15% less than the budgeted amount. There was a material deviation in bulk purchases from the budgeted amount and this was brought about by the time of use and winter pricing structure but is proportionate to the revenue deviation. The balance of the expenditure deviations is significant in percentage but not in value and is caused by the timing of cash flows that were not considered within the monthly budget break-down. Expenditure expressed as a percentage of the main appropriation for the first quarter is exceeding the first quarter of 2017/18 by 5% (See Appendix D).

It is important to note that expenditure is only incurred in line with revenue realising and therefore it is of the utmost importance to bring the mSCOA implementation challenges under control and recognise expenditure on the accounting system when incurred.

2.2 Statement of Financial Position

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			560		-	560
Call investment deposits			950		8 003	950
Consumer debtors			62 964		12 478	62 964
Other debtors						
Inventory					114	
Total current assets		-	64 474	-	20 595	64 474
Non current assets						
Long-term receivables						
Investments						
Investment property					1 665	
Property, plant and equipment			347 816		342 679	347 816
Intangible assets					90	
Other non-current assets						
Total non current assets		-	347 816	-	344 434	347 816
TOTAL ASSETS		-	412 290	-	365 029	412 290
LIABILITIES						
Current liabilities						
Bank overdraft					1 003	
Borrowing			512		541	512
Consumer deposits						
Trade and other payables			43 516		39 579	43 516
Provisions						
Total current liabilities		-	44 028	-	41 123	44 028
Non current liabilities						
Borrowing			1 803		1 861	1 803
Provisions			36 048		36 048	36 048
Total non current liabilities		-	37 851	-	37 909	37 851
TOTAL LIABILITIES		-	81 879	-	79 032	81 879
NET ASSETS	2	-	330 411	-	285 997	330 411
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			330 411		285 997	330 411
TOTAL COMMUNITY WEALTH/EQUITY	2	-	330 411	-	285 997	330 411

The statement of financial position deviates significantly from the budgeted amount due to the provision for bad that has been accounted for within the actual versus the budgeted amount. In layman's terms the current ratio or the liquidity situation can be explained to the point that there are fifty cents worth of current assets for every one rand of current obligations that can also be expressed as 0.5:1, with the industry norm being 2:1 and with at least 1:1 needed to be regarded as sustainable. The liquidity situation in Kannaland should be of serious concern to all stakeholders.

2.3 Cash Receipts and Payments

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		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										
Property rates			16 058		1 195	5 360	4 015	1 346	34%	16 058
Service charges			61 803		5 827	17 192	15 451	1 741	11%	61 803
Other revenue			11 931		1 507	5 223	2 983	2 240	75%	11 931
Government - operating			33 146		-	13 358	8 286	5 072	61%	33 146
Government - capital			44 648		-	5 943	11 162	-5 219	-47%	44 648
Interest			3 434		-	15	858	-843	-98%	3 434
Dividends			3			-	1	-1	-100%	3
Payments										
Suppliers and employees			-122 861		-9 973	-39 597	-30 715	8 881	-29%	-122 861
Finance charges			-422			-	-105	-105	100%	-422
Transfers and Grants			-551			-	-138	-138	100%	-551
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	47 190	-	-1 444	7 494	11 797	4 303	36%	47 190
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Payments										
Capital assets			-200	-44 648	-493	-1 805	-11 162	-9 357	84%	-44 648
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-44 648	-	-493	-1 805	-11 162	-9 357	84%	-44 648
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans					-	4 000		4 000	#DIV/0!	-
Increase (decrease) in consumer deposits								-		-
Payments										
Repayment of borrowing			-720		-60	-180	-180	-		-720
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-720	-	-60	3 820	-180	-4 000	2222%	-720
NET INCREASE/ (DECREASE) IN CASH HELD		-	1 821	-	-1 997	9 509	455			1 821
Cash/cash equivalents at beginning:		-	560			1 490	560			1 490
Cash/cash equivalents at month/year end:		-	2 381	-		10 999	1 015			3 311

Despite on-going efforts to manage cash flow with the necessary due care, the municipality's financial situation remains precarious. This is mainly due to the burden of historical obligations, a lower collection rate, the impact of the drought, an impoverished community and other well-documented socio-economic problems within the Kannaland municipal jurisdiction.

The cash flow from operating activities is 36% less than the year to date budgeted amount and due to the straight-line approach not much could be read into this budget comparison. Grant payment schedules as well as the cyclical flow of revenue from service charges are some of the aspects that will cause periodical spikes that can be predicted but were not accounted for within the monthly budget split.

Cash flow from property rates is 34% more than the year-to-date budgeted amount. This is due to the annual billing component that was due in September 2018. The service charge component deviates by 11% and will mostly be influenced by electricity being billed at a higher winter tariff and therefore, bring about a higher inflow of cash as where the budget ignored the cyclical nature of service charge cash flows. The straight line budget approach complicates the year-to-date budget comparison but compared to previous financial years the pattern of cash flow does not differ significantly. It should however be noted that cash flow from the selling of water is significantly lower than in the past due to the high amount of unbilled water due to the persisting broken water meter problem and a decrease in demand due to the drought situation.

There is a significant deviation from the cash flow from investing activities that has been caused once again by the straight-line approach. Capital expenditure is 84% less than the budgeted amount, this is due to this being only the first quarter of the new financial year and it will take more time for capital projects to progress more swiftly due to planning, procurement and implementation requirements..

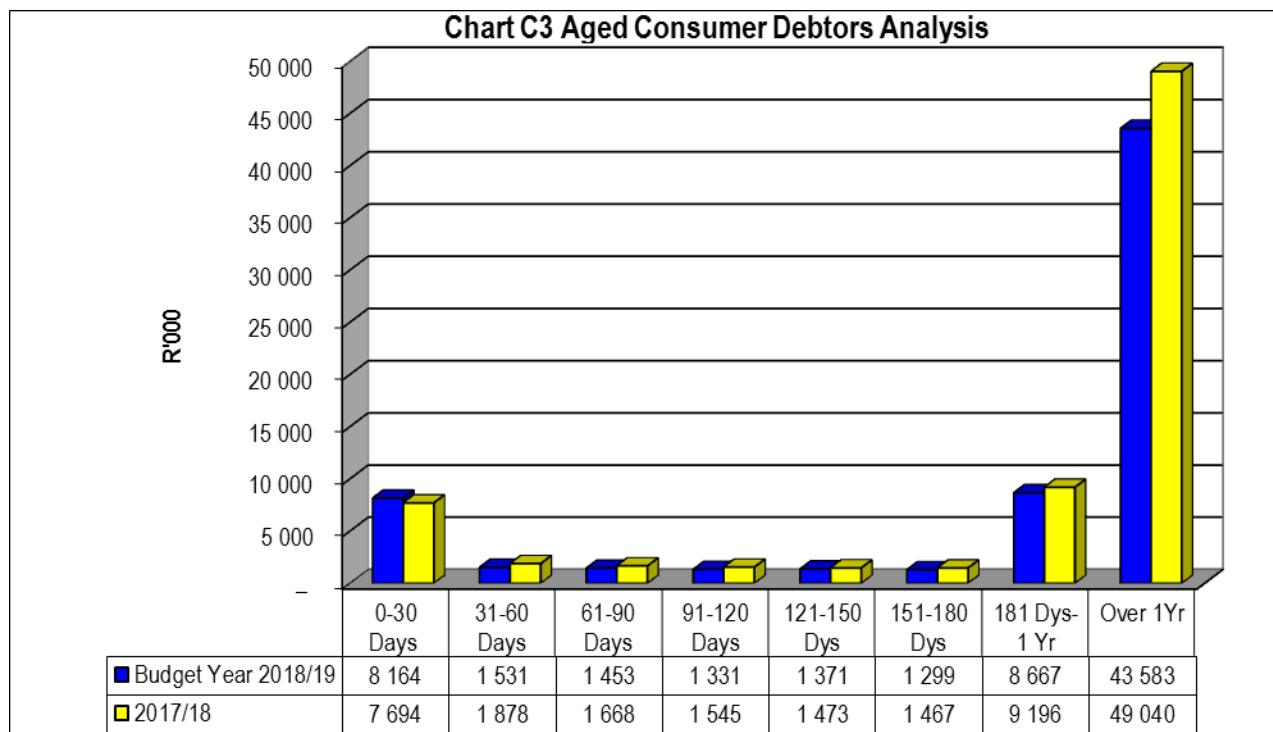
2.4 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter											
Description	NT Code	Budget Year 2018/19									
		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	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	1 677	389	373	383	431	377	2 979	7 629	14 238	11 799
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 081	78	51	47	53	46	209	1 164	4 729	1 519
Receivables from Non-ex change Transactions - Property Rates	1400	2 747	357	347	277	269	255	1 442	11 470	17 164	13 713
Receivables from Ex change Transactions - Waste Water Management	1500	468	225	209	207	206	203	1 263	5 660	8 441	7 539
Receivables from Ex change Transactions - Waste Management	1600	913	346	295	289	283	276	1 691	5 962	10 056	8 501
Receivables from Ex change Transactions - Property Rental Debtors	1700	–	–	1	1	1	1	3	27	32	32
Interest on Arrear Debtor Accounts	1810	29	12	62	32	45	63	613	10 578	11 434	11 330
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	(753)	124	115	95	83	78	468	1 093	1 303	1 818
Total By Income Source	2000	8 164	1 531	1 453	1 331	1 371	1 299	8 667	43 583	67 397	56 250
2017/18 - totals only		7693953	1878021	1667511	1545053	1472680	1466783	9196178	49040149	73 960	62 721
Debtors Age Analysis By Customer Group											
Organs of State	2200	760	44	38	34	21	19	70	472	1 457	616
Commercial	2300	3 025	89	61	67	60	54	318	1 284	4 956	1 782
Households	2400	3 594	1 214	1 097	1 079	1 126	1 079	7 405	35 587	52 181	46 275
Other	2500	785	184	257	151	164	147	874	6 240	8 803	7 577
Total By Customer Group	2600	8 164	1 531	1 453	1 331	1 371	1 299	8 667	43 583	67 397	56 250

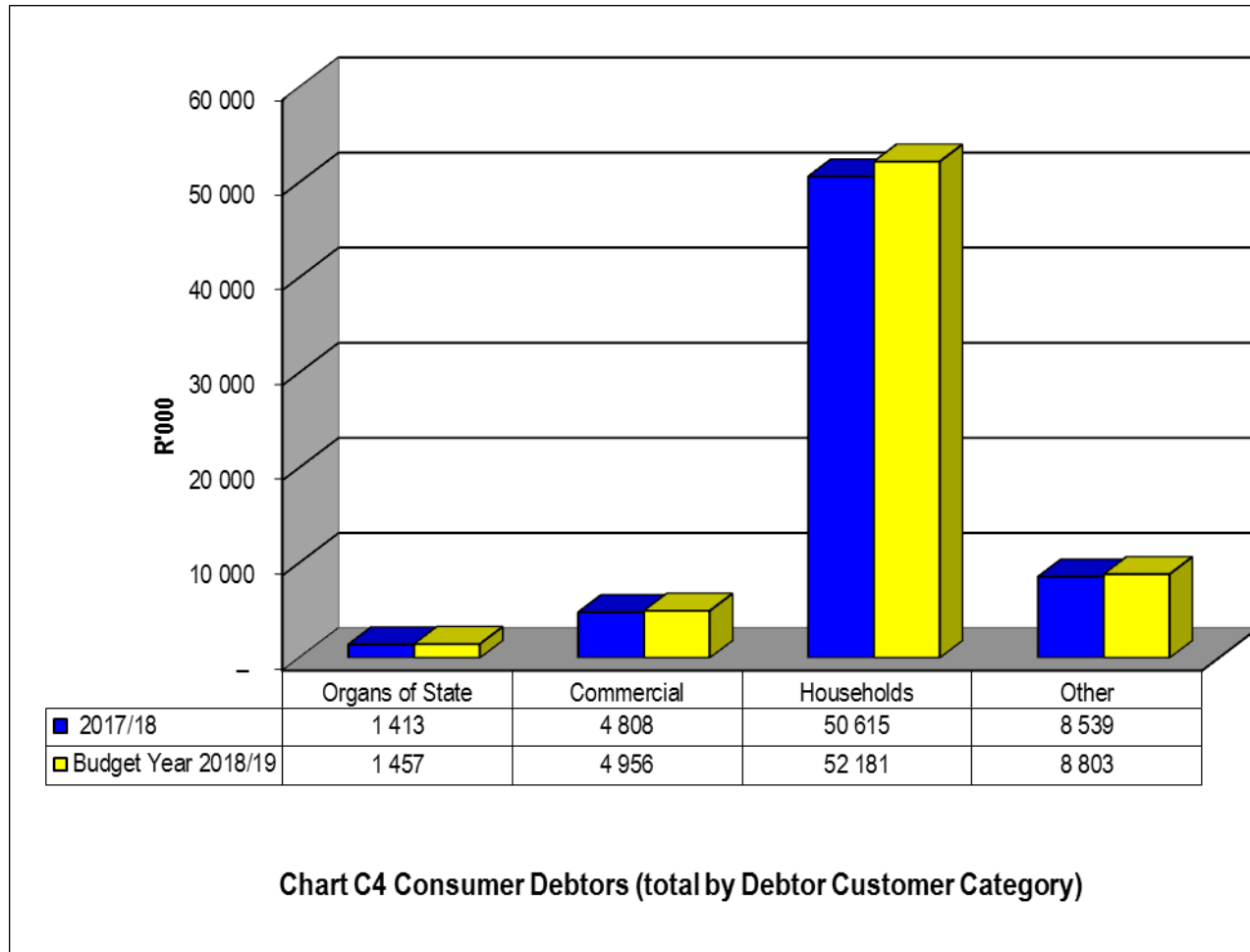
- The total amount of money owed to Kannaland Municipality amounted to R67.4 million during September 2018.
- R43 583 million or 64.6% of the total outstanding debtors are older than one year.
- R56 250 million or 83.5% of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.
- There has been a R2.6 million increase in debtors from the August 2018 to September 2018. This increase can be contributed to increasingly difficult economic circumstances. Historically the first quarter of the financial year tends to be a period that does bring about some credit control challenges.

The biggest concern regarding the collection of debt in Kannaland is the ability to collect water, refuse and sewerage in areas which are not being supplied by municipal electricity. The collection rate of the first quarter was 82% on average.

2.4.1 Chart of debtors age analysis – Current actuals vs prior year audited outcome



2.4.2 Chart of debtors age analysis per consumer category



The problematic category is households that represent 77.4% (R52.2 million) of the total amount of outstanding debt with a 3% year-on-year increase.

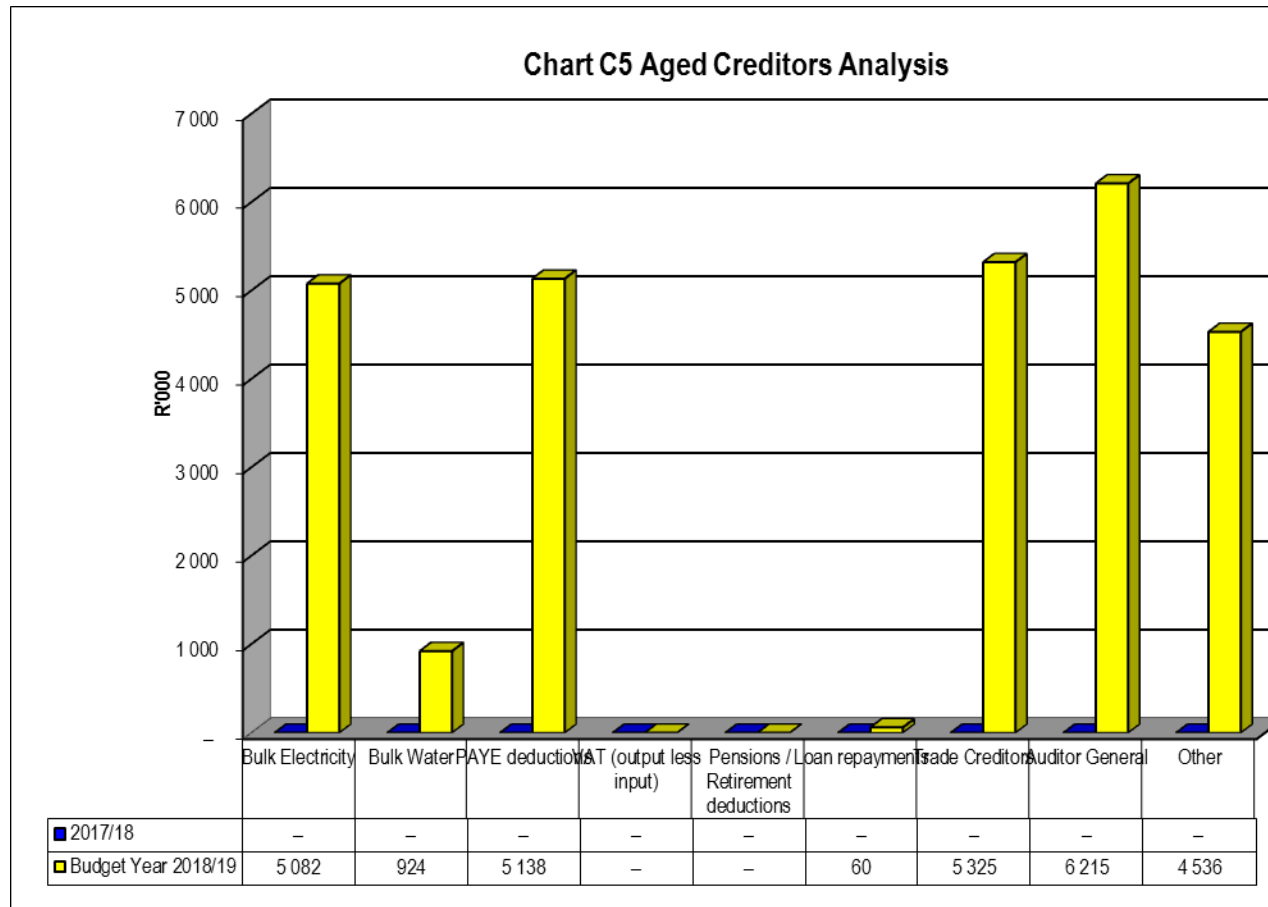
2.5 Creditors Age Analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter										
Description	NT Code	Budget Year 2018/19								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	2 784	2 189	25	84	-	-	-	-	5 082
Bulk Water	0200	27	21	16	19	20	-	-	821	924
PAYE deductions	0300	814	-	-	-	-	-	-	4 323	5 138
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	60	-	-	-	-	-	-	-	60
Trade Creditors	0700	505	284	1 085	1 479	-	-	-	1 972	5 325
Auditor General	0800	115	68	58	66	-	-	-	5 909	6 215
Other	0900	449	242	887	1 282	-	-	-	1 676	4 536
Total By Customer Type	1000	4 754	2 803	2 071	2 930	20	-	-	14 702	27 279

- The total outstanding creditors as at 30 September amount to R27.3 million, down from R32.2 million during August 2018.
- R14.7 million or 54% of the outstanding creditors are outstanding for more than a year.
- The biggest outstanding creditors are the Auditor-General of South Africa (R6.2 million) and SARS (R5.1 million). Combined, the before mentioned, represents 42% of all outstanding creditors.
- The Eskom bulk account is in arrears to the amount of R2.3 million.
- SARS (PAYE) arrears were reduced from R13.3 million in August 2017 to R5.2 million as at 30 September 2018. Kannaland Municipality entered into a 24-month payment arrangement with SARS during March 2018.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply to supply chain management regulations. Creditors are owed money for extended periods of time and this is causing a reluctance to quote and take part in competitive bidding processes. Pressure on cash flow is increasing with long outstanding creditors demanding settlement.

2.5.1 Chart of creditors expressed proportionately to the total amount owed



2.6 Conditional Grants Transferred and Expenditure

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter

Description		Ref	2017/18	Budget Year 2018/19							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
<u>EXPENDITURE</u>											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			–	31 735	–	499	10 943	13	10 930	82659.4%	–
Local Government Equitable Share				25 957		–	10 188	10 815	10 177	94098.9%	
Finance Management				2 215		302	374	923	373	40401.5%	
Integrated National Electrification Programme				2 000		–	–	833	(1)	-100.0%	
EPWP Incentive				1 055		135	216	440	215	49014.7%	
Other transfers and grants [insert description]				508		62	165	212	165	78095.1%	
Provincial Government:			–	3 411	–	–	–	1	(1)	-100.0%	–
Housing				380		–	–	158	(0)	-100.0%	
Capacity Building				360		–	–	150	(0)	-100.0%	
Thusong Centre				110		–	–	46	(0)	-100.0%	
Fin assistance for road maint				50		–	–	21	(0)	-100.0%	
Finance Management				330		–	–	138	(0)	-100.0%	
Library Replacement Funding				2 070		–	–	863	(1)	-100.0%	
Community Development Workers				111		–	–	46	(0)	-100.0%	
District Municipality:			–	–	–	–	–	–	–		–
[insert description]									–		
Other grant providers:			–	–	–	–	–	–	–		–
[insert description]									–		
Total operating expenditure of Transfers and Grants:			–	35 146	–	499	10 943	15	10 928	74627.4%	–
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			–	44 648	–	493	1 047	19	1 029	5529.9%	–
Municipal Infrastructure Grant (MIG)				9 648		493	1 047	4 020	1 043	25953.1%	
Regional Bulk Infrastructure				25 000		–	–	10 417	(10)	-100.0%	
Water Services Infrastructure				8 000		–	–	3 333	(3)	-100.0%	
INEG				2 000		–	–	833	(1)	-100.0%	
Total capital expenditure of Transfers and Grants			–	44 648	–	493	1 047	19	1 029	5529.9%	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			–	79 794	–	992	11 990	33	11 957	35964.4%	–

2.7 Conditional Grants Transfers and Receipts

WC041 Kannaland - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	Ref	2017/18 Audited Outcome	Budget Year 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:		–	31 735	–	–	13 176	7 934	4 080	51.4%	–
Local Government Equitable Share			25 957		–	10 188	6 489	3 699	57.0%	
Finance Management			2 215		–	2 215	554			
Integrated National Electrification Programme			2 000		–	–	500			
EPWP Incentive			1 055		–	265	264			
Other transfers and grants [insert description]			508		–	508	127	381	300.0%	
Provincial Government:		–	3 411	–	–	440	853	(253)	-29.6%	–
Housing			380		–	–	95	(95)	-100.0%	
Finance Management			330		–	–	83			
Capacity Building			360		–	–	90	(90)	-100.0%	
Library			2 070		–	440	518			
Community Development Workers			111		–	–	28	(28)	-100.0%	
Thusong Centre			110		–	–	28	(28)	-100.0%	
Fin assistance for road maint			50		–	–	13	(13)	-100.0%	
Other transfers and grants [insert description]							–	–		
Total Operating Transfers and Grants	5	–	35 146	–	–	13 616	8 786	3 827	43.6%	–
Capital Transfers and Grants										
National Government:		–	44 648	–	–	5 435	11 162	523	4.7%	–
Municipal Infrastructure Grant (MIG)			9 648		–	2 435	2 412	23	1.0%	
Public Transport and Systems			–		–	–	–			
Rural Transport Services and Infrastructure			–		–	–	–			
Regional Bulk Infrastructure			25 000		–	–	6 250			
Rural Households Infrastructure			–		–	–	–			
Neighbourhood Development Partnership			–		–	–	–			
Water Services Infrastructure			8 000		–	3 000	2 000	1 000	50.0%	
INEG			2 000		–	–	500	(500)	-100.0%	
Other capital transfers [insert description]							–	–		
Provincial Government:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	–	44 648	–	–	5 435	11 162	523	4.7%	–
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	79 794	–	–	19 051	19 949	4 350	21.8%	–

Supporting Table SC7(1) sets out the expenditure against all grants to date while as Table SC6 sets out all grants received for this financial year.

The following grants have been received from National Departments:

- Equitable Share the amount of R10 188 000.
This is for the provision of free basic services and the administration thereof to subsidise the cost of providing basic services to the poor.
- Financial Management Grant to the amount of R2 215 000 has been received to assist in the financial management of Kannaland Municipality and to subsidise the appointment of 5 financial interns.
- Municipal Infrastructure Grant (MIG) to the amount of R2 943 000.00.
The purpose of these funds is to address service delivery backlogs from the past and this forms part of the allocation that is directed at projects as identified within the IDP.
- Water Infrastructure Grant to the amount of R3 000 000.
This allocation is to improve service delivery relating to the supply of piped water and this allocation will be used for the construction of the Bloekomlaan Reservoir in Calitzdorp.
- Grants received van Provincial Departments only included R440 000 from the department of sport and culture that is replacement funding for all library related operational expenditure.

The only expenditure incurred was against the Financial Management Grant, EPWP and MIG allocation. The total grant expenditure excluding the equitable share allocation amounted to R1 802 000. The reason for the low expenditure rate is that most allocations still have to be transferred and the capital projects are still in the procurement process or in the beginning of the implementation phase. The total obligation of unspent grants against the available cash amounts to R12.3 million and only the provincial allocation for drought relief was approved as a roll-over to date.

2.8 Capital Revenue & Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 4 - TECHNICAL SERVICES		-	27 000	-	-	-	6 750	-6 750	-100%	-
Total Capital Multi-year expenditure	4,7	-	27 000	-	-	-	6 750	-6 750	-100%	-
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		-	3 506	-	-	-	877	-877	-100%	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		-	14 472	-	493	1 047	3 618	-2 571	-71%	-
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	-	17 978	-	493	1 047	4 495	-3 447	-77%	-
Total Capital Expenditure		-	44 978	-	493	1 047	11 245	-10 197	-91%	-
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		-	3 506	-	-	-	794	-794	-100%	-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	3 176	-	-	-	794	-794	-100%	-
Public safety		-	330	-	-	-	-	-		-
<i>Trading services</i>		-	31 472	-	493	1 047	7 868	-6 821	-87%	-
Energy sources		-	2 303	-	-	-	576	-576	-100%	-
Water management		-	29 169	-	493	1 047	7 292	-6 245	-86%	-
Total Capital Expenditure - Functional Classification	3	-	34 978	-	493	1 047	8 662	-7 615	-88%	-
Funded by:										
National Government		-	44 978	-	493	1 047	11 245	-10 198	-91%	-
Transfers recognised - capital		-	44 978	-	493	1 047	11 245	-10 198	-91%	-
Total Capital Funding		-	44 978	-	493	1 047	11 245	-10 198	-91%	-

- The actual year to date capital expenditure amounts to R1 047 000.
- The actual monthly expenditure for September 2018 was R492 726.
- The year-to-date (YTD) budget is not realistic as it is the start of a new financial year and before capital projects can commence, the necessary procurement processes will have to be followed. The straight line budgeting problem, that relates to the timing of capital expenditure, is not practical or realisable and not of much use for monitoring purposes and therefore will have to be revised within an adjustment budget. Most projects are still in the start-up phase and expenditure should increase significantly within the next quarter.

2.9 Expenditure on Salaries

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration		Ref	2017/18	Budget Year 2018/19							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
		1	A	B	C						D
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages			-	2 381		183	550	595	(45)	-8%	-
Pension and UIF Contributions			-	48		3	9	12	(3)	-26%	-
Medical Aid Contributions			-	30		10	30	8	22	295%	-
Motor Vehicle Allowance			-	264		22	65	66	(1)	-1%	-
Cellphone Allowance			-	329		29	86	82	4	5%	-
Other benefits and allowances			-	-				-	-		-
Sub Total - Councillors		4	-	3 053	-	247	741	763	(23)	-3%	-
% increase				#DIV/0!							
Senior Managers of the Municipality											
Basic Salaries and Wages			-	3 181		146	439	795	(356)	-45%	-
Pension and UIF Contributions			-	209		-		52	(52)	-100%	-
Performance Bonus			-	410		-		103	(103)	-100%	-
Motor Vehicle Allowance			-	317		17	51	79	(28)	-36%	-
Cellphone Allowance			-	89		5	15	22	(7)	-32%	-
Post-retirement benefit obligations		2	-	-				-	-		-
Sub Total - Senior Managers of Municipality		4	-	4 206	-	168	505	1 051	(546)	-52%	-
% increase				#DIV/0!							
Other Municipal Staff											
Basic Salaries and Wages			-	33 590		3 054	8 612	8 397	214	3%	-
Pension and UIF Contributions			-	5 988		376	1 129	1 497	(368)	-25%	-
Medical Aid Contributions			-	3 653		112	336	913	(577)	-63%	-
Overtime			-	2 163		112	337	541	(204)	-38%	-
Performance Bonus			-	2 624		59	176	656	(481)	-73%	-
Motor Vehicle Allowance			-	1 711		189	568	428	140	33%	-
Cellphone Allowance			-	26		9	28	6	22	338%	-
Housing Allowances			-	364		18	55	91	(36)	-39%	-
Other benefits and allowances			-	363		-	-	91	(91)	-100%	-
Payments in lieu of leave			-	433		-	-	108	(108)	-100%	-
Long service awards			-	-		-	-	-	-		-
Post-retirement benefit obligations		2	-	96		58	174	24	150	627%	-
Sub Total - Other Municipal Staff		4	-	51 010	-	3 988	11 415	12 752	(1 338)	-10%	-
% increase				#DIV/0!							
Total Parent Municipality											
			-	58 268	-	4 403	12 660	14 567	(1 907)	-13%	-
TOTAL SALARY, ALLOWANCES & BENEFITS											
			-	58 268	-	4 403	12 660	14 567	(1 907)	-13%	-
% increase		4		#DIV/0!							
TOTAL MANAGERS AND STAFF											
			-	55 215	-	4 157	11 920	13 804	(1 884)	-14%	-

The total expenditure on employee and councillor-related cost amounted to R12.7 million. There are several critical vacancies that influence the organisation negatively. The high vacancy rate resulted in significant overtime and standby allowances, which accounts for 5.34% of the total employee-related costs. There has been a decrease on a month to month basis but the rate remains above the industry norm of 5%. Vacancies within the financial department added to the financial risk facing the municipality due to the non-segregation of duties.

2.10 Long term borrowing

Quarter	Loans								
Q1 July-Sept	Yes								
Start Date (ccyy/mm/dd)	Planned	Term	Principal	Loan	% Interest	Interest	Balance	Debt Repaid	Balance
	End Date	Value	Debt raised	Source	Rate (2	Paid	at Begin	or redeemed	at End
	(ccyy/mm/dd)	(no)	at the Inception		dec)	This Quarter	of Quarter	This Quarter	of Quarter
			(Rand)		Per Annum	(Rand)	(Rand)	(Rand)	(Rand)
2008/04/30	2023/04/30	15	R 11 587 527.00	Development Bank of SA (03)	12.52%	R 74 735.39	R 2 387 935.01	R 105 264.91	R 2 282 670.10

- The total outstanding long-term debt of Kannaland Municipality amounted to R2 282 670 at 30 September 2018.
- A monthly instalment of R60,000 at an interest rate of 12.52% per annum is being paid.
- The amount of interest paid for the 1st quarter of 2018/19 amounted to R74 735 with the capital redemption component that amounted to R105 265.
- This long term loan was acquired from the DBSA to consolidate debt accrued during the period from 2003 to 2006.

3. MFMA Implementation Report

2 ALLOCATING APPROPRIATE RESPONSIBILITIES UNDER THE MFMA TO THE ACCOUNTING OFFICER			
The accounting officer of the municipality (municipal manager) must take on the responsibilities assigned to the position under the MFMA. A full list of these responsibilities is provided in Chapter 8 of the MFMA and throughout the legislation.			
2.1	Has council appointed a person to assume the duties of the municipal manager?	Yes	
2.2	Has a report to the <u>current council</u> been tabled that creates an awareness of the roles and responsibilities of the municipal manager as the accounting officer of the municipality who must exercise the powers and functions of this position in terms of the MFMA, and to provide guidance and advice to council and officials? (s 60).	Yes	
2.3	Are the appropriate systems in place to allow the municipal manager to take responsibility for managing the financial administration of the municipality to ensure compliance with the MFMA. (s 62)	Yes	
2.4	Are the appropriate systems in place to allow the municipal manager to take full responsibility for managing the municipality's assets, liabilities, revenue and expenditure? (s 63, s 64, s 65)	Yes	
2.5	Does the municipal manager ensure that expenditure on staff benefits is reported to council on a regular basis? (s 66) If so, how often is this expenditure reported ie: monthly, quarterly, six-monthly, annually or other?	Qrt	
2.6	Does the municipal manager assist the mayor in carrying out his or her responsibilities under the MFMA? (s 68)	Yes	
2.7	Is the municipal manager provided with the appropriate autonomy and flexibility to implement the budget? (s 69)	Yes	
3 ESTABLISHING A TOP (SENIOR) MANAGEMENT TEAM			
The municipal manager is required to formally establish and maintain a top management team, to include all those senior managers who are responsible for a vote or the budget of a vote. Detail of top management is provided in section 77 of the MFMA. All councils should comply with the provisions of the Municipal Systems Act (as amended) and its regulations in relation to annual staff performance agreements.			
3.1	Has council appointed a person to assume the duties of the Chief Financial Officer (CFO)? (s 77, 80, 81)	No	18/11/30
3.2	Has council appointed persons to assume the duties of other senior managers ie: to form top (or senior) management, with appropriate responsibilities and delegations? (s 77, 78)	Yes	

2 ALLOCATING APPROPRIATE RESPONSIBILITIES UNDER THE MFMA TO THE ACCOUNTING OFFICER		
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2.1	Has council appointed a person to assume the duties of the municipal manager?	Yes
2.2	Has a report to the <u>current council</u> been tabled that creates an awareness of the roles and responsibilities of the municipal manager as the accounting officer of the municipality who must exercise the powers and functions of this position in terms of the MFMA, and to provide guidance and advice to council and officials? (s 60).	Yes
2.3	Are the appropriate systems in place to allow the municipal manager to take responsibility for managing the financial administration of the municipality to ensure compliance with the MFMA. (s 62)	Yes
2.4	Are the appropriate systems in place to allow the municipal manager to take full responsibility for managing the municipality's assets, liabilities, revenue and expenditure? (s 63, s 64, s 65)	Yes
2.5	Does the municipal manager ensure that expenditure on staff benefits is reported to council on a regular basis? (s 66) If so, how often is this expenditure reported ie: monthly, quarterly, six-monthly, annually or other?	Qrt
2.6	Does the municipal manager assist the mayor in carrying out his or her responsibilities under the MFMA? (s 68)	Yes
2.7	Is the municipal manager provided with the appropriate autonomy and flexibility to implement the budget? (s 69)	Yes
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3.1	Has council appointed a person to assume the duties of the Chief Financial Officer (CFO)? (s 77, 80, 81)	No
3.2	Has council appointed persons to assume the duties of other senior managers ie: to form top (or senior) management, with appropriate responsibilities and delegations? (s 77, 78)	Yes

3.3	Is the CFO able to effectively assist the municipal manager in carrying out his or her duties with respect to financial management generally, in providing financial advice to senior managers and undertaking specific financial management duties? (s 81)	Yes	
3.4	Are other senior managers able to exercise the appropriate financial management responsibilities as required by legislation? (s 78)	Yes	
3.5	Does an appropriate system of delegations exist, that maximises administrative and operational efficiency and provides adequate checks and balances in financial administration within the municipality, within the confines of the MFMA in terms of limits to delegations? (s 79)	Yes	
3.6	Has a report to the <u>current council</u> been tabled that creates an awareness of and endorses the roles and responsibilities of the top (or senior) management team within the municipality? (s 77)	Yes	
3.7	Does council comply with the provisions of the MFMA and the Municipal Systems Act (as amended) and its regulations in relation to the establishment and review of annual staff performance agreements? (MFMA s 53 and Municipal Systems Act s 57)	Yes	
4 IMPLEMENTING APPROPRIATE CONTROLS OVER MUNICIPAL BANK ACCOUNTS AND CASH MANAGEMENT			
Municipalities must establish controls over their bank accounts, cash management and investments. Further details of these requirements are provided in Chapter 3 of the MFMA.			
4.1	Does the municipality maintain at least one bank account, designated the primary bank account which receives all allocations (including those for a municipal entity), income from investments and money collected by an entity on behalf of the municipality? (s 8)	Yes	
4.2	During the quarter under review has there been any changes to the details of the primary bank account of the municipality and were such changes reported to the National Treasury and Auditor-General? (s 8(5))	No changes	
4.3	During the quarter under review did the municipality open any new bank accounts and were these reported to the Provincial Treasury and Auditor-General? (s 9)	No changes	
4.4	Does the municipal manager administer all bank accounts and is the municipal manager accountable to council for this? (s 10)	Yes	
4.5	Is an appropriate system of delegation in place in instances where the municipal manager has delegated the administration of a bank account to another officer (or the CFO)? Note limitation on delegations with respect to enforcement of sections 7, 8 and 11 that may only be delegated to the CFO (s 10).	Yes	

3.3	Is the CFO able to effectively assist the municipal manager in carrying out his or her duties with respect to financial management generally, in providing financial advice to senior managers and undertaking specific financial management duties? (s 81)	Yes	
3.4	Are other senior managers able to exercise the appropriate financial management responsibilities as required by legislation? (s 78)	Yes	
3.5	Does an appropriate system of delegations exist, that maximises administrative and operational efficiency and provides adequate checks and balances in financial administration within the municipality, within the confines of the MFMA in terms of limits to delegations? (s 79)	Yes	
3.6	Has a report to the <u>current council</u> been tabled that creates an awareness of and endorses the roles and responsibilities of the top (or senior) management team within the municipality? (s 77)	Yes	
3.7	Does council comply with the provisions of the MFMA and the Municipal Systems Act (as amended) and its regulations in relation to the establishment and review of annual staff performance agreements? (MFMA s 53 and Municipal Systems Act s 57)	Yes	
4 IMPLEMENTING APPROPRIATE CONTROLS OVER MUNICIPAL BANK ACCOUNTS AND CASH MANAGEMENT			
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4.1	Does the municipality maintain at least one bank account, designated the primary bank account which receives all allocations (including those for a municipal entity), income from investments and money collected by an entity on behalf of the municipality? (s 8)	Yes	
4.2	During the quarter under review has there been any changes to the details of the primary bank account of the municipality and were such changes reported to the National Treasury and Auditor-General? (s 8(5))	No changes	
4.3	During the quarter under review did the municipality open any new bank accounts and were these reported to the Provincial Treasury and Auditor-General? (s 9)	No changes	
4.4	Does the municipal manager administer all bank accounts and is the municipal manager accountable to council for this? (s 10)	Yes	
4.5	Is an appropriate system of delegation in place in instances where the municipal manager has delegated the administration of a bank account to another officer (or the CFO)? Note limitation on delegations with respect to enforcement of sections 7, 8 and 11 that may only be delegated to the CFO (s 10).	Yes	

5 MEETING OF FINANCIAL COMMITMENTS			
Municipal managers must ensure that they take the appropriate steps to implement effective systems of expenditure control, and meet their financial commitments to other parties promptly and in accordance with the Act.			
5.1	Does the municipality operate and maintain an effective system of expenditure control that includes procedures for approval, authorisation, withdrawal and payment of all funds? (s 65(2)(a))	Yes	
5.2	Is the municipal manager able to confirm that all moneys owing by the municipality are paid within 30 days of receiving the relevant invoice or statement? (s 65(2)(e))	No	21/06/30
5.3	Does the municipality promptly meet all financial commitments toward other municipalities, national and provincial organs of state? (s 37(1)(c))	No	21/06/30
5.4	Is the municipality currently party to any formal dispute concerning non-payment of monies owing between the municipality and another organ of state? (s 65(2)(g)). Note: formal disputes between organs of state are discussed in s 44 and Circular 21.	Yes	
6 REPORTING REVENUE AND EXPENDITURE			
Municipal managers must take steps to put systems in place that ensure that they report on the implementation of the current budget by submitting monthly reports to the mayor and quarterly reports to the council on revenue collected and total spending. Further detail on reporting is contained in sections 71 and 72 of the MFMA.			
The municipality must monthly report on the implementation of the current budget to the National Treasury and to the relevant Provincial Treasury.			
6.1	Has the municipal manager submitted monthly budget statements to the mayor, National Treasury and the Provincial Treasury for each of the months of this quarter? (s 71)	Yes	
6.2	Has the municipal manager submitted a quarterly budget statement to council, reflecting expenditure incurred and income collected? (s 71)	Yes	
7 SUPPLY CHAIN MANAGEMENT (SCM)			
All municipalities must adopt and implement a supply chain management (SCM) policy in accordance with the Municipal Supply Chain Management Regulations and consistent with the "model policy" provided in MFMA Circular No 22.			
7.1	Has council adopted a supply chain management policy that complies with the Supply Chain Management Regulations? (SCM Regulations 2 & 3, Circular No 22)	Yes	
7.2	Has council delegated SCM powers and duties to the municipal manager as required in SCM Regulation 4?	Yes	

7.3	Does the municipal manager report at least quarterly to the mayor and at least annually to council on implementation of the supply chain management policy? (SCM Regulation 6)	Yes	
7.4	Has the municipal manager submitted monthly reports on contracts awarded above R100 000 to National Treasury for each of the months of this quarter? (Circular No 34)	Yes	
7.5	If a tender other than one recommended in the normal course of implementing the SCM policy was approved during this quarter, has the municipal manager reported the approval of tenders not recommended and the reasons for deviating from such recommendation to the National Treasury, provincial treasury and Auditor-General? (s 114)	No s 114 instances	
7.6	If there has been any deviation from or breach of the SCM policy during this quarter, has the municipal manager reported the reasons for such deviation from or ratification of minor breaches of procurement processes to council during this quarter? (SCM Regulations 36)	No SCM Regulation 36 instances	
8 IMPLEMENTING REFORMS IN RELATION TO MUNICIPAL ENTITIES AND LONG-TERM CONTRACTS			
Municipalities must ensure compliance with the MFMA and Municipal Systems Act (as amended) where relevant, for any new undertaking relating to a municipal entity, Public-Private Partnership (PPP), long-term contract (LTC) or any borrowings.			
8.1	Has the municipal manager submitted to the National Treasury the Municipal Entity Return Form, for this quarter? (See "Municipal Entity Return Form" under National Treasury Return Forms on website www.treasury.gov.za/mfma).	No	
8.2	Has the municipal manager submitted to the National Treasury the Long Term Contract Return Form, for this quarter? (See "Long Term Contract Return Form" under National Treasury Return Forms on website	Yes	

9 COMPLETING FINANCIAL STATEMENTS AND ADVISING NATIONAL TREASURY			
The municipal manager must ensure that financial statements are promptly prepared and submitted to the Auditor-General for audit by 31 August each year. In the case of a parent municipality, the municipal manager must ensure that consolidated financial statements (including all municipal entities) are promptly prepared and submitted to the Auditor-General by 30 September each year (s 126). Also refer MFMA Circular No. 36.			
9.1	Have the 2017/2018 annual financial statements of the municipality been prepared and submitted to the Auditor-General for audit? >If Yes, provide actual date submitted in the space provided for date.	Yes	17/10/06
9.2	Have the 2017/2018 annual financial statements of the municipality been prepared in compliance with the prescribed accounting framework? > If Yes also indicate in the space provided for date the format (framework) of the annual financial statements.	Yes	GRAP
9.3	In the case of a parent municipality, have the consolidated 2017/2018 annual financial statements of the municipality and all its entities been prepared and submitted to the Auditor-General for audit? >If Yes, provide actual date submitted in the space provided for date.	No entities	
9.4	If the accounting officer did not submit either the 2017/2018 annual financial statements and/or the 2017/2018 consolidated annual financial statements (including all municipal entities) to the Auditor-General for audit on time, (a) did the mayor table a written explanation in council setting out the reasons for the failure and (b) did the municipal council investigate the matter and take the appropriate steps as required by section 133(1)(c)	3. Yes to both (a) & (b)	
10 COMPLETING AND TABLING ANNUAL REPORT			
The municipal manager must ensure that the annual report of the municipality and the annual reports of all of its municipal entity(s) have been tabled in council by 31 January each year. Refer NT Circulars No 11 and 18.			
10.1	Are the appropriate management systems in place to ensure that the annual report of the municipality and the annual reports of all its municipal entity(s) will be tabled in council by 31 January each year? (s 121 & 127)	No	19/03/31
10.2	Have the 2017/2018 annual report of the municipality and the 2017/2018 annual reports of all of its entities been tabled in council by 31 January?	Yes	

11 COMPLYING WITH PROVISIONS FOR TENDER COMMITTEES, BOARDS OF MUNICIPAL ENTITIES AND IN RELATION TO FORBIDDEN ACTIVITIES		
Municipalities must ensure that there is no councillor that serves on a bid or tender committee or on any board of an entity. Municipalities must also ensure that the composition of all boards of entities comply with the Municipal Systems Act (as amended). Boards of an entity should consist of at least one-third non-executive directors and a non-executive chairperson.		
Municipalities must also ensure that councillors do not engage in any forbidden activities prohibited under section 164 of the MFMA. Refer MFMA Circular No 8 - Forbidden loans - Oct 2004.		
11.1	Does council comply with s 117 which precludes councillors from serving on a bid or tender committee? (s 117)	Yes
11.2	Does council comply with s 118 which precludes undue interference from any person in relation to the municipal tender process? (s 118)	Yes
11.3	Does council comply with s 93F of the amended Municipal Systems Act which precludes any councillor of any municipality or official of the municipality, or member of the National Assembly or a provincial legislature or permanent delegate to the NCOP from serving on boards of a municipal entity? (Municipal Systems Act, as amended s 93F)	NA
11.4	Does council comply with s 103 which precludes improper interference by any councillor in relation to the financial affairs or responsibilities of the board of directors of a municipal entity? (s 103)	NA
11.5	Does council comply with s 164 which precludes loans to councillors or officials of the municipality, directors or officials of a municipal entity or members of the public? (s 164)	Yes
12 COMPLYING WITH PROVISIONS FOR INTERNAL AUDIT AND AUDIT COMMITTEES		
The municipality and each of its municipal entity(s) must have an internal audit unit and an audit committee. (Refer s165 and 166).		
12.1	Does the municipality have an internal audit (IA) unit (s 165) and indicate whether the function is in-house or outsourced or shared?	7. No, no IA
12.2	Does each of the municipality's entity(s) have an internal audit unit? (s 165)	Municipality has no entities
12.3	Does the municipality have an audit committee (AC)? (s 166) > If Yes, indicate in the space provided for date whether the function is shared	Yes
12.4	Does each of the municipality's entity(s) have an audit committee (AC)? (s 166)	Municipality has no entities

13 COMPLYING WITH PROVISIONS FOR BUDGETS			
The municipality may only incur expenditure in terms of an approved budget and within the limits of the amounts appropriated for the different votes in its approved budget. (s15). When a municipality revises an approved annual budget it may do so only through an adjustments budget and within the framework as set-out in s 28.			
13.1	Did the municipality revise its approved annual budget? > If Yes, indicate the number of adjustments budget(s) tabled in council <u>to date</u> in the space provided for date.	No	
13.2	If the municipality revised its approved annual budget, were the Service Delivery and Budget Implementation Plan (SDBIP) and performance agreements of the municipal manager and all senior managers (section 57 (Systems Act)) accordingly amended?	No adjustments	
14 INFORMATION TO BE PLACED ON WEBSITE OF MUNICIPALITY			
The municipal manager must ensure that the documents set out in s75 are placed on the website (refer s 21A of the Systems Act) of the municipality.			
14.1	Does the municipality have a website?	1. Yes	
14.1.1	If Yes in 14.1 or share district website or other website arrangement, provide the website address in the space provided.	www.kannaland.gov.za	
14.2	Is all the information as set-out in s75 displayed on the municipality's / shared district website?	No	18/10/30
<p>Other Comments:</p> <p>Due to the instability in leadership MFMA implementation has been hampered. Kannaland Municipality is under a financial recovery plan and this will form part of the activities of the FRP implementation manager. Problematic mSCOA implementation and the decision of the MEC to request Council to terminate the contracts of the CFO due to procedural discrepancies had an adverse effect on the timelines set for MFMA implementation and will cause further delays.</p> <p>Misallocations due to mSCOA caused flawed flow of information do have a negative influence on budget monitoring due to questionable information.</p> <p>MFMA S62 - Internal Audit still have to be established</p>			

4. Service Delivery Budget Implementation Plan

Kannaland Municipality

SDBIP 2018/2019: Departmental SDBIP Report

Directorate	Municipal KPA	KPI	Baseline	Annual Target	Jul-18				Aug-18				Sep-18				Overall Performance for Jul 2018 to Sep 2018					
					Target	Actual	I	R	Performance Comment	Target	Actual	I	R	Performance Comment	Target	Actual	I	R	Performance Comment	Target	Actual	R
Office of the Municipal Manager	Financial Sustainability	Submit a quarterly report on the financial recovery plan to Council	New Key Performance Indicator for 2018/19	4	0	0		N/A		0	0		N/A		1	1		G	The financial recovery plan was tabled to Council on 31 August 2018	1	1	G
Office of the Municipal Manager	Financial Sustainability	Submit a quarterly report on the financial improvement plan to Council	New Key Performance Indicator for 2018/19	4	0	0		N/A		0	0		N/A		1	1		G	The financial recovery plan shows an indication of the improvement of finance in the municipality. This report was tabled to Council 31 August 2018	1	1	G
Office of the Municipal Manager	Effective and Efficient Governance	Submit the final IDP to the Council by 31 May 2019		1	1	0		N/A		0	0		N/A		0	0		N/A		0	0	N/A
Office of the Municipal Manager	Effective and Efficient Governance	Conduct monthly meetings with senior leadership team		4	10	1		R		1	0		R		1	0		R		3	0	R
Office of the Municipal Manager	Effective and Efficient Governance	Complete the annual risk assessment and submit to the Risk Committee by 31 March 2019		1	1	0		N/A		0	0		N/A		0	0		N/A		0	0	N/A
Office of the Municipal Manager	Effective and Efficient Governance	Compile an Annual Audit Plan and submit to the Audit Committee by 30 June 2019	New Key Performance Indicator for 2018/19	1	0	0		N/A		0	0		N/A		0	0		N/A		0	0	N/A
Office of the Municipal Manager	Effective and Efficient Governance	Conduct the performance evaluations of the Section 57 managers bi-annually	New Key Performance Indicator for 2018/19	2	0	0		N/A		0	0		N/A		0	0		N/A		0	0	N/A
Office of the Municipal Manager	Effective and Efficient Governance	Submit quarterly SDBIP reports to the Mayor		4	4	0		N/A		0	0		N/A		1	0		R		1	0	R
Office of the Municipal Manager	Effective and Efficient Governance	Compile a Performance Management Framework and submit to Council for approval by 30 June 2019	New Key Performance Indicator for 2018/19	1	0	0		N/A		0	0		N/A		0	0		N/A		0	0	N/A
Office of the Municipal Manager	Effective and Efficient Governance	Compile and submit the three year Risk Based Audit Plan (RBAP) to the Audit Committee by 30 June 2019		1	1	0		N/A		0	0		N/A		0	0		N/A		0	0	N/A

Office of the Municipal Manager	Effective and Efficient Governance	Update the Contract Register quarterly	New Key Performance Indicator for 2018/19	4	0	0	N/A		0	0	N/A		1	0	R		1	0	R
Office of the Municipal Manager	Efficient Workforce	Conduct quarterly meetings with the disciplinary board	New Key Performance Indicator for 2018/19	3	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Office of the Municipal Manager	Effective and Efficient Governance	Functional performance audit committee measured by means of meetings where committee dealt with performance reports.	New Key Performance Indicator for 2018/19	12	1	0	R	The Audit and Performance Committee is in the process to be reactivated as the chairperson resigned.	1	0	R	one of the committee members resigned	1	0	R	This committee will be reactivated before the mid term. However the targets will be amended to quarterly and not monthly	3	0	R
Office of the Municipal Manager	Effective and Efficient Governance	Quarterly meetings conducted by the MPAC	New Key Performance Indicator for 2018/19	12	1	0	R	the MPAC plays an over site advisory roll, however no meeting was held in the month of July.	1	0	R	the committee is not functional at this stage	1	0	R	This mpac did not meet this quarter.	3	0	R
Office of the Municipal Manager	Effective and Efficient Governance	Compile and submit the Draft Annual Report to Council by 31 January 2019		1	1	0	0	N/A	0	0	N/A		0	0	N/A		0	0	N/A
Office of the Municipal Manager	Socio- Economic Development	Review the LED Strategy and submit to Council 31 March 2019		1	1	0	0	N/A	0	0	N/A		0	0	N/A		0	0	N/A
Office of the Municipal Manager	Socio- Economic Development	Develop and distribute quarterly external municipal newsletters	4	4	0	0	N/A		0	0	N/A		1	0	R	Will be published in December 2018	1	0	R
Office of the Municipal Manager	Effective and Efficient Governance	Facilitate bi-annual public participation sessions to obtain inputs for the IDP and Budget process	4	8	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Office of the Municipal Manager	Effective and Efficient Governance	Develop and sign agreements of the s57 managers by 31 July 2018	3	3	3	3	G	the Performance agreements were signed by the Municipal Manager and was uploaded on the website	0	0	N/A		0	0	N/A		3	3	G
Office of the Municipal Manager	Effective and Efficient Governance	Publish the draft IDP on the municipal website within 10 days after approval by Council		1	1	0	0	N/A	0	0	N/A		0	0	N/A		0	0	N/A
Office of the Municipal Manager	Socio- Economic Development	Develop a Tourism Strategy for the municipal area and submit to Council by 31 March 2019	New Key Performance Indicator for 2018/19	1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A

Office of the Municipal Manager	Socio- Economic Development	Develop a policy for informal traders/ second economy and submit to council by 31 March 2019	New Key Performance Indicator for 2018/19	1	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A		
Office of the Municipal Manager	Socio- Economic Development	Develop a strategy for rural and agricultural development and submit to Council by 31 March 2019	New Key Performance Indicator for 2018/19	1	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A		
Office of the Municipal Manager	Socio- Economic Development	Develop a Green economy strategy and submit to Council by 31 March 2019	New Key Performance Indicator for 2018/19	1	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A		
Financial Services	Financial Sustainability	The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2019 ((Actual amount spent on projects /Total amount budgeted for capital projects)(X100)	95%	100%	0%	0%	N/A	No capital expenditure during July 2018	0%	4.37%	B	25%	7%	R	Capital expenditure is slower at the beginning of the period and picks up pace by January	25%	7%	R
Financial Services	Reliable Infrastructure	Number of formal residential properties that receive piped water that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	4702	4,870	0	0	N/A	0	0	N/A	4,870	4,905	G2	Number of formal residential properties that receive piped water that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	4,870	4,905	G2	
Financial Services	Reliable Infrastructure	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2019	2665	2,665	0	0	N/A	0	0	N/A	2,665	3,782	G2	Number of formal residential properties connected to the municipal electrical infrastructure	2,665	3,782	G2	
Financial Services	Reliable Infrastructure	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network billed for the service as at 30 June 2019	4266	4,373	0	0	N/A	0	0	N/A	4,373	4,444	G2	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network billed for the service as at 30 September 2019	4,373	4,444	G2	
Financial Services	Reliable Infrastructure	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	4631	4,716	0	0	N/A	0	0	N/A	4,716	4,788	G2	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 September 2019	4,716	4,788	G2	
Financial Services	Reliable Infrastructure	Number of residential , business, industrial and agricultural properties that are levied for property rate in terms of the valuation role by 30 June 2019	New Key Performance Indicator for 2018/19	9,671	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A		
Financial Services	Financial Sustainability	Achieve 85% year to date collection rate of revenue billed by 30 June 2019 (Total revenue collected / total billed)x100	85%	85%	0%	0%	N/A	0%	0%	N/A	85%	82%	O	Achieve 85% year to date collection rate of revenue billed by 30 June 2019	85%	82%	O	
Financial Services	Financial Sustainability	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	0.9	1	0	0	N/A	The financials aren't readily available on a monthly basis hence it is difficult to prepare accurate ratios	0	0	N/A	0	0	N/A	0	0	N/A	

Financial Services	Financial Sustainability	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services)X100)	6.29%	6%	0%	0%	N/A		0%	0%	N/A		6%	0%	R		6%	0%	R
Financial Services	Financial Sustainability	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2019 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant))	87.42%	87%	0%	0%	N/A	Monthly financials are not prepared hence it is difficult to accurately determine the ratios	0%	0%	N/A	Unable to provide ratios accurately as the AFS is not prepared	87%	0%	R	Unable to provide accurate ratio as no AFS is available to provide info	87%	0%	R
Financial Services	Financial Sustainability	Conduct monthly reconciliation of the bank account within 10 working days	12	12	1	1	G	Bank recon completed within prescribed time frame	1	1	G	Signed Bank Recon for August 2018	1	1	G	Bank recon submitted with reconciling items for Sep2018	3	3	G
Financial Services	Financial Sustainability	Submit draft budget related policies to Council by 31 March 2019	5	5	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Financial Services	Financial Sustainability	Submit a progress report on the implementation of the SCM Policy and AG findings with recommendations to the MM, quarterly within 10 working days	4	4	0	0	N/A		0	0	N/A		1	1	G	NO SUBMISSION	1	1	G
Financial Services	Financial Sustainability	Conduct a monthly reconciliation of assets by the 10th of each month	12	12	1	0	R	For the first quarter we could not perform any reconciliations on the assets. Due to problems with our financial system, there were no data to retrieve from the system itself to recon with the FAR. Our service provider had to fix some errors on the system first before we could transact on the system. We only started transacting on the system recently, and should be able to perform recons from the month of October 2018.	1	0	R	For the first quarter we could not perform any reconciliations on the assets. Due to problems with our financial system, there were no data to retrieve from the system itself to recon with the FAR. Our service provider had to fix some errors on the system first before we could transact on the system. We only started transacting on the system recently, and should be able to perform recons from the month of October 2018.	1	0	R	For the first quarter we could not perform any reconciliations on the assets. Due to problems with our financial system, there were no data to retrieve from the system itself to recon with the FAR. Our service provider had to fix some errors on the system first before we could transact on the system. We only started transacting on the system recently, and should be able to perform recons from the month of October 2018.	3	0	R
Financial Services	Financial Sustainability	Submit the Section 71 reports to the Mayor and Provincial Treasury within 10 working days after each month	12	12	1	0	R	S52 only available in October 2018	1	1	G		1	1	G		3	2	R

Financial Services	Financial Sustainability	Submit the approved financial statements to the AG by 31 August 2019	1		1	0	0	N/A		1	0	R		0	0	N/A		1	0	R
Financial Services	Financial Sustainability	Submit the Section 52 report to Council and Provincial Government within 10 working days after each quarterly	4		4	1	0	R	Only available in October 2018	0	0	N/A	Not applicable	0	0	N/A		1	0	R
Financial Services	Reliable Infrastructure	Number of Households with access to free basic services (as per Indigent Register) by 30 June 2019	2050		2,382	0	0	N/A		0	0	N/A		2,382	2,511	G2	Number of Households with access to free basic services	2,382	2,511	G2
Financial Services	Financial Sustainability	Submit the final Budget to Council by 31 May 2019		1	1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Financial Services	Financial Sustainability	Conduct daily (working days) back-ups of all systems and database in terms of the IT Policy	265		249	0	0	N/A		0	0	N/A		63	0	R		63	0	R
Financial Services	Financial Sustainability	Submit the Section 72 (mid-year) report to the Mayor by 25 January 2019		1	1	0	0	N/A	ONLY AVAILABLE FROM JAN 2019	0	0	N/A	Not applicable	0	0	N/A		0	0	N/A
Infrastructure Services	Reliable Infrastructure	Upgrade of the existing groundwater infrastructure at Swartberg river by 30 September 2018	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		1	0	R		1	0	R
Infrastructure Services	Socio- Economic Development	Create job opportunities through the Expanded Public Works Programme (EPWP)	103		130	0	0	N/A		0	180	B	Total number of job opportunities created as per data capturer report.	50	0	R		50	180	B
Infrastructure Services	Reliable Infrastructure	95% percent of water samples comply with SANS 241 by 30 June 2019 (number of sample taken / number of samples that comply) x100	80%		95%	0%	0%	N/A		0%	0%	N/A		95%	0%	R		95%	0%	R
Infrastructure Services	Reliable Infrastructure	Upgrade the water reticulation in Zoar by 28 February 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Infrastructure Services	Reliable Infrastructure	Construct new floodlights for the sport field in Bergsig, Calitzdorp by 30 June 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Infrastructure Services	Reliable Infrastructure	Construct street lighting in Van Wyksdorp Greenhills area by 30 June 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Infrastructure Services	Reliable Infrastructure	Conduct a water availability study for Calitzdorp and submit recommendations to Council 30 June 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Infrastructure Services	Reliable Infrastructure	Upgrade the Zoar sportfield (phase 2) by 31 March 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A
Infrastructure Services	Reliable Infrastructure	Spend 90% of RBIG grant funding (Ladismith WWTW and New Dam) by 30 June 2019	90%		90%	0%	0%	N/A		0%	0%	N/A		10%	0%	R	RBIG Funds were withdrawn by DWS	10%	0%	R

Infrastructure Services	Reliable Infrastructure	Spend 90% of WSIG grant funding (Calitzdorp Bloekomlaan Reservoir repairs) by 30 June 2019	90%		90%	0%	0%	N/A		0%	0%	N/A		10%	0%	R		10%	0%	R	
Infrastructure Services	Reliable Infrastructure	Spend 100% of MIG grant funding by 30 June 2019	90%		100%	0%	0%	N/A		0%	0%	N/A		10%	0%	R		10%	0%	R	
Infrastructure Services	Reliable Infrastructure	Complete the main substation in Ladismith (20 Mva transformer) by 30 June 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Reliable Infrastructure	Complete the pre-planning phase (erf 95/0) of the Ladismith Pamaalat housing project by 30 June 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Reliable Infrastructure	Complete the pre-planning phase of the Zoar 100 infill housing project (erf 1834) by 30 June 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Reliable Infrastructure	Complete the pre-planning phase of the subdivision of (Erf 1416) in Zoar by 30 June 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Reliable Infrastructure	Review the (Spatial Development Framework) SDF and submit to Council by 31 March 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Reliable Infrastructure	Submit the Draft Kannaland Zoning Scheme to Council by 31 March 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Effective and Efficient Governance	Review the System of delegations and submit to Council by 31 March 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Efficient Workforce	Limit the vacancy rate to less than 20% of budgeted vacancies by 30 June 2019	36%		20%	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A		0%	0%	N/A	
Corporate Services	Effective and Efficient Governance	Review the Performance Management Policy Framework and submit to Council by 31 March 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Reliable Infrastructure	Construct 175 top structures in Calitzdorp (Bergsig) by 30 June 2019	New Key Performance Indicator for 2018/19		175	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Reliable Infrastructure	Construct a K53 testing course in Ladismith by 30 June 2019			1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Efficient Workforce	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2019(Actual amount spent on training/total operational budget)x100]	New Key Performance Indicator for 2018/19		0.30%	0%	0%	N/A		0%	0%	N/A		0%	0%	N/A		0%	0%	N/A	
Corporate Services	Efficient Workforce	Number of people from employment equity target groups that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan	5		3	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A	
Corporate Services	Effective and Efficient Governance	Implement social development initiatives according to the approved business plans by September 2019	New Key Performance Indicator for 2018/19		1	0	0	N/A		0	0	N/A		1	0	R		1	0	R	
Corporate Services	Efficient Workforce	Submit the WSP to LGSETA by 30 April 2019			1	1	0	0	N/A		0	0	N/A		0	0	N/A		0	0	N/A

ANNEXURE A

Table C3 - Financial Performance (revenue and expenditure by municipal vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First

Vote Description	Ref	2017/18	Budget Year 2018/19						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote	1								
Vote 1 - MUNICIPAL MANAGER		4	26 422	-	-	6 606	-6 606	-1	26
Vote 2 - CORPORATE SERVICES		9	22 210	-	1 379	5 553	-4 174	-1	22
Vote 3 - FINANCIAL SERVICES		73	26 887	-	15 728	6 722	9 006	1	27
Vote 4 - TECHNICAL SERVICES		85	115 594	-	21 014	28 899	-7 885	-0	116
Total Revenue by Vote	2	170 509	191 114	-	38 120	47 779	-9 658	-20.2%	191
Expenditure by Vote	1								
Vote 1 - MUNICIPAL MANAGER		20 302	14 403	-	2 417	3 601	-1 184	-32.9%	14
Vote 2 - CORPORATE SERVICES		42 273	28 435	-	6 069	7 109	-1 039	-14.6%	28
Vote 3 - FINANCIAL SERVICES		27 516	27 271	-	4 889	6 818	-1 929	-28.3%	27
Vote 4 - TECHNICAL SERVICES		70 103	73 869	-	20 802	18 467	2 334	12.6%	74
Total Expenditure by Vote	2	160 194	143 977	-	34 177	35 994	-1 817	-5.0%	144
Surplus/ (Deficit) for the year	2	10 315	47 137	-	3 944	11 784	-7 841	-66.5%	47

ANNEXURE B

Table C2 Monthly Budget Statement - Financial Performance (functional classification)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		-	54 747	-	4 043	15 836	13 687	2 150	16%	55
Executive and council		-	26 422	-	-	-	6 606	-6 606	-100%	26
Finance and administration		-	28 325	-	4 043	15 836	7 081	8 755	124%	28
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	13 525	-	363	686	3 381	-2 695	-80%	14
Community and social services		-	13 125	-	228	397	3 281	-2 884	-88%	13
Sport and recreation		-	20	-	-	-	5	-5	-100%	0
Public safety		-	-	-	136	289	-	289	#DIV/0!	-
Housing		-	380	-	-	-	95	-95	-100%	0
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	8 861	-	144	752	2 215	-1 463	-66%	9
Planning and development		-	111	-	-	-	28	-28	-100%	0
Road transport		-	8 750	-	144	752	2 187	-1 435	-66%	9
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	113 982	-	7 144	20 846	28 495	-7 649	-27%	114
Energy sources		-	48 778	-	4 635	13 708	12 195	1 514	12%	49
Water management		-	38 584	-	1 511	3 996	9 646	-5 650	-59%	39
Waste water management		-	19 414	-	499	1 583	4 853	-3 270	-67%	19
Waste management		-	7 205	-	498	1 558	1 801	-243	-14%	7
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	191 114	-	11 693	38 120	47 779	-9 658	-20%	191
Expenditure - Functional										
Governance and administration		-	53 547	-	3 589	9 988	13 387	-3 399	-25%	54
Executive and council		-	14 073	-	835	2 417	3 518	-1 101	-31%	14
Finance and administration		-	39 474	-	2 754	7 571	9 869	-2 298	-23%	39
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	9 964	-	696	1 669	2 491	-822	-33%	10
Community and social services		-	7 377	-	597	1 403	1 844	-441	-24%	7
Sport and recreation		-	267	-	23	68	67	1	1%	0
Public safety		-	-	-	19	47	-	47	#DIV/0!	-
Housing		-	2 320	-	57	152	580	-428	-74%	2
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	14 336	-	1 347	3 372	3 584	-213	-6%	14
Planning and development		-	111	-	-	-	28	-28	-100%	0
Road transport		-	14 225	-	1 347	3 372	3 556	-185	-5%	14
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	66 129	-	6 491	19 148	16 532	2 616	16%	66
Energy sources		-	40 698	-	4 104	12 668	10 174	2 493	25%	41
Water management		-	12 335	-	1 067	2 910	3 084	-174	-6%	12
Waste water management		-	7 732	-	749	2 099	1 933	166	9%	8
Waste management		-	5 364	-	571	1 471	1 341	130	10%	5
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	143 977	-	12 123	34 177	35 994	-1 817	-5%	144
Surplus/ (Deficit) for the year		-	47 137	-	-430	3 944	11 784	-7 841	-67%	47

ANNEXURE C

Implementation of the Supply Chain Management Policy

Monthly orders/ Transactions - JULY 2018								
Date	Order	Supplier	Description	Monthly Verbal Transactions R0.00 - R2 000.00 (VAT included)	Written quotations Transactions R2 000.00 - R30 000.00 (VAT included)	Section 32 Piggy back	Section 36 Deviations	Section 116 Competitive bidding
11/07/2018	15601	KLEIN KAROO AGRI EDMS BPK	AANKOOP VAN VOORRAAD VIR GEMEENSKAPSDIENSTE - 2X BESEM GUTTER SWEEP GREEN, 7X BESEM SINTETIES 375MM, 2X SLOT GATE LOCK 6L JAGUAR	R 1 060.98				
12/07/2018	15602	L BARNARD	BETALING VIR DIE MAAK VAN VERVERSINGS VIR BRANDWEERBEAMPTES DESEMBER 2017		R 4 900.00			
12/07/2018	15603	ISM	AANKOOP VAN VOORRAAD VIR IT - INTEL 8TH GENERATION CORE I7 - 8700, GB B360M - D3H SKT1151 M- ATX MOTHERBOARD INTEL 8TH GENERATION, 2X CORSAIR 16GB DDR4, GV-N1060G1-GAMING-3GD, CORSAIR VS650, BARRACUDA 4TB 3.5", DVD WRITER/SATA, DELL LED MONITOR, GENIUS USB MOUSE & KEYBOARD, ATX BLACK MIDI TOWER CASE				R 25 236.00	
12/07/2018	15604	MUBESKO AFRICA (PTY) LTD	PAYMENT FOR - PROFESSIONAL SERVICE PROVIDER TO CONDUCT FULL MOVABLE ASSET VERIFICATION, FULL LAND AND BUILDING VERIFICATION, FAR MSCOA SEGMENT ALLOWCATION AND UNBUNDLING OF CAPITAL EXPENDITURE			R 660 261.00		
12/07/2018	15605	VINE GUEST HOUSE	BETALING VIR VERBLYF- ME. T KANNEMEYER - ACCREDITED GENDER MAINSTREAMING IN THE PUBLIC SERVICE TRAINING COURSE FROM 17 TO 20 JULY 2018		R 3 600.00			
13/07/2018	15606	BYTES SYSTEMS INTEGRATION	PAYMENT FOR - SUBJECT MATTER EXPERT 2 DAYS REMOTELY, IMPLEMENTATION CONSULTANT ONSITE 1 WEEK, TRAVEL TIME @ 50% 1 TRIP, SENIOR IMPLEMENTATION CONSULTANT ONSITE 1 WEEK, TRAVEL TIME @ 50% 1 TRIP, PROECT ADMIN, PROJECT MANAGEMENT AND TRAVEL COST ESTIMATION ONLY 2 WEEKS			R 132 110.16		
16/07/2018	15607	KLEIN KAROO AGRI EDMS BPK	AANKOOP VAN VOORRAAD - UNITWIST HOSE BIBTAP 22MM, TEE NYLON RED 25X15MM, BUSH NYLON RED 32X20MM	R 66.48				
16/07/2018	15608	ATARAXIA	AANKOOP VAN 7X ATARAXIA PEPPER GAS PLUS COURIER	R 1 964.66				
18/07/2018	15609	KLEIN KAROO AGRI EDMS BPK	AANKOOP VAN VOORRAAD - 2X FEINER TYRE F60, 2X CASSADE CLAMP	R 1 380.00				
18/07/2018	15610	CAROLINE 36 BK TJA HI WAY BANDE	HERSTEL VAN VOERTUIG - NISSAN NP200 BAKKIE (CBL 2968) - CALL OUT NORMAL HOURS, TUBELESS VALVE, 1 GAITOR EN OMRUILING MOTOR	R 222.50				
18/07/2018	15611	CAROLINE 36 BK TJA HI WAY BANDE	AANKOOP VAN BAND - VULLIS TROK ISUZU N SERIES (CBL 3662) - TRAC L/TRUCK 15/16 REPAIR EN 1 GAITOR	R 265.00				
18/07/2018	15612	PNA EDEN MEANDER	PAYMENT FOR THE PURCHASE OF 200 ATTENDANCE REGISTER D283 13P		R 3 942.00			
19/07/2018	15613	CAROLINE 36 BK TJA HI WAY BANDE	AANKOOP VAN BATTERY - 1X 638 RAYLITE BATTERY - CBL 4372	R 1 100.00				
19/07/2018	15614	CAROLINE 36 BK TJA HI WAY BANDE	AANKOOP VAN BATTERY - NISSAN 1400 - 1X 638 RAYLITE BATTERY - CBL 2872	R 1 100.00				
19/07/2018	15615	ARTHUR'S WORKSHOP AND TOWING	HERSTEL VAN VOERTUIG - CBL 2968 - ACC CABLE, TOW AND LABOUR	R 857.50				
19/07/2018	15616	BYTES SYSTEMS INTEGRATION	PAYMENT FOR - 16X ICT SPECIALIST BSI OFFICE, PROJECT ADMIN AND PROJECT MANAGEMENT			R 17 629.50		
19/07/2018	15617	ARTHUR'S WORKSHOP AND TOWING	HERSTEL VAN VOERTUIG - FUSO TRUCK (CBL 4384) - POMP, 2XOIL, VALVES KALIBEER, TRANSPORT/COURIER AND LABOUR(TENDER NO. 03/2018)					R 9 730.00
23/07/2018	15618	FG UNIFORMS CC	AANKOOP VAN UITPASSERING KLERE VIR BRANDWEER STUDENTE - 4X MAGNUM TRS T/WOOD BLACK, 4X S/S MAGNUM WHITE SHIRT, 4 T-SHIRT WHITE SIZE SMALL, 4 BELT BLACK WITH FIRE BUCKLE AND 4X WOVEN LANYARD RED		R 3 979.00			
23/07/2018	15619	ARTHUR'S WORKSHOP AND TOWING	HERSTEL WERK VAN HINO - CBL 4372 - TENDER NO. 03/2018					R 36 121.50
23/07/2018	15620	CAROLINE 36 BK TJA HI WAY BANDE	AANKOOP VAN BAND - VULLIS TROK ISUZU N SERIES (CBL 3662) - 16 7.50/16 TR177A TUBE, TYRE REPAIR, STRIP AND FIT	R 414.50				
31/07/2018	15621	BIDVEST WALTONS GEORGE	AANKOOP VAN VOORRAAD VIR STORE - 2X HP TONER NO 305A CARTRIDGE EN HP TONER BLACK 80A		R 4 308.87			
TOTAL				R 8 431.62	R 20 729.87	R 810 000.66	R 25 236.00	R 45 851.50

Monthly orders/ Transactions - AUGUST 2018

Date	Order	Supplier	Description	Monthly Verbal Transactions R0.00 - R2 000.00 (VAT included)	Written quotations Transactions R2 000.00 - R30 000.00 (VAT included)	Formal written price quotations transactions R30 000.00 - R200 000.00 (VAT included)	Section 32 Piggy back	Section 36 Deviations	Section 116 Competitive bidding
01/08/2018	15623	ARTHUR'S WORKSHOP AND TOWING	BETALING OM 2 CONTAINERS TE SKUIF NA LADISMITH EN ZOAR STORTINGSTERREINE					R 3 300.00	
02/08/2018	15624	CBL HARDEWARE	AANKOOP VAN ELEKTRIESE MATERIAAL - 4X4X4 EXT BOX, 1X NAIL INN, 1X CABLE TIE, 5X2X4 EXT BOX, 5X ES ENERGY SAVER, 5X BATTON HOLDER, 4X2X16 A DBL SOCKET, 5X IL1W SWITCH, 5X BC ENERGY SAVER, 5X CANDLE GLOBE, 1X WELDING ROD 2.5MMX1KG EN 20X LAMPHOLDER PORC E27	R 1 955.20					
03/08/2018	15625	ARTHUR'S WORKSHOP AND TOWING	HERSTEL VAN VOERTUIG - NISSAN 1400 (CBL 2880) - OIL FILTER, PETROL FILTER, AIR FILTER, PUNTE CONDENSOR, WELD SKOKBRACKET, 4X SPARKS PLUGS, SUNDRIES PLUS LABOUR(TENDER NO. 03/2018)						R 1 855.00
03/08/2018	15626	ARTHUR'S WORKSHOP AND TOWING	HERSTEL VAN VOERTUIG - FUSO (CBL 4384) - SLOT, 60XTRIP NA CALITZDORP YARD, YSTERS EN LABOUR, BATTERY KOPPE MIDDEL DRAAD(TENDER NO. 03/2018)						R 1 339.00
03/08/2018	15627	CINGA CIVILS	BETALING VIR INSTANDHOUDINGSWERKE TE LADISMITH EN ZOAR VULLISTERREINE (TOE STOOT VAN VILLUSTERREINE) VIR GEMEENSKAPSDIENSTE		R 16 950.00				
06/08/2018	15628	BYTES SYSTEMS INTEGRATION	PAYMENT FOR - CLOSING OF MONTH/YEAR, OPENING/CORRECTING OF VOTES/KEYS, CEDING OF ADJUSTMENT- BUDGET AND CEDING OF ORIGINAL BUDGET				R 32 720.95		
06/08/2018	15629	IGNITE ADVISORY CONSULT	PAYMENT FOR - PERFORMANCE MANAGEMENT SYSTEM (TENDER NO. 05/2016)				R 144 210.00		
06/08/2018	15630	CBL HARDEWARE	AANKOOP VAN VOORRAAD VIR GEMEENSKAPSDIENSTE - 3X PAD BOLT 100MM, 3X 3 LEVER LOCKSET, 2X VEILIGHEIDSHOEK - SLOT, 6X 50MM PADLOCK, 3X 6MM KETTING, 2X 4.5MM STAAL BOORPUNT, 1X 2.5MM WELDING RODS	R 1 508.40					
08/08/2018	15631	KLEIN KAROO AGRI EDMS BPK	AANKOOP VAN VOORRAAD VIR TEGNIESE DIENSTE- 7X LOGIC BALL KRAAN 15MM, 5X LOGIC BALL KRAAN 20MM, 10X KOPER COUPLER CXCM 15MM, 6X KOPER COUPLER CXCM 22MM, 2X BUSH NYLON REDUCER 40X32MM EN 7X THREAD TAPE (PYP GROEFSEEL)	R 1 671.90					
14/08/2018	15632	ARTHUR'S WORKSHOP AND TOWING	BETALING VIR SKUIF VAN CONTAINER VANAF MUNISIPALE KANTOOR NA WATERWERKE IN LADISMITH	R 1 650.00					
14/08/2018	15633	KLEIN KAROO AGRI EDMS BPK	AANKOOP VAN 42 GLOVE WAN YELLOW CANDY STRIPE MATUS VIR TEGNIESE DIENSTE	R 1 176.00					

Monthly orders/ Transactions - AUGUST 2018

Date	Order	Supplier	Description	Monthly Verbal Transactions R0.00 - R2 000.00 (VAT included)	Written quotations Transactions R2 000.00 - R30 000.00 (VAT included)	Formal written price quotations transactions R30 000.00 - R200 000.00 (VAT included)	Section 32 Piggy back	Section 36 Deviations	Section 116 Competitive bidding
22/08/2018	15646	IPATCH	AANKOOP VAN 400X COLDMIX (SAKKIES) VIR ??????		R 27 600.00				
22/08/2018	15647	KLEIN KAROO AGRI EDMS BPK	AANKOOP VAN TOTAL STA HYDRAULIC 20L VIR?????	R 1 092.74					
23/08/2018	15648	BIDVEST WALTONS GEORGE	AANKOOP VAN MONDI RATATRIM COPY PAPER A4		R 8 098.88				
23/08/2018	15649	KAROO CIVILS POINT IRRIGATION	AANKOOP VAN 75MM SCOETED AVK VALVE EN 80MM KENTWATER METER FLANGED VIR TEGNIESE DIENSTE		R 5 036.04				
23/08/2018	15650	KAROO CIVILS POINT IRRIGATION	AANKOOP VAN VOORRAAD VIR DIE AFSKORTING VAN KANTORE BY VERKEER - 14X 900MMX2,7M RHINO BORDE, 20X 1,2X2,7M RHINO BORDE, 48X 76MMX50MM HOUT X3M, 30X3M PINE COVERSTRIPS, 3X DEURKOEYSYNE (SONDER DRIMPEL), 3X HARDBORD - BINNE DEURE, 2X2LEVER DEURSLOTTE, 4 SKANIERE, 3X20 LITER WASBARE PVA, 2X5 LITER UNIVERSAL UNDERCOAT EN 5LITER TERPUNTYN		R 13 193.63				
24/08/2018	16351	PIENAAR BROTHERS	AANKOOP VAN ELEKTRIESE VEILIGHEIDSKLERE 20/08/2018		R 10 556.62				
24/08/2018	16352	KLEIN KAROO AGRI EDMS BPK	AANKOOP VAN 4X TOTAL STA HYDRAULIC ISO 32 20L		R 2 185.48				
27/08/2018	16354	RDT GENERAL TRADES	HUIJ VAN SPYSENIERING VIR CDW ETE OP 28 AUGUSTUS 2018 - 35X COFFEE, TEA PLUS MUFFINS, 35X MIDDIG ETE PLUS SAP, 5X TAFELS PLUS TAFELDOEKE, 35X EETGEREI		R 4 625.00				
TOTAL				R 13 757.20	R 16 950.00	R 61 252.45	R 176 930.95	R 3 300.00	R 3 194.00

Sep-18

VOORSIENINGSKANAAL AFWYKINGS: ART 36 - SCM REGULASIES

NOMMER	DATUM	DEPARTEMENT	VERSKAFFER	BEDRAG	REDE
1/09/SEC 36	25/09/2018	TEGNIES	COASTAL ARMATURE WINDERS & SUPPLIES	R 54 682.50	Reg.36(1)a(v) COASTEL ARMATURE IS DIE ENIGSTE VERSKAFFER WAT BEREID IS OM DIE MUNISIPALITEIT TEEN N 30DAE BETAAL KENNIS TE HELP,DIE POMPE MOET DRINGEND HERSTEL WORD OMSODOENDE DIE WATERVOORSIENING VOLHOUBAAR TE HOU VIR DIE GEMEENSKAP

ANNEXURE D – Quarterly Verifications & Y/Y Comparisons

Part1: Operating Revenue and Expenditure

	2018/19					2017/18		Q1 of 2017/18 to Q1 of 2018/19
	Budget	First Quarter		Year to Date		First Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
R thousands								
Operating Revenue and Expenditure								
Operating Revenue	146 466	37 073	25.3%	37 073	25.3%	33 383	25.6%	11.1%
Property rates	20 113	7 497	37.3%	7 497	37.3%	7 381	46.3%	1.6%
Property rates - penalties and collection charges	-	874	-	874	-	-	-	(100.0%)
Service charges - electricity revenue	46 578	13 708	29.4%	13 708	29.4%	10 781	24.3%	27.2%
Service charges - water revenue	13 824	2 949	21.3%	2 949	21.3%	2 365	20.9%	24.7%
Service charges - sanitation revenue	8 401	1 583	18.8%	1 583	18.8%	1 667	21.5%	(5.0%)
Service charges - refuse revenue	6 190	1 558	25.2%	1 558	25.2%	1 571	27.3%	(.8%)
Service charges - other	-	-	-	-	-	-	-	-
Rental of facilities and equipment	909	100	11.0%	100	11.0%	-	-	(100.0%)
Interest earned - external investments	500	15	3.0%	15	3.0%	-	-	(100.0%)
Interest earned - outstanding debtors	5 327	452	8.5%	452	8.5%	-	-	(100.0%)
Dividends received	3	-	-	-	-	-	-	-
Fines	8 486	573	6.7%	573	6.7%	295	4.9%	93.9%
Licences and permits	152	12	7.9%	12	7.9%	-	-	(100.0%)
Agency services	960	155	16.1%	155	16.1%	-	-	(100.0%)
Transfers recognised - operational	33 146	7 288	22.0%	7 288	22.0%	8 927	27.6%	(18.4%)
Other own revenue	1 876	308	16.4%	308	16.4%	397	50.0%	(22.5%)
Gains on disposal of PPE	-	-	-	-	-	-	-	-
Operating Expenditure	143 977	34 177	23.7%	34 177	23.7%	23 851	18.9%	43.3%
Employee related costs	55 215	11 920	21.6%	11 920	21.6%	10 806	23.9%	10.3%
Remuneration of councillors	3 053	741	24.3%	741	24.3%	692	22.6%	7.0%
Debt impairment	16 018	4 004	25.0%	4 004	25.0%	-	-	(100.0%)
Depreciation and asset impairment	10 661	2 809	26.3%	2 809	26.3%	61	.6%	4 490.9%
Finance charges	422	213	50.4%	213	50.4%	137	17.1%	55.6%
Bulk purchases	32 259	11 576	35.9%	11 576	35.9%	10 401	33.6%	11.3%
Other Materials	3 054	2	.1%	2	.1%	-	-	(100.0%)
Contracted services	8 280	1 699	20.5%	1 699	20.5%	60	-	2 715.0%
Transfers and grants	3 126	-	-	-	-	625	-	(100.0%)
Other expenditure	11 891	1 213	10.2%	1 213	10.2%	1 069	5.0%	13.6%
Loss on disposal of PPE	-	-	-	-	-	-	-	-
Surplus/(Deficit)	2 489	2 896		2 896		9 532		
Transfers recognised - capital	44 648	1 047	2.3%	1 047	2.3%	-	-	(100.0%)
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	47 137	3 944		3 944		9 532		
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	47 137	3 944		3 944		9 532		
Attributable to minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	47 137	3 944		3 944		9 532		
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	47 137	3 944		3 944		9 532		

Part 2: Capital Revenue and Expenditure

	2018/19					2017/18		Q1 of 2017/18 to Q1 of 2018/19
	Budget	First Quarter		Year to Date		First Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
R thousands								
Capital Revenue and Expenditure								
Source of Finance	44 978	1 806	4.0%	1 806	4.0%	1 233	4.0%	46.5%
National Government	44 648	1 375	3.1%	1 375	3.1%	1 233	4.0%	11.5%
Provincial Government	-	431	-	431	-	-	-	(100.0%)
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
Transfers recognised - capital	44 648	1 806	4.0%	1 806	4.0%	1 233	4.0%	46.5%
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	330	-	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-	-	-
Capital Expenditure Standard Classification	44 978	1 806	4.0%	1 806	4.0%	1 233	4.0%	46.5%
Governance and Administration	-	-	-	-	-	-	-	-
Executive & Council	-	-	-	-	-	-	-	-
Budget & Treasury Office	-	-	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-	-	-
Community and Public Safety	3 176	-	-	-	-	-	-	-
Community & Social Services	-	-	-	-	-	-	-	-
Sport And Recreation	3 176	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Economic and Environmental Services	330	-	-	-	-	1 233	-	(100.0%)
Planning and Development	-	-	-	-	-	-	-	-
Road Transport	330	-	-	-	-	1 233	-	(100.0%)
Environmental Protection	-	-	-	-	-	-	-	-
Trading Services	41 472	1 806	4.4%	1 806	4.4%	-	-	(100.0%)
Electricity	2 303	-	-	-	-	-	-	-
Water	29 169	1 806	6.2%	1 806	6.2%	-	-	(100.0%)
Waste Water Management	10 000	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-

Part 3: Cash Receipts and Payments

	2018/19					2017/18		Q1 of 2017/18 to Q1 of 2018/19
	Budget	First Quarter		Year to Date		First Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
R thousands								
Cash Flow from Operating Activities								
Receipts	171 023	47 091	27.5%	47 091	27.5%	35 555	22.1%	32.4%
Property rates, penalties and collection charges	16 058	5 360	33.4%	5 360	33.4%	2 182	13.7%	145.7%
Service charges	61 803	17 192	27.8%	17 192	27.8%	12 459	18.0%	38.0%
Other revenue	11 931	5 223	43.8%	5 223	43.8%	549	6.6%	850.7%
Government - operating	33 146	13 358	40.3%	13 358	40.3%	13 066	40.4%	2.2%
Government - capital	44 648	5 943	13.3%	5 943	13.3%	7 299	23.7%	(18.6%)
Interest	3 434	15	.4%	15	.4%	-	-	(100.0%)
Dividends	3	-	-	-	-	-	-	-
Payments	(123 834)	(39 595)	32.0%	(39 595)	32.0%	(33 041)	26.2%	19.8%
Suppliers and employees	(122 861)	(39 595)	32.2%	(39 595)	32.2%	(33 041)	29.5%	19.8%
Finance charges	(422)	-	-	-	-	-	-	-
Transfers and grants	(551)	-	-	-	-	-	-	-
Net Cash from/(used) Operating Activities	47 190	7 495	15.9%	7 495	15.9%	2 514	7.2%	198.2%
Cash Flow from Investing Activities								
Receipts	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-
Decrease in non-current debtors	-	-	-	-	-	-	-	-
Decrease in other non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments	(44 648)	(1 806)	4.0%	(1 806)	4.0%	(1 233)	4.0%	46.5%
Capital assets	(44 648)	(1 806)	4.0%	(1 806)	4.0%	(1 233)	4.0%	46.5%
Net Cash from/(used) Investing Activities	(44 648)	(1 806)	4.0%	(1 806)	4.0%	(1 233)	4.0%	46.5%
Cash Flow from Financing Activities								
Receipts	-	4 000	-	4 000	-	4 000	-	-
Short term loans	-	4 000	-	4 000	-	4 000	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
Payments	(720)	(180)	25.0%	(180)	25.0%	(180)	-	-
Repayment of borrowing	(720)	(180)	25.0%	(180)	25.0%	(180)	-	-
Net Cash from/(used) Financing Activities	(720)	3 820	(530.6%)	3 820	(530.6%)	3 820	-	-
Net Increase/(Decrease) in cash held	1 821	9 510	522.1%	9 510	522.1%	5 101	126.7%	86.4%
Cash/cash equivalents at the year begin:	560	1 490	266.1%	1 490	266.1%	277	-	437.3%
Cash/cash equivalents at the year end:	2 381	11 000	461.9%	11 000	461.9%	5 378	133.6%	104.5%