

Kannaland Municipality



Mid-Year Budget and Performance Assessment

December 2018

In-Year Report of the Municipality. Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009.

Contents

Glossary.....	3
Legislative Framework	5
3.1 Mayor's Report	7
3.2 Budget Summary.....	9
3.3 Operating Revenue and Expenditure.....	10
3.3.1 Operating Revenue	12
3.3.2 Operating Expenditure.....	12
3.4 Statement of Financial Position	13
3.5 Cash Receipts and Payments.....	14
3.6 Debtor Age Analysis	16
3.6.1 Chart of aged debtors age analysis – Current year actuals vs. prior year audited outcome 17	
3.6.2 Chart of debtors age analysis per consumer category.....	18
3.7 Creditors Age Analysis	19
3.7.1 Chart of creditors expressed proportionately to the total amount owed	20
3.8 Conditional Grants Transferred and Expenditure	21
3.9 Capital Revenue & Expenditure.....	24
3.10 Expenditure on Salaries.....	25
3.11 Long-term borrowing.....	27
ANNEXURE A	28
Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -.....	28
ANNEXURE B	29
ANNEXURE C: Implementation of the Supply Chain Management policy	30
ANNEXURE D: Overall Service Deliverables.....	31

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

Mid-year budget and performance assessment

Section 72.

(1) The accounting officer of a municipality must by 25 January of each year—

(a) Assess the performance of the municipality during the first half of the financial year, taking into account—

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to—

(i) the mayor of the municipality;

(ii) the National Treasury; and

(iii) the relevant provincial treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

(3) The accounting officer must, as part of the review—

(a) make recommendations as to whether an adjustments budget is necessary; and

(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Municipal budget and reporting regulations (MBRR)

Section 66: Expenditure on staff benefits

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.

Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009.

3.1 Mayor's Report

The purpose of this report is to inform the mayor and provincial treasury of the monthly financial performance against the budget of the municipality for the month of December 2018. The mayor will consider all deviations and take the necessary corrective actions if needed. It should be noted that the monthly budget has been set at a straight-line approach (simply dividing the annual budget by twelve), which is not practical as the flow of revenue and expenditure incurred are not only cyclical but can be subject to procurement processes and other predictable factors that can cause delays or timing issues, especially during the start-up phase of capital projects.

The month of October is a month where the increase in economic activity is becoming more evident and can generally be considered as the start of the season where local economic activity starts building momentum that will be maintained for the next six months. Kannaland Municipality is dependent on the financial boost provided by agricultural and industrial operations during this period in our very cyclical economy. The cash flows of these activities however will only have an impact from the end of November.

Financial problems and risks facing the municipality

The implementation of mSCOA 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 related problems in a timely manner. This had an adverse effect on meeting legislative timelines given that all reports cannot be generated from the accounting system, which require significant manual intervention in preparation. 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.

Cash flow has and will for the foreseeable future be a problem, but in the short-term Kannaland has done well to meet the most pressing commitments. It is difficult during this time of the year with pressure on cash flows caused by the low profit margin on electricity during the winter months and lower economic activity. Inevitably, the municipality incurred fruitless and wasteful expenditure in the form of interest and penalties, due to its inability to pay creditors timeously as required in terms of section 65 of the MFMA.

Other information considered relevant

It should be noted that this report was compiled from all the functioning sub-systems and has not been entirely system-generated. Because of the extensive manual intervention required; this might have a negative influence on the accuracy to a certain extent, but is not expected to deviate materially from the reported figures. Safe to add that numerous system problems have been identified and reported to the service provider with no or little success (BYTES). Management is currently engaging with the aforementioned IT service provider as a matter of great concern.

3.2 Budget Summary

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - M06 December

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	10 710	10 057	654	6%	20
Service charges	-	74 994	-	5 854	36 911	37 497	-586	-2%	75
Investment revenue	-	500	-	-	55	250	-195	-78%	1
Transfers and subsidies	-	33 146	-	2 463	15 678	16 573	-895	-5%	33
Other own revenue	-	17 713	-	919	5 240	8 857	-3 616	-41%	18
Total Revenue (excluding capital transfers and contributions)	-	146 466	-	10 306	68 595	73 233	-4 638	-6%	146
Employee costs	-	55 215	-	5 904	26 616	27 608	-992	-4%	55
Remuneration of Councillors	-	3 053	-	243	1 471	1 526	-56	-4%	3
Depreciation & asset impairment	-	10 661	-	936	5 618	5 330	288	5%	11
Finance charges	-	422	-	-	56	211	-155	-73%	0
Materials and bulk purchases	-	35 312	-	2 763	19 622	17 656	1 966	11%	35
Transfers and subsidies	-	3 126	-	-	-	1 563	-1 563	-100%	3
Other expenditure	-	36 188	-	1 673	15 970	18 094	-2 124	-12%	36
Total Expenditure	-	143 977	-	11 519	69 352	71 989	-2 637	-4%	144
Surplus/(Deficit)	-	2 489	-	-1 213	-757	1 244	-2 001	-161%	2
Transfers and subsidies - capital (monetary alloc	-	44 648	-	1 001	3 235	22 324	-19 089	-86%	45
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	47 137	-	-212	2 478	23 569	-21 090	-89%	47
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	47 137	-	-212	2 478	23 569	-21 090	-89%	47
Capital expenditure & funds sources									
Capital expenditure	-	44 978	-	1 001	3 728	22 489	-18 761	-83%	-
Financial position									
Total current assets	-	64 474	-	40 183	40 183				64
Total non current assets	-	347 816	-	342 370	342 370				348
Total current liabilities	-	44 028	-	57 092	57 092				44
Total non current liabilities	-	37 851	-	37 745	37 745				38
Community wealth/Equity	-	330 411	-	287 717	287 717				330
Cash flows									
Net cash from (used) operating	-	47 190	-	7 415	29 819	19 662	-10 157	-52%	47
Net cash from (used) investing	-	-44 648	-	-1 001	-2 069	-18 603	-16 534	89%	(45)
Net cash from (used) financing	-	-720	-	-60	3 760	-300	-4 060	1353%	(1)
Cash/cash equivalents at the month/year end	-	2 381	-	-	33 000	1 319	-31 681	-2402%	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	6 300	1 557	2 715	1 403	1 401	1 269	8 369	46 364	69 376
Creditors Age Analysis									
Total Creditors	4 833	3 796	3 578	385	1 675	2 233	3 127	13 620	33 247

3.3 Operating Revenue and Expenditure

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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										
Revenue By Source										
Property rates			20 113		1 071	10 710	10 057	1	6%	20 113
Service charges - electricity revenue			46 578		3 740	24 441	23 289	1	5%	46 578
Service charges - water revenue			13 824		1 131	6 340	6 912	(1)	-8%	13 824
Service charges - sanitation revenue			8 401		497	3 097	4 201	(1)	-26%	8 401
Service charges - refuse revenue			6 190		486	3 034	3 095	(0)	-2%	6 190
Service charges - other			-		-	-	-	-		-
Rental of facilities and equipment			909		-	100	454	(0)	-78%	909
Interest earned - external investments			500		-	55	250	(0)	-78%	500
Interest earned - outstanding debtors			5 327		390	2 496	2 663	(0)	-6%	5 327
Dividends received			3		-	-	2	(0)	-100%	3
Fines, penalties and forfeits			8 486		123	894	4 243	(3)	-79%	8 486
Licences and permits			152		-	52	76	(0)	-32%	152
Agency services			960		79	409	480	(0)	-15%	960
Transfers and subsidies			33 146		2 463	15 678	16 573	(1)	-5%	33 146
Other revenue			1 876		327	1 289	938	0	37%	1 876
Gains on disposal of PPE			-		-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		-	146 466	-	10 306	68 595	73 233	(5)	-6%	146 466
Expenditure By Type										
Employee related costs			55 215		5 904	26 616	27 608	(1)	-4%	55 215
Remuneration of councillors			3 053		243	1 471	1 526	(0)	-4%	3 053
Debt impairment			16 018		929	6 792	8 009	(1)	-15%	16 018
Depreciation & asset impairment			10 661		936	5 618	5 330	0	5%	10 661
Finance charges			422		-	56	211	(0)	-73%	422
Bulk purchases			32 259		2 763	19 622	16 129	3	22%	32 259
Other materials			3 054		-	-	1 527	(2)	-100%	3 054
Contracted services			8 280		358	4 567	4 140	0	10%	8 280
Transfers and subsidies			3 126		-	-	1 563	(2)	-100%	3 126
Other expenditure			11 891		386	4 611	5 945	(1)	-22%	11 891
Loss on disposal of PPE			-		-	-	-	-		-
Total Expenditure		-	143 977	-	11 519	69 352	71 989	(3)	-4%	143 977
Surplus/(Deficit)		-	2 489	-	-1 213	-757	1 244	(2)	(0)	2 489
Transfers and subsidies - capital (materially allocations)										
(National / Provincial and District)			44 648		1 001	3 235	22 324	(19)	(0)	44 648
Transfers and subsidies - capital (in-kind - all)			-		-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		-	47 137	-	-212	2 478	23 569			47 137
Taxation			-		-	-	-	-		-
Surplus/(Deficit) after taxation		-	47 137	-	-212	2 478	23 569			47 137
Attributable to minorities			-		-	-	-			-
Surplus/(Deficit) attributable to municipality		-	47 137	-	-212	2 478	23 569			47 137
Share of surplus/ (deficit) of associate			-		-	-	-			-
Surplus/ (Deficit) for the year		-	47 137	-	-212	2 478	23 569			47 137

There was an operating deficit of **R1, 213,000** that, if capital contributions are to be taken into account, reduces the deficit to **R212 000** deficit. 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.

The reasons for the negative result indicated on Table C4 is mainly due to the following aspects:

REVENUE: LEVIES/INCOME COMPARE TO BUDGETED FIGURES.

1. **Service charges: water** shows an 8% difference between original approved budgeted figure and the levies for the mid-year ending December 2018.
2. **Service charges: sanitation** shows a 26% difference between original approved budgeted figure and levies for the mid-year ending December 2018.
3. **Service charges: refuse** shows a 2% difference between original approved budgeted figure and levies for the mid-year ending December 2018.
4. **Interest earned: outstanding debtors** shows a 6% difference between original approved budgeted figure and levies for the mid-year ending December 2018.
5. **Fines, penalties and forfeits** shows a 79% difference between original approved budgeted figure and the levies for the mid-year ending December 2018.
6. **Transfers** shows a 5% difference between original approved budgeted figure (in accordance with DORA) and the actual subsidies and grants received for the mid-year ending December 2018. An amount of R 2 million was withhold by National Treasury as a result of under-spending on conditional grants.

Overall comment:

The Total Actual Revenue (excluding capital transfers and contributions) is however 6% less than the Total Budgeted Revenue.

Safe to add that the municipality could ended up with a surplus of R 787 000 (R2 000 000- R 1 213 000) for the period. The underspending of a conditional grant was deducted from the Equitable Shares.

3.3.1 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 monthly budget by 6% and this, as well as the 5% 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.

Service charges have a significant shortfall under sanitation (26%). 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 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.

3.3.2 Operating Expenditure

The full year expenditure incurred is 4% (R 2.6 million) less than the budgeted forecast and was to a certain extent incurred in line with revenue realising.

Employee cost: The Actual vs the Budgeted amount is 4% less for the period ending 31 December 2018. The budget provision for employee related costs against the total budgeted amount for expenditure is 38, 4 % which is at least 5 % above the acceptable norm which is material for a small municipality. There was a material deviation in bulk purchases from the budgeted amount, but was brought about by the time of use and winter pricing structure but this was 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.

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 when incurred and to ensure that it is captured timeously on the accounting system.

3.4 Statement of Financial Position

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - M06 December

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		2 813	560
Call investment deposits			950		16 632	950
Consumer debtors			62 964		20 738	62 964
Other debtors						
Inventory						
Total current assets		-	64 474	-	40 183	64 474
Non current assets						
Long-term receivables						
Investments						
Investment property					1 665	
Property, plant and equipment			347 816		340 620	347 816
Intangible assets					85	
Other non-current assets						
Total non current assets		-	347 816	-	342 370	347 816
TOTAL ASSETS		-	412 290	-	382 553	412 290
LIABILITIES						
Current liabilities						
Bank overdraft					3 314	
Borrowing			512		475	512
Consumer deposits						
Trade and other payables			43 516		53 302	43 516
Provisions						
Total current liabilities		-	44 028	-	57 092	44 028
Non current liabilities						
Borrowing			1 803		1 697	1 803
Provisions			36 048		36 048	36 048
Total non current liabilities		-	37 851	-	37 745	37 851
TOTAL LIABILITIES		-	81 879	-	94 836	81 879
NET ASSETS	2	-	330 411	-	287 717	330 411
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			330 411		287 717	330 411
TOTAL COMMUNITY WEALTH/EQUITY	2	-	330 411	-	287 717	330 411

The statement of financial position deviates significantly from the budgeted amount due to the provision for bad debts 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 one rand and forty six sent of current assets for every one rand of current obligations also expressed as **1.46:1**, with the industry norm being **2:1** to be healthy and with at least **1:1** needed to be regarded as sustainable.

3.5 Cash Receipts and Payments

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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		735	7 715	6 691.04	1 024	15%	16 058
Service charges			61 803		5 183	34 230	25 751	8 479	33%	61 803
Other revenue			11 931		227	5 600	4 971	628	13%	11 931
Government - operating			33 146		6 484	20 532	13 811	6 721	49%	33 146
Government - capital			44 648		3 830	15 773	18 603	-2 830	-15%	44 648
Interest			3 434		77	56	1 431	-1 375	-96%	3 434
Dividends			3		-	-	1	-1	-100%	3
Payments										
Suppliers and employees			-122 861		-9 123	-54 087	-51 192	2 895	-6%	-122 861
Finance charges			-422			-	-176	-176	100%	-422
Transfers and Grants			-551			-	-230	-230	100%	-551
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	47 190	-	7 415	29 819	19 662	-10 157	-52%	47 190
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Payments										
Capital assets			-200	-44 648	-1 001	-2 069	-18 603	-16 534	89%	-44 648
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-44 648	-	-1 001	-2 069	-18 603	-16 534	89%	-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	-240	-300	-60	20%	-720
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-720	-	-60	3 760	-300	-4 060	1353%	-720
NET INCREASE/ (DECREASE) IN CASH HELD		-	1 821	-	6 354	31 510	759			1 821
Cash/cash equivalents at beginning:		-	560			1 490	560			1 490
Cash/cash equivalents at month/year end:		-	2 381	-		33 000	1 319			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 debt collection rate, and the impact of the drought, an impoverished community and other well-documented socio-economic problems within the Kannaland municipal jurisdiction. Fixed costs such as Employee related costs remains a great concern especially against the background of employees that are redundant or safe to say without justifiable job descriptions compare to their remuneration packages. The aforementioned need to be address as a matter of urgency to utilise savings to much needed service delivery related expenditure.

The cash flow from operating activities is 52% 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. Again, the with-holding of R2 millions of Equitable Share had a major impact on our cash-flow.

Cash flow from property rates is 15 % 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 33 % 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 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 less than the budgeted amount, this is due to this being only the first half 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.

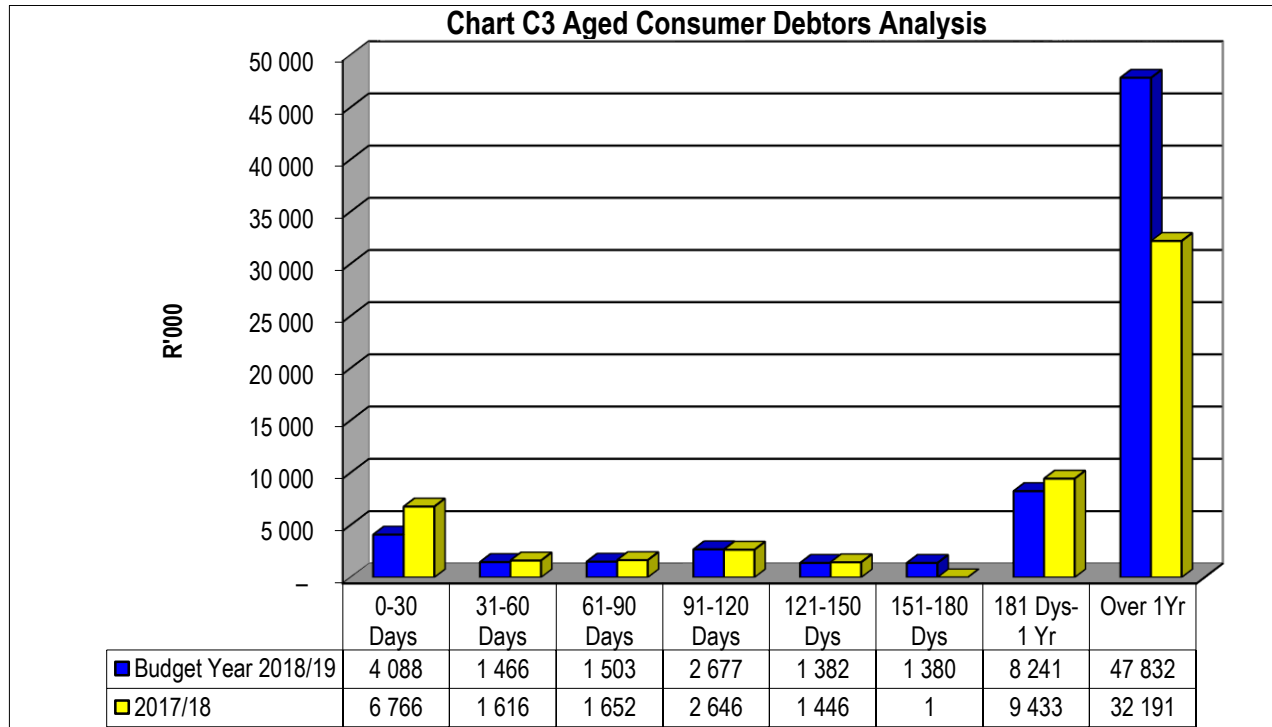
3.6 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December											
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	1 502	405	450	430	357	356	2 733	8 817	15 049	12 693
Trade and Other Receivables from Exchange Transactions - Electricity	1300	793	58	66	67	57	34	159	1 201	2 437	1 519
Receivables from Non-ex change Transactions - Property Rates	1400	1 263	327	312	1 448	299	315	1 447	11 894	17 304	15 402
Receivables from Ex change Transactions - Waste Water Management	1500	430	212	216	220	217	206	1 216	6 233	8 950	8 092
Receivables from Ex change Transactions - Waste Management	1600	846	325	325	327	316	281	1 618	6 730	10 769	9 272
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	1	3	27	32	32
Interest on Arrear Debtor Accounts	1810	16	24	37	90	44	93	620	11 640	12 564	12 487
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	(763)	115	98	95	91	94	445	1 288	1 465	2 015
Total By Income Source	2000	4 088	1 466	1 503	2 677	1 382	1 380	8 241	47 832	68 570	61 511
2017/18 - totals only		6766162	1615923	1652435	2646371	1445637	980	9433111	32191150	55 752	45 717
Debtors Age Analysis By Customer Group											
Organs of State	2200	107	41	28	344	24	10	42	475	1 070	894
Commercial	2300	496	71	67	147	60	50	327	1 354	2 572	1 938
Households	2400	3 398	1 174	1 227	1 387	1 125	1 065	6 994	39 325	55 694	49 896
Other	2500	88	181	181	800	173	254	879	6 678	9 234	8 783
Total By Customer Group	2600	4 088	1 466	1 503	2 677	1 382	1 380	8 241	47 832	68 570	61 511

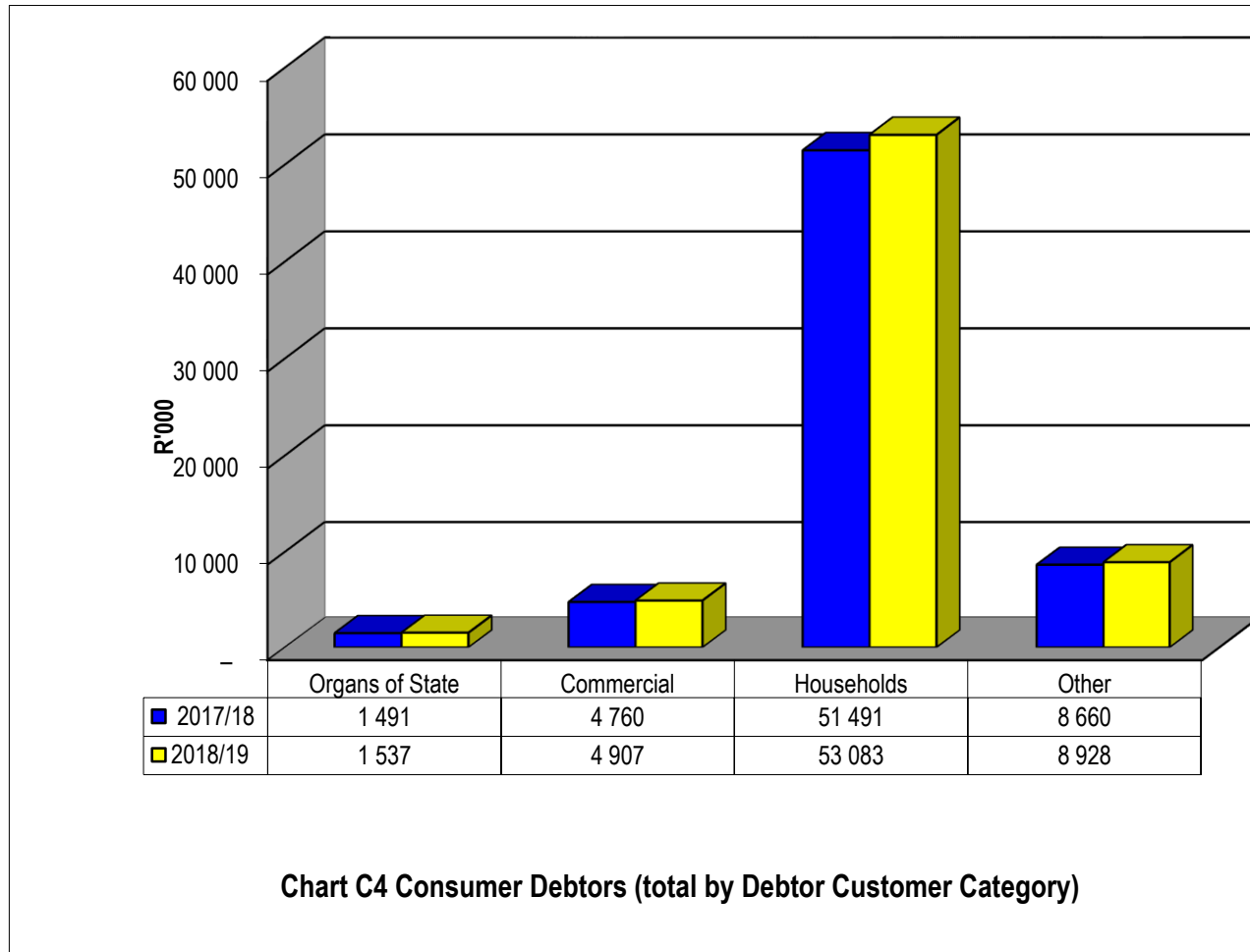
- The total amount owed to Kannaland Municipality amounted to R68.5 million as at the end of December 2018.
- R47 832 million or 69% of the total outstanding debtors are older than one year.
- R 61 512 million or 89% of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

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.

3.6.1 Chart of aged debtors age analysis – Current year actuals vs. prior year audited outcome



3.6.2 Chart of debtors age analysis per consumer category



The problematic category is households, which represent 77% (R53 million) of the total amount of outstanding debt with a 2.99% year-on-year increase.

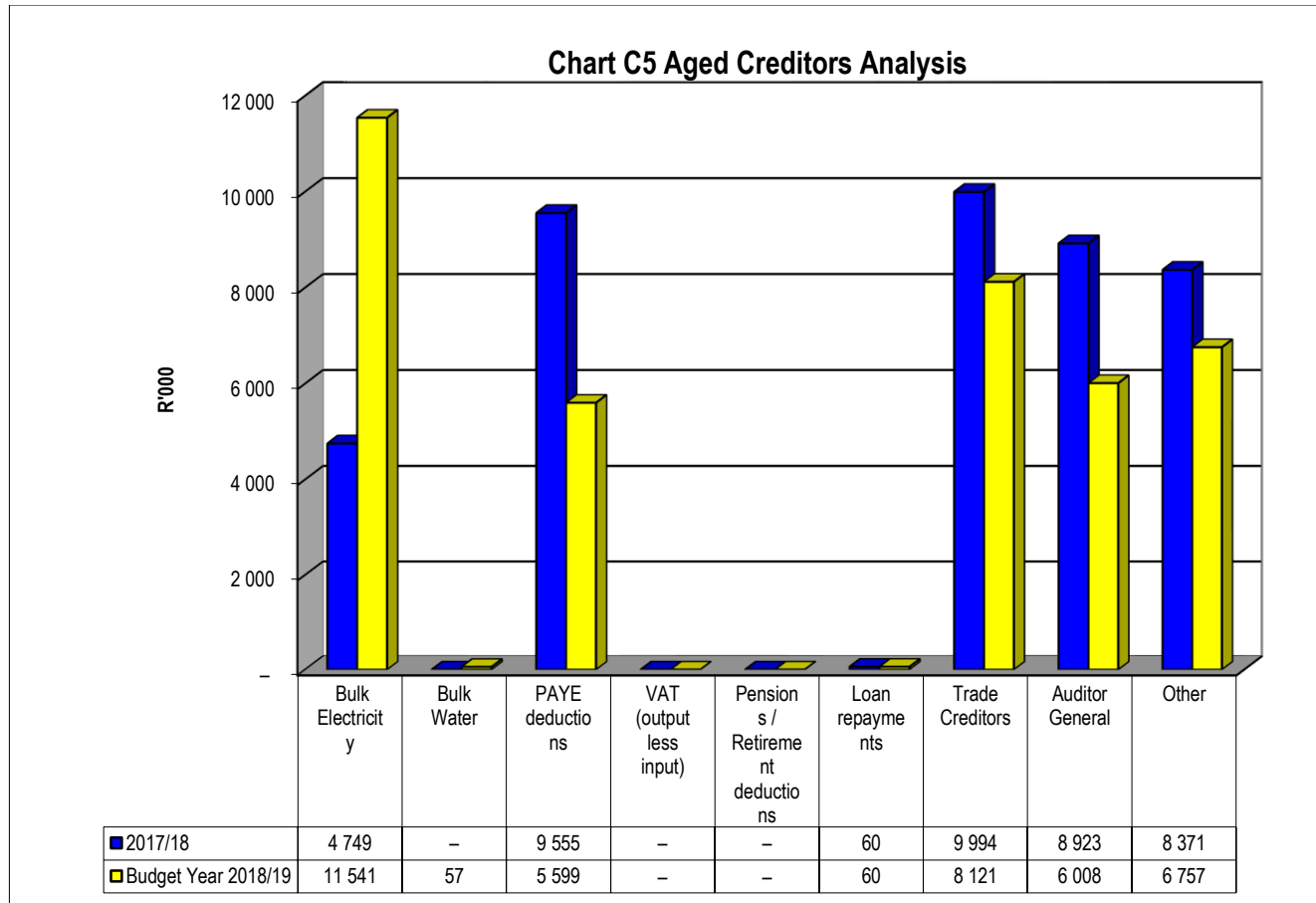
3.7 Creditors Age Analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December										
Description	NT Code	Budget Year 2018/19								
		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	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	3 321	3 056	2 898	2 266	–	–	–	–	11 541
Bulk Water	0200	33	25	–	–	–	–	–	–	57
PAYE deductions	0300	682	–	–	–	–	–	–	4 917	5 599
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repay ments	0600	60	–	–	–	–	–	–	–	60
Trade Creditors	0700	1 445	224	192	229	893	1 228	1 675	2 233	8 121
Auditor General	0800	51	115	68	58	–	–	–	5 717	6 008
Other	0900	778	274	470	98	782	1 005	1 452	1 898	6 757
Total By Customer Type	1000	6 369	3 693	3 628	2 652	1 675	2 233	3 127	14 765	38 143

- The total outstanding creditors as at 31 December amount to R38 million, up from R31 million during November 2018.
- R14.76 million or 39% of the outstanding creditors are outstanding for more than a year.
- The highest outstanding creditors are Eskom (R11 million), the Auditor-General of South Africa (R6 million) and SARS (R5.5 million). Combined, the before mentioned, represents 60% of all outstanding creditors.
- The Eskom bulk account is in arrears to the amount of R8.132 million.
- SARS (PAYE) arrears were reduced from R13.3 million in August 2017 to R5.5 million as at 31 December 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.

3.7.1 Chart of creditors expressed proportionately to the total amount owed



3.8 Conditional Grants Transferred and Expenditure

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

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:		–	29 735	29 735	6 661	18 976	14 867	4 109	27.6%	–
Local Government Equitable Share			25 957	25 957	6 484	16 672	12 979	3 694	28.5%	
Finance Management			2 215	2 215	30	1 664	1 108	556	50.2%	
EPWP Incentive			1 055	1 055	79	421	528	(107)	-20.2%	
Municipal Infrastructure Grant (MIG - PMU)			508	508	68	219	254	(35)	-13.7%	
Other transfers and grants [insert description]								–		
Provincial Government:		–	2 560	2 560	248	1 015	1 280	(265)	-20.7%	–
Housing			380	380	–	–	190	(190)	-100.0%	
Library Service: Replacement Funding for most vulnerable B3 Municipalities			2 070	2 070	248	1 015	1 035	(20)	-2.0%	
Thusong Municipal Service Delivery Capacity Building Grant			110	110			55	(55)	-100.0%	
Other transfers and grants [insert description]								–		
Total operating expenditure of Transfers and Grants:		–	32 295	32 295	6 909	19 991	16 147	3 843	23.8%	–
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		–	44 648	44 648	1 001	2 714	22 324	(19 610)	-87.8%	–
Municipal Infrastructure Grant (MIG)			9 648	9 648	953	2 361	4 824	(2 463)	-51.1%	
Water Services Infrastructure Grant			8 000	8 000	48	352	4 000	(3 648)	-91.2%	
Integrated National Electrification Programme			2 000	2 000	–	–	1 000	(1 000)	-100.0%	
Regional Bulk Infrastructure			25 000	25 000	–	–	12 500	(12 500)	-100.0%	
Other capital transfers [insert description]								–		
Total capital expenditure of Transfers and Grants		–	44 648	44 648	1 001	2 714	22 324	(19 610)	-87.8%	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	76 943	76 943	7 910	22 704	38 472	(15 767)	-41.0%	–

WC041 Kannaland - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

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>RECEIPTS:</u>	1,2									
<u>Operating Transfers and Grants</u>										
National Government:		–	29 735	29 735	6 484	20 134	14 867	5 266	35.4%	–
Local Government Equitable Share			25 957	25 957	6 484	16 672	12 979	3 694	28.5%	
Finance Management			2 215	2 215	–	2 215	1 108			
EPWP Incentive			1 055	1 055	–	739	528			
Municipal Infrastructure Grant (MIG - PMU)			508	508		508	254			
Other transfers and grants [insert description]								–		
Provincial Government:		–	2 560	2 560	110	1 920	1 280	640	50.0%	–
Housing			380	380		430	190	240	126.1%	
Library Service: Replacement Funding for most vulnerable B3 Municipalities			2 070	2 070		1 380	1 035			
Thusong Municipal Service Delivery Capacity Building Grant			110	110	110	110	55	55	100.0%	
Other transfers and grants [insert description]								–		
Total Operating Transfers and Grants	5	–	32 295	32 295	6 594	22 053	16 147	5 906	36.6%	–
<u>Capital Transfers and Grants</u>										
National Government:		–	44 648	44 648	3 830	15 773	22 324	(6 551)	-29.3%	–
Municipal Infrastructure Grant (MIG)			9 648	9 648	2 830	5 773	4 824	949	19.7%	
Water Services Infrastructure Grant			8 000	8 000	–	8 000	4 000	4 000	100.0%	
Integrated National Electrification Programme			2 000	2 000	1 000	2 000	1 000	1 000	100.0%	
Regional Bulk Infrastructure			25 000	25 000	–	–	12 500	(12 500)	-100.0%	
Other capital transfers [insert description]								–		
Total Capital Transfers and Grants	5	–	44 648	44 648	3 830	15 773	22 324	(6 551)	-29.3%	–
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	76 943	76 943	10 424	37 826	38 472	(645)	-1.7%	–

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 R16 672 000.
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 R5 773 000.00.
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.
- Expanded Public Works Programme to the amount of R 739 000.
The purpose of the grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods
- Water Infrastructure Grant to the amount of R8 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 from Provincial Departments only included R111 000 for the Thusong centre maintenance and R1 380 000 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, WSIG and MIG allocation. The total grant expenditure excluding the equitable share allocation amounted to R6, 032,000. 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 R12.7 million and only the provincial allocation for drought relief was approved as a roll-over to date. The latter need to be investigated and spend to prevent penalties or refunding of unspent grants. However a tender of approximately R7 million was awarded to ASLA Construction during December 2018 for Bloekomlaan Reservoir.

3.9 Capital Revenue & Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06
December

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	-	-	-	13 500	-13 500	-100%	-
Total Capital Multi-year expenditure	4,7	-	27 000	-	-	-	13 500	-13 500	-100%	-
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		-	3 506	-	126	126	1 753	-1 627	-93%	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 4 - TECHNICAL SERVICES		-	14 472	-	875	3 602	7 236	-3 634	-50%	-
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	-	17 978	-	1 001	3 728	8 989	-5 261	-59%	-
Total Capital Expenditure		-	44 978	-	1 001	3 728	22 489	-18 761	-83%	-

- The actual year to date capital expenditure amounts to R3 728 000.
- The actual monthly expenditure for December 2018 was R1 000 661.
- 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.

3.10 Expenditure on Salaries

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment										
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	–	186	1 107	1 191	(84)	-7%	–
Pension and UIF Contributions		–	48	–	–	12	24	(12)	-51%	–
Medical Aid Contributions		–	30	–	10	59	15	44	295%	–
Motor Vehicle Allowance		–	264	–	22	131	132	(1)	-1%	–
Cellphone Allowance		–	329	–	25	162	165	(2)	-1%	–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		–	3 053	–	243	1 471	1 526	(56)	-4%	–
Senior Managers of the Municipality	3									
Basic Salaries and Wages		–	3 181	–	103	1 105	1 591	(485)	-30%	–
Pension and UIF Contributions		–	209	–	0	17	105	(88)	-84%	–
Medical Aid Contributions		–	–	–	–	15	–	15	#DIV/0!	–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	410	–	–	–	205	(205)	-100%	–
Motor Vehicle Allowance		–	317	–	7	93	159	(65)	-41%	–
Cellphone Allowance		–	89	–	3	32	44	(12)	-28%	–
Housing Allowances		–	–	–	–	1	–	1	#DIV/0!	–
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		–	4 206	–	113	1 263	2 103	(840)	-40%	–

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

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
Other Municipal Staff										
Basic Salaries and Wages		–	33 590	–	4 825	20 197	16 795	3 402	20%	–
Pension and UIF Contributions		–	5 988	–	404	2 073	2 994	(921)	-31%	–
Medical Aid Contributions		–	3 653	–	169	997	1 826	(830)	-45%	–
Overtime		–	2 163	–	105	668	1 081	(414)	-38%	–
Performance Bonus		–	2 624	–	–	–	1 312	(1 312)	-100%	–
Motor Vehicle Allowance		–	1 711	–	187	1 180	855	325	38%	–
Cellphone Allowance		–	26	–	8	56	13	43	337%	–
Housing Allowances		–	364	–	21	123	182	(59)	-33%	–
Other benefits and allowances		–	363	–	72	479	181	298	164%	–
Payments in lieu of leave		–	433	–	–	–	217	(217)	-100%	–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	96	–	–	–	48	(48)	-100%	–
Sub Total - Other Municipal Staff		–	51 010	–	5 791	25 773	25 505	268	1%	–
Total Parent Municipality		–	58 268	–	6 147	28 506	29 134	(628)	-2%	–
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		–	58 268	–	6 147	28 506	29 134	(628)	-2%	–
TOTAL MANAGERS AND STAFF		–	55 215	–	5 904	27 035	27 608	(572)	-2%	–

3.11 Long-term borrowing

Loan Amount after 2016 RMB Settlement				3 046 907				Loan Purpose			
				Interest Rate				12.52%		Debt Consolidation	
				Term				7 yr			
				Pr				81			
				Instalment	Interest	Capital	Balance				
29				31-Dec-18	60 000.00	36 553.67	23 446.33	2 171 939.28			
Interest Capitalisation		30.06.2018	30.06.2018		0.00	-24,884.94	24,884.94	0.00	2,447,019.39	2,447,019.39	
Repayment Due		02.07.2018	02.07.2018		-35,115.06	0.00	-24,884.94	-60,000.00	2,387,019.39	2,387,019.39	
Interest Accrual		31.07.2018	31.07.2018		0.00	25,382.74	0.00	25,382.74	2,412,402.13	2,387,019.39	
Interest Capitalisation		31.07.2018	31.07.2018		0.00	-25,382.74	25,382.74	0.00	2,412,402.13	2,412,402.13	
Repayment Due		31.07.2018	31.07.2018		-34,617.26	0.00	-25,382.74	-60,000.00	2,352,402.13	2,352,402.13	
Interest Accrual		31.08.2018	31.08.2018		0.00	24,974.13	0.00	24,974.13	2,377,376.26	2,352,402.13	
Interest Capitalisation		31.08.2018	31.08.2018		0.00	-24,974.13	24,974.13	0.00	2,377,376.26	2,377,376.26	
Repayment Due		31.08.2018	31.08.2018		-35,025.87	0.00	-24,974.13	-60,000.00	2,317,376.26	2,317,376.26	
Interest Accrual		30.09.2018	30.09.2018		0.00	23,808.66	0.00	23,808.66	2,341,184.92	2,317,376.26	
Interest Capitalisation		30.09.2018	30.09.2018		0.00	-23,808.66	23,808.66	0.00	2,341,184.92	2,341,184.92	
Repayment Due		01.10.2018	01.10.2018		-36,191.34	0.00	-23,808.66	-60,000.00	2,281,184.92	2,281,184.92	
Interest Accrual		31.10.2018	31.10.2018		0.00	24,238.61	0.00	24,238.61	2,305,423.53	2,281,184.92	
Interest Capitalisation		31.10.2018	31.10.2018		0.00	-24,238.61	24,238.61	0.00	2,305,423.53	2,305,423.53	
Repayment Due		31.10.2018	31.10.2018		-35,761.39	0.00	-24,238.61	-60,000.00	2,245,423.53	2,245,423.53	
Interest Accrual		30.11.2018	30.11.2018		0.00	23,069.42	0.00	23,069.42	2,268,492.95	2,245,423.53	
Interest Capitalisation		30.11.2018	30.11.2018		0.00	-23,069.42	23,069.42	0.00	2,268,492.95	2,268,492.95	
Repayment Due		30.11.2018	30.11.2018		-36,930.58	0.00	-23,069.42	-60,000.00	2,208,492.95	2,208,492.95	
Interest Accrual		31.12.2018	31.12.2018		0.00	23,446.33	0.00	23,446.33	2,231,939.28	2,208,492.95	
Interest Capitalisation		31.12.2018	31.12.2018		0.00	-23,446.33	23,446.33	0.00	2,231,939.28	2,231,939.28	
Repayment Due		31.12.2018	31.12.2018		-36,553.67	0.00	-23,446.33	-60,000.00	2,171,939.28	2,171,939.28	

- The total outstanding long-term debt of Kannaland Municipality amounts to R 2,171,939.28 as at 31 December 2018
- A monthly instalment of R60 000 at an interest rate of 12.52% per annum is being paid.
- For the current month the instalment amount is made up out of R23, 446.33 in interest with a capital redemption amount of R36, 553.67.

ANNEXURE A

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

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

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										
<u>Revenue by Vote</u>	1									
Vote 1 - MUNICIPAL MANAGER		4	26 422	-	-	-	13 211	-13 211	-1	26
Vote 2 - CORPORATE SERVICES		9	22 210	-	784	3 306	11 105	-7 799	-1	22
Vote 3 - FINANCIAL SERVICES		73	26 887	-	3 647	27 941	13 444	14 498	1	27
Vote 4 - TECHNICAL SERVICES		85	115 594	-	6 876	40 583	57 797	-17 214	-0	116
Total Revenue by Vote	2	170 509	191 114	-	11 307	71 831	95 557	-23 727	-24.8%	191
<u>Expenditure by Vote</u>	1									
Vote 1 - MUNICIPAL MANAGER		20 302	14 403	-	975	5 724	7 202	-1 478	-20.5%	14
Vote 2 - CORPORATE SERVICES		42 273	28 435	-	2 725	12 535	14 217	-1 682	-11.8%	28
Vote 3 - FINANCIAL SERVICES		27 516	27 271	-	1 676	11 548	13 635	-2 087	-15.3%	27
Vote 4 - TECHNICAL SERVICES		70 103	73 869	-	6 143	39 545	36 934	2 611	7.1%	74
Total Expenditure by Vote	2	160 194	143 977	-	11 519	69 352	71 989	-2 637	-3.7%	144
Surplus/ (Deficit) for the year	2	10 315	47 137	-	-212	2 478	23 569	-21 090	-89.5%	47

ANNEXURE B

Table C2 Monthly Budget Statement – Financial Performance (Functional classification) – M06 December 2018

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

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	-	3 905	28 840	27 373	1 466	5%	55
Executive and council		-	26 422	-	-	-	13 211	-13 211	-100%	26
Finance and administration		-	28 325	-	3 905	28 840	14 162	14 677	104%	28
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	13 525	-	403	1 462	6 763	-5 301	-78%	14
Community and social services		-	13 125	-	277	1 045	6 563	-5 517	-84%	13
Sport and recreation		-	20	-	127	128	10	118	1179%	0
Public safety		-	-	-	-	289	-	289	#DIV/0!	-
Housing		-	380	-	-	-	190	-190	-100%	0
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	8 861	-	270	1 508	4 430	-2 922	-66%	9
Planning and development		-	111	-	-	-	56	-56	-100%	0
Road transport		-	8 750	-	270	1 508	4 375	-2 867	-66%	9
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	113 982	-	6 729	40 021	56 991	-16 970	-30%	114
Energy sources		-	48 778	-	3 802	24 503	24 389	114	0%	49
Water management		-	38 584	-	1 943	9 387	19 292	-9 906	-51%	39
Waste water management		-	19 414	-	498	3 097	9 707	-6 610	-68%	19
Waste management		-	7 205	-	486	3 034	3 603	-568	-16%	7
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	191 114	-	11 307	71 831	95 557	-23 727	-25%	191
Expenditure - Functional										
Governance and administration		-	53 547	-	3 742	22 718	26 774	-4 056	-15%	54
Executive and council		-	14 073	-	975	5 724	7 037	-1 313	-19%	14
Finance and administration		-	39 474	-	2 768	16 994	19 737	-2 743	-14%	39
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	9 964	-	1 107	4 237	4 982	-745	-15%	10
Community and social services		-	7 377	-	895	3 477	3 689	-211	-6%	7
Sport and recreation		-	267	-	21	159	134	26	19%	0
Public safety		-	-	-	20	112	-	112	#DIV/0!	-
Housing		-	2 320	-	172	489	1 160	-671	-58%	2
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	14 336	-	1 095	6 623	7 168	-545	-8%	14
Planning and development		-	111	-	-	-	56	-56	-100%	0
Road transport		-	14 225	-	1 095	6 623	7 113	-490	-7%	14
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	66 129	-	5 575	35 775	33 065	2 710	8%	66
Energy sources		-	40 698	-	3 411	22 589	20 349	2 240	11%	41
Water management		-	12 335	-	988	5 798	6 167	-369	-6%	12
Waste water management		-	7 732	-	592	4 029	3 866	163	4%	8
Waste management		-	5 364	-	584	3 358	2 682	676	25%	5
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	143 977	-	11 519	69 352	71 989	-2 637	-4%	144
Surplus/ (Deficit) for the year		-	47 137	-	-212	2 478	23 569	-21 090	-89%	47

ANNEXURE C: Implementation of the Supply Chain Management policy

VOORSIENINGSKANAAL AFWYKINGS: ART 36 - SCM REGULASIES					
NOMMER	DATUM	DEPARTEMENT	VERSKAFFER	BEDRAG	REDE
1/09/SEC 3	11/10/2018	TEGNIES	RIVERSDAL ELECTRIC AND GENERAL	R 67 436.00	Reg.36(1)a(v) N TRANSFORMATOR WAT DIE ELEKTRISITEIT VOORSIEN VIR DIE LE GRANGE DAM VERANTWOORDELIK VIR DIE WATER TOEVOER NA LADISMITH IS ONTKLAAR EN MOET DRINGEND HERSTEL WORD OMSODOENDE WATER AAN DIE GEMEENSKAP TE VERSKAF.Die SCM KANTOOR MOET DUS AFWYK VAN DIE NORMALE SCM PROSES
2/09/SEC 3	23/10/2018	VLOOT	CAROLINE 36 BK h/a HI WAY BANDE	R 54 682.50	Reg.36(1)a(v) DIE BANDE VAN DIE RIOOL TROK IS BUIE WERKING.DIE BANDE IS BUIE KANNALAND AANGEKOOP DIE BANDE MOET GEBALANSEER WORD .DIE ENIGSTE WERKSWINKEL IN KANNALAND MET DIE NODIGE TOERUSTING IS HI WAY BANDE
3/09/SEC 3	31/10/2018	TEGNIES	ULTRA WATER CC	R 13 871.88	Reg.36(1)a(v) ULTRA WATER IS DIE VERSKAFFER VAN DIE SISTEEM .DIE HERSTEL VAN DIE CHLOORSYTEEM MOET DUS DEUR ULTRA WATER CC VERRRIG WORD
4/09/SEC 3	31/10/2018	TEGNIES	ULTRA WATER CC	R 3 450.00	Reg.36(1)a(v) ULTRA WATER IS DIE VERSKAFFER VAN DIE SISTEEM .DIE HERSTEL VAN DIE CHLOORSYTEEM MOET DUS DEUR ULTRA WATER CC VERRRIG WORD
5/09/SEC 3	11/10/2018	TEGNIES	VE RETICULATION	R 35 800.00	Reg.36(1)a(v) DRINGENDE HERSTEL WERK AAN DIE KRAGTOEVOER NA LADISMITH KAAS ,EEN VAN DIE KABELS HET GE BRAND EN MOET ONMIDDELIK HERSTEL WORD DUS MOET DIE SCM KANTOOR AFWYK VAN DIE NORMALE SCM PROSES
				R 175 240.38	

It should be emphasised that aforementioned section 36 expenditure was necessary to ensure continuation of sustainable municipal services.

ANNEXURE D: Overall Service Deliverables

Summary and Challenges

Early indicators are set to inform performance against the output and goals of the Service Delivery Budget Implementation Plan (SDBIP). However adjustments will be made to the Financial and Technical Services key performance areas and targets in order to adhere to the SMART principle and to enhance better service delivery.

Although the municipality is faced with financial challenges, most of the indicators was achieved effectively and above expectation. A financial recovery plan and audit action plan has been drafted for implementation in order to strengthen the organisation's commitment towards service delivery and good governance in the community.

The half yearly report reflects only the first six months of the financial year which measure the overall performance. Most of the indicators will only be measured from the third quarter however in cases where targets were not met will revisions be made to the currently sdbip.

The revised Top Layer SDBIP will be submitted concurrently with the Adjustment Budget to be approved by Council in February 2019.

Kannaland Municipality
SDBIP 2018/2019: Toplayer SDBIP Report

Office of the Municipal Manager

Ref	Directorate	Pre-determined Objectives	KPI	Unit of Measurement	Wards	KPI Owner	Baseline	Sep-18					Dec-18					Overall Performance for Jul 2018 to Dec 2018		
								Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R
D167	Office of the Municipal Manager	To strive towards a financially sustainable municipality	Submit a quarterly report on the financial recovery plan to Council	Number of reports submitted	All	Municipal Manager	New Key Performance Indicator for 2018/19	1	1	G	The financial recovery plan was tabled to Council on 31 August 2018	None	1	1	G	The FRP was submitted in November to Council to indicate the process thereof.	None	2	2	G
D168	Office of the Municipal Manager	To strive towards a financially sustainable municipality	Submit a quarterly report on the financial improvement plan to Council	Number of reports submitted	All	Municipal Manager	New Key Performance Indicator for 2018/19	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	None	1	1	G	The financial recovery plan shows an indication of the improvement of finance in the municipality. This report was tabled to Council 30 November 2018	None	2	2	G
D169	Office of the Municipal Manager	To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Submit the final IDP to the Council by 31 May 2019	Final IDP submitted to Council	All	Municipal Manager		1	0	N/A			0	0	N/A			0	0	N/A
D170	Office of the Municipal Manager	To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Conduct monthly meetings with senior leadership team	Number of meetings conducted	All	Municipal Manager		4	1	R	No internal unit in place for this quarter. However the municipality is in process to establish the unit through the correct procedures	Shared Services between Eden and Hessequa Municipality which will assist us with this function. The reactivation will be finalised and in place by November 2018	0	0	N/A			5	0	R
D171	Office of the Municipal Manager		Complete the annual risk assessment and submit to the Risk Committee by 31 March 2019	Risk assessment submitted to the Risk Committee	All	Municipal Manager		1	0	N/A			0	0	N/A			0	0	N/A
D172	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Compile an Annual Audit Plan and submit to the Audit Committee by 30 June 2019	Annual Audit Plan submitted Audit Committee	All	Municipal Manager	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D173	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Conduct the performance evaluations of the Section 57 managers bi-annually	Number of evaluations conducted	All	Municipal Manager	New Key Performance Indicator for 2018/19	0	0	N/A			1	0	R	This action will be done in January as per legislative date.	Targets needs to be amend accordingly in order to submit the correct and completed evidence.	1	0	R
D174	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Submit quarterly SDBIP reports to the Mayor	Number of reports submitted	All	Municipal Manager		4	1	G	First quarter was presented to MM and will be tabled in next mayco	None	1	1	G	The report was submitted in November 2018	None	2	2	G
D175	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Compile a Performance Management Framework and submit to Council for approval by 30 June 2019	Performance Management Framework submitted to Council	All	Municipal Manager	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D176	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Compile and submit the three year Risk Based Audit Plan (RBAP) to the Audit Committee by 30 June 2019	RBAP submitted to the Audit Committee	All	Municipal Manager		1	0	N/A			0	0	N/A			0	0	N/A
D177	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Update the Contract Register quarterly	Number of updates conducted	All	Municipal Manager	New Key Performance Indicator for 2018/19	1	1	G	Register is updated monthly and submitted to the MM quarterly to be signed off		1	1	G	The contract register is maintained by the Risk and Legal Manager and submitted to the MM for sign off. The register is used for internal controls	None	2	2	G

D178	Office of the Municipal Manager	To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Conduct quarterly meetings with the disciplinary board	Number of meetings conducted	All	Municipal Manager	New Key Performance Indicator for 2018/19	0	0	N/A			1	1	G	Meeting was conducted on 15 November 2018	None	1	1	G
D179	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Functional performance audit committee measured by means of meetings where committee dealt with performance reports.	Number of meetings conducted	All	Municipal Manager	New Key Performance Indicator for 2018/19	1	0	R	This committee wil be reactivated before the mid term. However the targets will be amended to quarterly and not monthly	Reactivation of the committee and amendment to the targets	1	1	G	The meeting was conducted 21 November 2018.	None	6	2	R
D180	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Quarterly meetings conducted by the MPAC	Number of meetings conducted	All	Municipal Manager	New Key Performance Indicator for 2018/19	1	0	R	This mpac did not meet this quarter.	Targets will be amend to quarterly and not monthly	1	1	G	Meeting was conducted on 21 November 2018	None	6	2	R
D181	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Compile and submit the Draft Annual Report to Council by 31 January 2019	Draft Annual Report submitted to Council	All	Municipal Manager		1	0	N/A			0	0	N/A			0	0	N/A
D182	Office of the Municipal Manager	To facilitate economic growth, social and community development	Review the LED Strategy and submit to Council 31 March 2019	LED strategy submitted to Council	All	Municipal Manager		1	0	N/A			0	0	N/A			0	0	N/A
D183	Office of the Municipal Manager	To provide adequate services and improve our public relations	Develop and distribute quarterly external municipal newsletters	Number of quarterly newsletter distributed	All	Municipal Manager	4	1	1	G	Newsletter is already drafted to be distributed that will be published in December 2018	Under financial recovery plan - Asked Department of Local Government for assistance	1	0	R	Newsletter will be distributed in December 2018	Kannaland municipality is under financial administration. DPLG will assist with printing of newsletter	2	1	R
D184	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Facilitate bi-annual public participation sessions to obtain inputs for the IDP and Budget process	Number of sessions facilitated	All	Municipal Manager	4	0	0	N/A			4	4	G	The IDP public participation was held in November in all four wards	None	4	4	G
D185	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Develop and sign agreements of the s57 managers by 31 July 2018	Agreements of the s57 managers signed	All	Municipal Manager	3	0	0	N/A			0	0	N/A			3	3	G
D186	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Publish the draft IDP on the municipal website within 10 days after approval by Council	Draft IDP published	All	Municipal Manager		1	0	N/A			0	0	N/A			0	0	N/A
D187	Office of the Municipal Manager	To facilitate economic growth, social and community development	Develop a Tourism Strategy for the municipal area and submit to Council by 31 March 2019	Tourism strategy submitted to Council	All	Municipal Manager	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D188	Office of the Municipal Manager	To facilitate economic growth, social and community development	Develop a policy for informal traders/ second economy and submit to council by 31 March 2019	Policy submitted to Council	All	Municipal Manager	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A

D189	Office of the Municipal Manager	To facilitate economic growth, social and community development	Develop a strategy for rural and agricultural development and submit to Council by 31 March 2019	Strategy developed	All	Municipal Manager	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D190	Office of the Municipal Manager	To facilitate economic growth, social and community development	Develop a Green economy strategy and submit to Council by 31 March 2019	Submitted to Council	All	Municipal Manager	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A

Summary of Results: Office of the Municipal Manager	
KPI Not Yet Me	KPIs with no targets c 12
KPI Not Met	0% <= Actual/Target : 5
KPI Almost Met	75.000% <= Actual/T: 0
KPI Met	Actual meets Target (7
KPI Well Met	100.001% <= Actual/ 0
KPI Extremely \	150.000% <= Actual/ 0
Total KPIs	24

Financial Services

Ref	Directorate	Pre-determined Objectives	KPI	Unit of Measurement	Wards	KPI Owner	Baseline	Sep-18					Dec-18					Overall Performance for Jul 2018 to Dec 2018		
								Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R
D191	Financial Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	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}	% of capital budget spent by 30 June 2019	All	Director Financial Services	95%	25%	7%	R	Capital expenditure is slower at the beginning of the period and picks up pace by January	Capital expenditure is slower at the beginning of the period and picks up pace by January. The spending patterns and habits of Kannaland need to be taken into consideration when populating expectations	55%	8%	R	RBIG is the reason for this skew picture. If we can get clarity on whether or not the funds will be transferred this will answer our question regarding grant spending	Clarity must be obtain with regards to RBIG and funds need to be adjusted during adjustment budget period	55%	8%	R
D192	Financial Services	To strive towards a financially sustainable municipality	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	Number of residential properties which are billed for water (debtors listing)	All	Director Financial Services	4702	4,87	4,905	G 2	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		4,87	4,908	G 2	Number of formal residential properties that receive piped water that is connected to the municipal water infrastructure network and billed		4,87	4,908	G 2
D193	Financial Services	To strive towards a financially sustainable municipality	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	Number of residential properties which are billed for electricity or have pre-paid meters. (Debtors list only where electricity is provided - Ladismith and Calitzdorp)	1; 2; 4	Director Financial Services	2665	2,665	3,782	G 2	Number of formal residential properties connected to the municipal electrical infrastructure		2,665	3,086	G 2	Number of formal residential properties connected to the municipal electrical infrastructure		2,665	3,086	G 2
D194	Financial Services	To strive towards a financially sustainable municipality	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network billed for the service as at 30 June 2019	Number of residential properties which are billed for sewerage (Debtors listing)	All	Director Financial Services	4266	4,373	4,444	G 2	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	4,452	G 2	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network		4,373	4,452	G 2
D195	Financial Services	To strive towards a financially sustainable municipality	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	Number of residential properties which are billed for refuse removal	All	Director Financial Services	4631	4,716	4,788	G 2	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	4,794	G 2	Properties connected to refuse removal		4,716	4,794	G 2
D196	Financial Services	To strive towards a financially sustainable municipality	Number of residential , business, industrial and agricultural properties that are levied for property rate in terms of the valuation role by 30 June 2019	Number of residential , business, industrial and agricultural properties that are levied	All	Director Financial Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	9,865	B

D197	Financial Services	To strive towards a financially sustainable municipality	Achieve 85% year to date collection rate of revenue billed by 30 June 2019 (Total revenue collected / total billed)x100	% collection rate achieved	All	Director Financial Services	85%	85%	82%	O	Achieve 85% year to date collection rate of revenue billed by 30 June 2019	Stricter enforcement of Credit Control and Debt Collection Policy	85%	85.84%	G 2	Achieve 85% year to date collection rate of revenue billed		85%	168.15%	B
D198	Financial Services	To strive towards a financially sustainable municipality	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	Number of months it takes to cover fix operating expenditure with available cash	All	Director Financial Services	0.9	0	0	N/A			1	0	R	Unable to do ratios during the absence of financial statements	Unable to do ratios during the absence of financial statements	1	0	R
D199	Financial Services	To strive towards a financially sustainable municipality	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors (total outstanding debtors refers to total net debtors)	All	Director Financial Services	6.29%	6%	0%	R			6%	0%	R			6%	0%	R
D200	Financial Services	To strive towards a financially sustainable municipality	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))	% of debt coverage	All	Director Financial Services	87.42%	87%	0%	R	Unable to provide accurate ratio as no AFS is available to provide info		87%	0%	R	Unable to do ratios during the absence of financial statements	Unable to do ratios during the absence of financial statements	87%	0%	R
D201	Financial Services	To strive towards a financially sustainable municipality	Conduct monthly reconciliation of the bank account within 10 working days	Number of monthly reconciliation conducted within 10 working days	All	Director Financial Services	12	1	1	G	Bank recon submitted with reconciling items for Sep2018		1	1	G	Signed Recon for Dec2018 attached		6	6	G
D202	Financial Services	To strive towards a financially sustainable municipality	Submit draft budget related policies to Council by 31 March 2019	Number of policies submitted	All	Director Financial Services	5	0	0	N/A			0	0	N/A			0	0	N/A

D203	Financial Services	To strive towards a financially sustainable municipality	Submit a progress report on the implementation of the SCM Policy and AG findings with recommendations to the MM, quarterly within 10 working days	Number of reports submitted	All	Director Financial Services	4	1	1	G	NO SUBMISSION	NEED TO BE AMENDED	1	1	G	The SCM policy needs to be reviewed. At the moment then AG is still busy with their annual audit process, as such I am unable to submit report as requested.		2	2	G
D204	Financial Services	To strive towards a financially sustainable municipality	Conduct a monthly reconciliation of assets by the 10th of each month	Number of reconciliation conducted	All	Director Financial Services	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. However due to the fact that the 2017-18 GL is still not in balance, there are no opening balances for the 2018-19 Financial Year. There is still no final figures for the Assets due to the AFS that is still not complete. Therefore we cannot perform any recons on the assets, because our GL does not balance.	We are currently in a process to finalize the 2017-18 Financial year.	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. However due to the fact that the 2017-18 GL is still not in balance, there are no opening balances for the 2018-19 Financial Year. There is still no final figures for the Assets due to the AFS that is still not complete. Therefore we cannot perform any recons on the assets, because our GL does not balance.	We are currently in the process of finalizing the 2017-18 Financial Year.	6	0	R
D205	Financial Services	To strive towards a financially sustainable municipality	Submit the Section 71 reports to the Mayor and Provincial Treasury within 10 working days after each month	Number of reports submitted	All	Director Financial Services	12	1	1	G			1	1	G	All relevant reports included in monthly reports and submitted to director and PT on 10th working day		6	6	G
D206	Financial Services	To strive towards a financially sustainable municipality	Submit the approved financial statements to the AG by 31 August 2019	Approved financial statements submitted	All	Director Financial Services	1	0	0	N/A			0	0	N/A			1	0	R
D207	Financial Services	To strive towards a financially sustainable municipality	Submit the Section 52 report to Council and Provincial Government within 10 working days after each quarterly	Section 52 report submitted	All	Director Financial Services	4	0	0	N/A			0	0	N/A			2	1	R
D208	Financial Services	To strive towards a financially sustainable municipality	Number of Households with access to free basic services (as per Indigent Register) by 30 June 2019	Number of Households with access to free basic services (as per Indigent Register)	All	Director Financial Services	2050	2,382	2,511	G 2	Number of Households with access to free basic services		2,382	2,462	G 2	Number of Households with access to free basic services		2,382	2,462	G 2
D209	Financial Services	To strive towards a financially sustainable municipality	Submit the final Budget to Council by 31 May 2019	Final budget submitted	All	Director Financial Services		1	0	0	N/A		0	0	N/A			0	0	N/A
D210	Financial Services	To promote efficient and effective governance with high levels of stakeholder participation	Conduct daily (working days) back-ups of all systems and databasis in terms of the IT Policy	Daily back-ups conducted	All	Director Financial Services	265	63	63	G	ICT backups are done daily to ensure no failed items are load to data		63	0	R			126	63	R
D211	Financial Services	To strive towards a financially sustainable municipality	Submit the Section 72 (mid-year) report to the Mayor by 25 January 2019	Section 72 report submitted	All	Director Financial Services		1	0	0	N/A		0	0	N/A			0	0	N/A

Summary of Results: Financial Services		
	KPI Not Yet Met: KPIs with no targets c 3	
	KPI Not Met 0% <= Actual/Target : 8	
	KPI Almost Met 75.000% <= Actual/Target : 0	
	KPI Met Actual meets Target (3	
	KPI Well Met 100.001% <= Actual/Target : 5	
	KPI Extremely Well Met 150.000% <= Actual/Target : 2	
Total KPIs		21

Corporate Services

Ref	Directorate	Pre-determined Objectives	KPI	Unit of Measurement	Wards	KPI Owner	Baseline	Sep-18					Dec-18					Overall Performance for Jul 2018 to Dec 2018		
								Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R
D224	Corporate Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Complete the pre-planning phase (erf 95/0) of the Ladismith Parmalat housing project by 30 June 2019	Pre-planning completed	All	Director Corporate Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	1	B
D225	Corporate Services	To facilitate economic growth, social and community development	Complete the pre-planning phase of the Zoar 100 infill housing project (erf 1834) by 30 June 2019	Pre-planning completed	All	Director Corporate Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	1	B
D226	Corporate Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Complete the pre-planning phase of the subdivision of (Erf 1416) in Zoar by 30 June 2019	Pre-planning completed	3	Director Corporate Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	1	B
D227	Corporate Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Review the (Spatial Development Framework) SDF and submit to Council by 31 March 2019	SDF submitted to Council	All	Director Corporate Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D228	Corporate Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Submit the Draft Kannaland Zoning Scheme to Council by 31 March 2019	Zoning Scheme submitted to Council	All	Director Corporate Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D229	Corporate Services	To promote efficient and effective governance with high levels of stakeholder participation	Review the System of delegations and submit to Council by 31 March 2019	System of delegations submitted	All	Director Corporate Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D230	Corporate Services	To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Limit the vacancy rate to less than 20% of budgeted vacancies by 30 June 2019	% vancancies	All	Director Corporate Services	36%	0%	0%	N/A			22%	0%	R			22%	0%	R

D231	Corporate Services	To promote efficient and effective governance with high levels of stakeholder participation	Review the Performance Management Policy Framework and submit to Council by 31 March 2019	Submitted to Council	All	Director Corporate Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D232	Corporate Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Construct 175 top structures in Calitzdorp (Bergsig) by 30 June 2019	Number Constructed	2	Director Corporate Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	179	B
D233	Corporate Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Construct a K53 testing course in Ladismith by 30 June 2019	Project completed	All	Director Corporate Services		0	0	N/A			0	0	N/A			0	0	N/A
D234	Corporate Services	To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	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]	% of the municipality's personnel budget spent	All	Director Corporate Services	New Key Performance Indicator for 2018/19	0%	0%	N/A			0%	0%	N/A			0%	0%	N/A
D235	Corporate Services	To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	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	Number of people from employment equity target groups employed	All	Director Corporate Services	5	0	0	N/A			0	0	N/A			0	0	N/A
D236	Corporate Services	To promote efficient and effective governance with high levels of stakeholder participation	Implement social development initiatives according to the approved business plans by September 2019	Number of development initiatives implemented	All	Director Corporate Services	New Key Performance Indicator for 2018/19	1	1	G	First meeting were held in September to discuss programmes to be rolled out in conjunction with the municipality.	None	0	0	N/A			1	1	G
D237	Corporate Services	To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Submit the WSP to LGSETA by 30 April 2019	WSP submitted	All	Director Corporate Services		1	0	N/A			0	0	N/A			0	0	N/A

Summary of Results: Corporate Services

KPI Not Yet Met: KPIs with no targets c 8	
KPI Not Met 0% <= Actual/Target c 1	
KPI Almost Met 75.000% <= Actual/Target c 0	
KPI Met Actual meets Target c 1	
KPI Well Met 100.001% <= Actual/Target c 0	
KPI Extremely Well Met 150.000% <= Actual/Target c 4	
Total KPIs	14

Infrastructure Services

Ref	Directorate	Pre-determined Objectives	KPI	Unit of Measurement	Wards	KPI Owner	Baseline	Sep-18					Dec-18					Overall Performance for Jul 2018 to Dec 2018		
								Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R

D212	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Upgrade of the existing groundwater infrastructure at Swartberg river by 30 September 2018	Project completed	4	Director Infrastructure Services	New Key Performance Indicator for 2018/19	1	1	G	The roll over application was only approved in late August however the funds were not accurately load on the financial system to spend money towards the project	The completion will be finalised middle December 2018	0	0	N/A			1	1	G
D213	Infrastructure Services	To facilitate economic growth, social and community development	Create job opportunities through the Expanded Public Works Programme (EPWP)	Number of Job opportunities created	All	Director Infrastructure Services	103	50	181	B	Total job opportunities created		70	201	B	Report of WO created submitted		70	201	B
D214	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	95% percent of water samples comply with SANS 241 by 30 June 2019 (number of sample taken / number of samples that comply) x100	% sample that complies with SANS 241	All	Director Infrastructure Services	80%	95%	95%	G	Garden Route DM assist the municipality by testing the water samples monthly	None	95%	95%	G	Garden Route DM assist the municipality by testing the water samples monthly	None	95%	95%	G
D215	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Upgrade the water reticulation in Zoar by 28 February 2019	Project completed	3	Director Infrastructure Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D216	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Construct new floodlights for the sport field in Bergsig, Calitzdorp by 30 June 2019	Project completed	2	Director Infrastructure Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D217	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Construct street lighting in Van Wyksdorp Greenhills area by 30 June 2019	Project completed	4	Director Infrastructure Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D218	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Conduct a water availability study for Calitzdorp and submit recommendations to Council 30 June 2019	Recommendations submitted to Council	2	Director Infrastructure Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D219	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Upgrade the Zoar sportfield (phase 2) by 31 March 2019	Project completed	3	Director Infrastructure Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
D220	Infrastructure Services	To promote efficient and effective governance with high levels of stakeholder participation	Spend 90% of RBIG grant funding (Ladismith WWTW and New Dam)by 30 June 2019	% budget spent	1; 4	Director Infrastructure Services	90%	10%	0%	R	RBIG Funds were withdrawn by DWS	Funds should be removed from budget.	40%	0%	R	RBIG Funds were withdrawn by DWS	Funding should be removed from budget.	40%	0%	R
D221	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Spend 90% of WSIG grant funding (Calitzdorp Bloekomlaan Reservoir repairs) by 30 June 2019	% budget spent	2	Director Infrastructure Services	90%	10%	7.50%	O	Tender was advertised in October due to BSC meeting being rescheduled a few times.	Claims will only be submitted end of October to show expenditure in November 2018	40%	5%	R	R400 551.27 was spend till December 2018.	Contractor to be appointed in January 2019	40%	5%	R
D222	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Spend 100% of MIG grant funding by 30 June 2019	% budget spent	All	Director Infrastructure Services	90%	10%	14.70%	G	6% from the total allocation (R10 156 000) was spend for the month of September. Accumulative expenditure till September is 14.7%	Once council approve projects on 31/10/2018, expenditure will speed up.	40%	33.70%	O	A total amount of R3 423 256.02 was spend until December 2018 from the total allocation of R10 156 000	Contractor appointments will be in February 2018, Tenders are closing 18/01/2019	40%	33.70%	O

D223	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Complete the main substation in Ladismith (20 Mva transformer) by 30 June 2019	Main substation completed	1	Director Infrastructure Services	New Key Performance Indicator for 2018/19	0	0	N/A			0	0	N/A			0	0	N/A
------	-------------------------	--	--	---------------------------	---	----------------------------------	---	---	---	-----	--	--	---	---	-----	--	--	---	---	-----

Summary of Results: Infrastructure Services	
KPI Not Yet Met	KPIs with no targets c 6
KPI Not Met	0% <= Actual/Target c 2
KPI Almost Met	75.000% <= Actual/Ti 1
KPI Met	Actual meets Target (2
KPI Well Met	100.001% <= Actual/ 0
KPI Extremely \	150.000% <= Actual/ 1
Total KPIs 12	

Summary of Results	
KPI Not Yet Met	KPIs with no targets c 29
KPI Not Met	0% <= Actual/Target c 17
KPI Almost Met	75.000% <= Actual/Ti 1
KPI Met	Actual meets Target (12
KPI Well Met	100.001% <= Actual/ 5
KPI Extremely \	150.000% <= Actual/ 7
Total KPIs 71	

Report generated on 17 January 2019 at 12:58.

QUALITY CERTIFICATE

I, R Stevens the acting municipal manager of Kannaland Municipality, hereby certify that –

(mark as appropriate)

- The Monthly budget statement
- Mid-Year report on the implementation of the budget and financial state affairs of the municipality
- **Mid- year budget and performance assessment**

For the month of DECEMBER 2018 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: R Stevens

Municipal Manager of Kannaland Municipality – WC041

Signature -----

Date -----