



**KANNALAND**  
MUNISIPALITEIT | MUNICIPALITY

## **Kannaland Municipality**

### **Section 52d Report Quarter 4 April 2020- June 2020**

**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.**

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## Glossary

**Adjustment budget** - Prescribed in section 28 of the MFMA. The formal means by which a municipality September 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 Quarterly 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. Virement 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

## 1 Legislative Framework

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

### **The Municipal Finance Management Act 56 of 2003**

#### Section 71: Quarterly budget statements

*71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:*

- (a) Actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on—
  - (i) its share of the local government equitable share; and
  - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of—
  - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

- (ii) any material variances from the service delivery and budget implementation plan; and
  - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.
- (2) The statement must include—
- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
  - (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

#### 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.**



## 2 Mayor's Report

The purpose of this report is to inform the mayor and provincial treasury of the Quarterly financial performance against the budget of the municipality for the **4<sup>th</sup> Quarter of 2019/20 financial year**. The mayor will consider all deviations and take the necessary corrective actions if needed. It should be noted that the Quarterly 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.

### ***Financial problems and risks facing the municipality***

Cash flow has and will for the foreseeable future be a problem, but in the short-term Kannaland Municipality has done well to meet the most pressing commitments. The municipality still experiences cash flow challenges due to constrained resources. A financial Recovery Plan (**FRP**) is in place to mitigate this risk. The withholding of funds by the Provincial Executive has a direct impact on the municipality's ability to implement certain objectives as set out on the **FRP** which requires grant funding.

The municipality has submitted two business plans regarding a much needed "larger server" to address the capacity (space) shortage which carries a huge risk should the system crash in the immediate future. From an audit perspective the municipality will find itself in a very unpleasant position to say the least. Council must however take a serious stand to bring the state of affairs under the Provincial Executive's attention before potential risks will materialise

### ***Other information considered relevant***

Cash flow has and will for the foreseeable future be a problem, but in the short-term Kannaland Municipality has done well to meet the most pressing commitments such as Eskom, Employee Related Cost including bonuses and service delivery. The municipality still experiences cash flow challenges due to constrained resources. A Financial Recovery Plan is in place to mitigate this risk.

On the 25th March 2020, the President of South Africa, Mr Cyril Ramaphosa declared a state of emergency lockdown for 21 days. The country and the world at large are currently faced with an epidemic of Corona Virus. The lockdown affected the whole country, businesses and government, no people are allowed to work except for essential workers. To some extent, this has affected some operations in the municipality when the lockdown was implemented. The impact of the lockdown as a result of COVID-19 can be seen

on the municipality income generation that has been crippled. The extended expenditure of COVID-19 related costs exerts strain and pressure on the municipality depleted financial resources with minimal funding from relevant funding authorities.

### 3 Budget Summary

Western Cape: Kannaland(WC041) - Table C1 Quarterly Budget Summary for 4th Quarter ended 30 June 2020

Description	2018/19	2019/20	Budget year 2019/20										
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
<b>R thousands</b>													
<b>Financial Performance</b>													
Property rates	15 549	-	17 117	17 117	6 443	2 986	2 182	3 094	14 704	17 117	(2 413)	(14,10)	17 117
Service charges	69 672	-	88 958	90 425	14 268	20 180	20 572	19 055	74 076	90 425	(16 349)	(18,08)	90 425
Investment revenue	669	-	526	778	277	233	211	186	907	778	129	16,61	778
Transfers and subsidies	33 803	-	37 147	46 313	13 423	9 480	7 670	27	30 600	46 313	(15 713)	(33,93)	46 313
Other own revenue	17 519	-	18 336	16 606	1 056	2 391	1 943	450	5 840	16 606	(10 766)	(64,83)	16 606
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>137 213</b>	<b>-</b>	<b>162 083</b>	<b>171 238</b>	<b>35 467</b>	<b>35 271</b>	<b>32 578</b>	<b>22 811</b>	<b>126 127</b>	<b>171 238</b>	<b>(45 111)</b>	<b>(26,34)</b>	<b>171 238</b>
Employee costs	55 504	-	59 406	64 962	11 213	16 748	14 462	13 392	55 816	64 962	(9 147)	(14,08)	64 962
Remuneration of councillors	3 323	-	3 277	3 408	437	700	479	579	2 195	3 408	(1 213)	(35,60)	3 408
Depreciation & asset impairment	26 698	-	11 192	11 984	-	-	-	-	11 984	(11 984)	(100,00)		11 984
Finance charges	2 921	-	722	610	115	139	147	11	412	610	(198)	(32,41)	610
Materials and bulk purchases	36 457	-	44 282	42 761	657	16 519	2 253	6 710	26 139	42 761	(16 621)	(38,87)	42 761
Transfers and subsidies	1 899	-	558	150	-	27	30	39	96	150	(54)	(35,84)	150
Other expenditure	42 266	-	43 518	40 163	2 048	3 778	5 398	2 408	13 631	40 163	(26 531)	(66,06)	40 163
<b>Total Expenditure</b>	<b>169 068</b>	<b>-</b>	<b>162 954</b>	<b>164 037</b>	<b>14 470</b>	<b>37 911</b>	<b>22 770</b>	<b>23 139</b>	<b>98 289</b>	<b>164 037</b>	<b>(65 748)</b>	<b>(40,08)</b>	<b>164 037</b>
<b>Surplus/(Deficit)</b>	<b>(31 855)</b>	<b>-</b>	<b>(871)</b>	<b>7 201</b>	<b>20 997</b>	<b>(2 640)</b>	<b>9 808</b>	<b>(327)</b>	<b>27 838</b>	<b>7 201</b>	<b>20 637</b>	<b>286,59</b>	<b>7 201</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	10 820	-	52 236	35 346	503	430	-	-	932	35 346	(34 414)	(97,36)	35 346
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) & Transfers and subsidies - capital (in-kind - all)	382	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(20 653)</b>	<b>-</b>	<b>51 366</b>	<b>42 547</b>	<b>21 500</b>	<b>(2 211)</b>	<b>9 808</b>	<b>(327)</b>	<b>28 770</b>	<b>42 547</b>	<b>(13 777)</b>	<b>(32,38)</b>	<b>42 547</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(20 653)</b>	<b>-</b>	<b>51 366</b>	<b>42 547</b>	<b>21 500</b>	<b>(2 211)</b>	<b>9 808</b>	<b>(327)</b>	<b>28 770</b>	<b>42 547</b>	<b>(13 777)</b>	<b>(32,38)</b>	<b>42 547</b>
<b>Capital expenditure &amp; funds sources</b>													
<b>Capital expenditure</b>	<b>18 776</b>	<b>-</b>	<b>52 626</b>	<b>35 242</b>	<b>3 552</b>	<b>3 528</b>	<b>1 337</b>	<b>6 425</b>	<b>14 841</b>	<b>35 242</b>	<b>(20 401)</b>	<b>(57,89)</b>	<b>35 242</b>
Transfers recognised - capital	16 125	-	52 236	34 752	3 552	3 464	1 302	6 425	14 743	34 752	(20 009)	(57,58)	34 752
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	985	-	390	490	-	64	34	-	98	490	(392)	(79,96)	490
<b>Total sources of capital funds</b>	<b>17 111</b>	<b>-</b>	<b>52 626</b>	<b>35 242</b>	<b>3 552</b>	<b>3 528</b>	<b>1 337</b>	<b>6 425</b>	<b>14 841</b>	<b>35 242</b>	<b>(20 401)</b>	<b>(57,89)</b>	<b>35 242</b>
<b>Financial position</b>													
Total current assets	(15 205)	-	9 324	62 691	15 010	5 083	17 299	11 287	48 678	62 691	(14 013)	(22,35)	62 691
Total non current assets	(7 507)	-	41 435	350 379	3 552	3 528	1 337	6 425	14 841	350 379	(335 537)	(95,76)	350 379
Total current liabilities	(5 271)	-	(950)	89 294	(2 953)	10 844	8 815	17 999	34 704	89 294	(54 590)	(61,13)	89 294
Total non current liabilities	2 567	-	343	30 930	17	(0)	40	40	97	30 930	(30 832)	(99,69)	30 930
Community wealth/Equity	645	-	-	250 300	(2)	(23)	(27)	-	(52)	250 300	(250 351)	(100,02)	250 300
<b>Cash flows</b>													
Net cash from (used) operating	(114 559)	-	51 821	66 385	(14 442)	(37 893)	(22 773)	(23 132)	(98 241)	66 385	(164 626)	(247,99)	66 385
Net cash from (used) investing	36	-	(36)	(299)	-	-	-	-	-	(299)	299	(100,00)	(299)
Net cash from (used) financing	571	-	426	1 401	128	123	120	143	513	1 390	(877)	(63,07)	1 401
<b>Cash/cash equivalents at the year end</b>	<b>(113 954)</b>	<b>-</b>	<b>52 212</b>	<b>79 118</b>	<b>(14 315)</b>	<b>(52 085)</b>	<b>(74 738)</b>	<b>(97 727)</b>	<b>(97 727)</b>	<b>79 107</b>	<b>(176 834)</b>	<b>(223,54)</b>	<b>79 118</b>
<b>Collection Rate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Property rates	-	-	92,89	92,89	-	-	-	-	-	92,89	-	-	92,89
Service charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	95,02	101,75	-	-	-	-	-	101,75	-	-	101,75
Service charges - water revenue	-	-	78,66	78,66	-	-	-	-	-	78,66	-	-	78,66
Service charges - sanitation revenue	-	-	80,00	80,00	-	-	-	-	-	80,00	-	-	80,00
Service charges - refuse revenue	-	-	80,00	79,10	-	-	-	-	-	79,10	-	-	79,10
Interest earned - outstanding debtors	-	-	9,36	13,84	-	-	-	-	-	13,84	-	-	13,84

## **Operating surplus /deficit**

The municipality has recorded a deficit of **R 327 thousand for the whole quarter**. The deficit can be directly attributed to the decline in revenue collections as a result of the COVID-19 disaster and lockdown in the country.

## **Financial Performance**

*Operating Revenue 53 percent or R22.81 million*

The municipality revenue for the quarter shows underperformance from the second quarter of **74 percent**. It has been challenging times in South Africa with the declaration of lockdown and the impact of the COVID-19 affects revenue collection mechanism of the municipality.

*Operating expenditure 56 percent or R23.14 million*

There has been slow spending on the 4<sup>th</sup> Quarter as a result of lockdown preventing businesses to operate, travelling and contracted work to be executed by the municipality. However, it has resulted in increased expenditure of COVID-19 related procurements.

*Capital expenditure*

The capital expenditure to date is **R14.84 million** or **41 percent** of the total year to date budget for the year. The 4<sup>th</sup> quarter has shown much improvement from the second quarter of **71 percent** capital expenditure.

## 3.1 Operating Revenue and Expenditure

Western Cape: Kannaland(WC041) - Table C4 Quarterly Budgeted Financial Performance ( All ) for 4th Quarter ended 30 June 2020

Western Cape: Rannamania (WCC-17) - Table 04: Quarterly Budgeted Financial Performance (R mil / R100 000) - 4th Quarter ended 30 June 2020														
Description	Ref	2018/19	2019/20	Budget year 2019/20										Full Year Forecast
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Q3 Mar Actual	Q4 June Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	
R thousands														
<b>Revenue By Source</b>														
Property rates		15 549		17 117	17 117	6 443	2 986	2 182	3 094	14 704	17 117	(2 413)	(14,10)	17 117
Service charges - electricity revenue		44 924		59 573	60 970	10 600	12 592	12 365	11 313	46 870	60 970	(14 100)	(23,13)	60 970
Service charges - water revenue		12 773		16 920	16 920	2 410	4 153	5 894	4 398	16 854	16 920	(66)	(0,39)	16 920
Service charges - sanitation revenue		6 174		6 271	6 271	667	1 763	1 198	1 690	5 319	6 271	(952)	(15,18)	6 271
Service charges - refuse revenue		5 801		6 193	6 263	591	1 672	1 115	1 655	5 033	6 263	(1 231)	(19,65)	6 263
Rental of facilities and equipment		533		956	881	48	138	86	125	397	881	(484)	(54,92)	881
Interest earned - external investments		669		526	778	277	233	211	186	907	778	129	16,61	778
Interest earned - outstanding debtors		49		5 622	5 622	2	6	3	6	18	5 622	(5 604)	(99,69)	5 622
Dividends received														
Fines, penalties and forfeits		15 314		8 928	7 370	533	1 607	1 225	28	3 392	7 370	(3 978)	(53,97)	7 370
Licences and permits		173		160	198	48	47	42	19	156	198	(42)	(21,26)	198
Agency services		828		1 010	1 010	226	222	282		731	1 010	(279)	(27,61)	1 010
Transfers and subsidies		33 803		37 147	46 313	13 423	9 480	7 670	27	30 600	46 313	(15 713)	(33,93)	46 313
Other revenue		622		1 660	1 526	199	370	305	273	1 147	1 526	(380)	(24,88)	1 526
Gains														
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>137 213</b>	<b>-</b>	<b>162 083</b>	<b>171 238</b>	<b>35 467</b>	<b>35 271</b>	<b>32 578</b>	<b>22 811</b>	<b>126 127</b>	<b>171 238</b>	<b>(45 111)</b>	<b>(26,34)</b>	<b>171 238</b>
<b>Expenditure By Type</b>														
Employee related costs		55 504		59 406	64 962	11 213	16 748	14 462	13 392	55 816	64 962	(9 147)	(14,08)	64 962
Remuneration of councillors		3 323		3 277	3 408	437	700	479	579	2 195	3 408	(1 213)	(35,60)	3 408
Debt impairment		25 922		14 077	11 584	28	18	(3)	7	49	11 584	(11 535)	(99,58)	11 584
Depreciation and asset impairment		26 698		11 192	11 984					11 984	11 984	(11 984)	(100,00)	11 984
Finance charges		2 921		722	610	115	139	147	11	412	610	(198)	(32,41)	610
Bulk purchases		35 483		40 200	39 670	422	15 954	1 734	6 542	24 653	39 670	(15 017)	(37,85)	39 670
Other materials		974		4 082	3 091	234	565	518	168	1 486	3 091	(1 605)	(51,92)	3 091
Contracted services		7 849		15 531	17 755	715	2 082	3 882	1 491	8 170	17 755	(9 585)	(53,98)	17 755
Transfers and subsidies		1 899		558	150		27	30	39	96	150	(54)	(35,84)	150
Other expenditure		8 100		13 911	10 824	1 305	1 678	1 520	910	5 413	10 824	(5 411)	(49,99)	10 824
Losses		395												
<b>Total Expenditure</b>		<b>169 068</b>	<b>-</b>	<b>162 954</b>	<b>164 037</b>	<b>14 470</b>	<b>37 911</b>	<b>22 770</b>	<b>23 139</b>	<b>98 289</b>	<b>164 037</b>	<b>(65 748)</b>	<b>(40,08)</b>	<b>164 037</b>
<b>Surplus/(Deficit)</b>														
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(31 855)	<b>-</b>	(871)	7 201	20 997	(2 640)	9 808	(327)	27 838	7 201	20 637	286,59	7 201
		10 820		52 236	35 346	503	430			932	35 346	(34 414)	(97,36)	35 346
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)														
Transfers and subsidies - capital (in-kind - all)		382												
<b>Surplus/(Deficit) after capital transfers and contributions</b>		<b>(20 653)</b>	<b>-</b>	<b>51 366</b>	<b>42 547</b>	<b>21 500</b>	<b>(2 211)</b>	<b>9 808</b>	<b>(327)</b>	<b>28 770</b>	<b>42 547</b>	<b>(13 777)</b>	<b>(32,38)</b>	<b>42 547</b>
Taxation														
<b>Surplus/(Deficit) after taxation</b>		<b>(20 653)</b>	<b>-</b>	<b>51 366</b>	<b>42 547</b>	<b>21 500</b>	<b>(2 211)</b>	<b>9 808</b>	<b>(327)</b>	<b>28 770</b>	<b>42 547</b>	<b>(13 777)</b>	<b>(32,38)</b>	<b>42 547</b>
Attributable to minorities														
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(20 653)</b>	<b>-</b>	<b>51 366</b>	<b>42 547</b>	<b>21 500</b>	<b>(2 211)</b>	<b>9 808</b>	<b>(327)</b>	<b>28 770</b>	<b>42 547</b>	<b>(13 777)</b>	<b>(32,38)</b>	<b>42 547</b>
Share of surplus/ (deficit) of associate														
<b>Surplus/(Deficit) for the year</b>		<b>(20 653)</b>	<b>-</b>	<b>51 366</b>	<b>42 547</b>	<b>21 500</b>	<b>(2 211)</b>	<b>9 808</b>	<b>(327)</b>	<b>28 770</b>	<b>42 547</b>	<b>(13 777)</b>	<b>(32,38)</b>	<b>42 547</b>

### 3.1.1 Operating Revenue

The detailed Operating Revenue items are as follows:

#### **Electricity**

The Kannaland municipality supplies the following locations with electricity, Ladismith and Calitzdorp and we have generated about **74 percent or R11.31 million** collection where we provide services. This is slightly below the **81 percent or R12.36 million** collection in the third quarter. However, areas that are serviced by ESKOM such Zoar and Van Wyks Dorp continue to be a challenge in terms of implementing our debt collection policy strategies and the council need to consider alternative ways of managing this problem.

#### **Water**

We have a revenue collection of **103 percent or R4.39 million** in water services in the third quarter showing slight decline from the **139 percent or R5.84 million** reported on third quarter. The water service charges are performing above expectation from the year to date budget.

#### **Sewerage**

We have collected **107 percent or R1.69 million** during the fourth quarter more than the **76 percent or R1.19 million** reported in the third quarter.

#### **Refuse Removal**

The municipality refuse collection generated **105 percent or R1.66 million** more than the third quarter performance of **76 percent or R1.12 million** collection.

#### **Rentals, Interest earned, fines and penalties**

The municipality received interested earned on outstanding debtors, call accounts investments and rental of facilities for the 4<sup>th</sup> quarter with just **R 317 thousand**. The concerning is the interest in outstanding debtors not showing any improvement on collection. The fines and penalties recorded a collection of **R 28 thousand** in the 4<sup>th</sup> Quarter. The decline in collection of rentals, fines and penalties as a result of freezing of levying of interests.

### 3.1.2 Operating Expenditure

#### Employee Related Costs

The municipality spent **R 13.39 million or 82 percent** slightly lower in the 4<sup>th</sup> quarter to the **R 14.46 million or 94 percent** on staff salaries the third quarter. The decline is attributed to further tightening of overtime and standby paid by the municipality.

#### Remuneration of Councillors

The municipality spent **R 579 thousand or 68 percent** in the 4<sup>th</sup> quarter which is in line with the budget as the councillor budget includes, that is lower than **R 487 thousand or 56 percent** of the third quarterly. The increase is as a result of implementation of upper limits for councillors and backpay.

#### Materials and Bulk Purchase

Bulk purchase spending amounts to **R 6.71 million or 63 percent** from the 4<sup>th</sup> quarter a big increase from the third quarter of **R 2.25 million or 7 percent** only.

#### Contracted services

We have spent **R 1.49 million or 34 percent** on Contracted Services this quarter a decline from the **R 3.88 million** in the third quarter, this is probably due to cash flow challenges which resulted in some of the services required to be rescheduled to later stage.

## 4 Statement of Financial Position

**WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter**

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b><u>ASSETS</u></b>						
<b>Current assets</b>						
Cash		1 732	—	51 896	33 113	51 896
Call investment deposits		8 289	—	8 387	29 476	8 387
Consumer debtors		(101)	(96 784)	8 242	21 011	8 242
Other debtors		(26 043)	(3 326)	(31 874)	(34 858)	(31 874)
Current portion of long-term receivables		(5)	—	(8)	—	(8)
Inventory		924	3 395	3 121	853	3 121
<b>Total current assets</b>		<b>(15 205)</b>	<b>(96 715)</b>	<b>39 763</b>	<b>49 595</b>	<b>39 763</b>
<b>Non current assets</b>						
Long-term receivables		—	—	—	—	—
Investments		(36)	—	—	—	—
Investment property		(211)	—	1 489	—	1 489
Investments in Associate		—	—	—	—	—
Property, plant and equipment		(7 208)	52 626	348 874	14 841	348 874
Agricultural		—	—	—	—	—
Biological assets		—	—	—	—	—
Intangible assets		(52)	—	16	—	16
Other non-current assets		—	—	—	—	—
<b>Total non current assets</b>		<b>(7 507)</b>	<b>52 626</b>	<b>350 379</b>	<b>14 841</b>	<b>350 379</b>
<b>TOTAL ASSETS</b>		<b>(22 712)</b>	<b>(44 088)</b>	<b>390 141</b>	<b>64 436</b>	<b>390 141</b>
<b><u>LIABILITIES</u></b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Borrowing		(566)	(437)	(446)	(551)	(446)
Consumer deposits		11	—	964	60	964
Trade and other payables		(4 359)	(133 603)	64 123	31 172	64 123
Provisions		(357)	—	2 654	—	2 654
<b>Total current liabilities</b>		<b>(5 271)</b>	<b>(134 040)</b>	<b>67 295</b>	<b>30 681</b>	<b>67 295</b>
<b>Non current liabilities</b>						
Borrowing		116	(1 157)	1 230	77	1 230
Provisions		2 452	—	29 699	—	29 699
<b>Total non current liabilities</b>		<b>2 567</b>	<b>(1 157)</b>	<b>30 930</b>	<b>77</b>	<b>30 930</b>
<b>TOTAL LIABILITIES</b>		<b>(2 704)</b>	<b>(135 197)</b>	<b>98 224</b>	<b>30 759</b>	<b>98 224</b>
<b>NET ASSETS</b>	<b>2</b>	<b>(20 008)</b>	<b>91 108</b>	<b>291 917</b>	<b>33 678</b>	<b>291 917</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>						
Accumulated Surplus/(Deficit)		1 347	—	251 727	—	251 727
Reserves		(701)	—	(1 427)	(52)	(1 427)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>645</b>	<b>—</b>	<b>250 300</b>	<b>(52)</b>	<b>250 300</b>

## **Assets**

### *Cash*

The financial cash flow of the municipality remains an on-going challenge that is being addressed by the implementation of the financial recovery plan in collaboration with the Provincial Treasury.

### *Call Investment Deposits*

We currently have short-term investments deposits which consist of the Conditional Grants received from National Treasury. These grants are more detailed under the Grants Schedule which is Table SC06 of this report.

### *Consumer Debtors*

Although the municipality has a high debt book however prospects of collecting 85 percent of this value is unlikely due to the reasons stated earlier which include areas that are serviced by ESKOM on Electricity.

### *Property, Plant and Equipment*

The year to date on capital expenditure is **R 14.84 million** which indicates a **42 percent** expenditure of the total capital budget.

### *Intangible Assets*

The acquisition of Intangible Assets such as software and antivirus will only take place after we have secured a new server.



## **Liabilities**

### Current Liabilities

#### *Bank Overdraft*

The municipality closed the overdraft before year end.

#### *Borrowings*

We have a long-term financial obligation with the Development Bank of Southern Africa and currently paying **R60 thousand** per month inclusive of finance charges.

#### Trade and Other Payables

Due to the nature of our financial situation we are struggling to fulfil our obligations and we have been in negotiations with our creditors such as ESKOM to negotiate payment plans that will suit our affordability.

## 5 Cash Receipts and Payments

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		23 137	2 488	27 095	1 051	20 973	27 095	(6 122)	-23%	27 095
Service charges		61 683	(79 153)	73 502	1 789	57 520	73 502	(15 982)	-22%	73 502
Other revenue		2 787	(8 625)	4 516	280	4 029	4 516	(487)	-11%	4 516
Government - operating		25 481	(9 452)	35 004	1 542	25 513	35 004	(9 491)	-27%	35 004
Government - capital		118	(52 136)	—	—	—	—	—		—
Interest		—	(6 132)	16	(2)	9	16	(6)	-39%	16
Dividends		—	—	—	—	—	—	—		—
<b>Payments</b>										
Suppliers and employees		(111 233)	(136 406)	(140 357)	(4 719)	(108 060)	(140 357)	(32 298)	23%	(140 357)
Finance charges		(2 921)	(722)	(610)	24	(439)	(610)	(172)	28%	(610)
Transfers and Grants		(406)	(558)	(150)	—	(96)	(150)	(54)	36%	(150)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(1 353)</b>	<b>(290 697)</b>	<b>(985)</b>	<b>(34)</b>	<b>(550)</b>	<b>(985)</b>	<b>(434)</b>	<b>44%</b>	<b>(985)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		—	—	—	—	—	—	—		—
Decrease (Increase) in non-current debtors		—	—	—	—	—	—	—		—
Decrease (increase) other non-current receivables		—	—	—	—	—	—	—		—
Decrease (increase) in non-current investments		36	—	—	—	—	—	—		—
<b>Payments</b>										
Capital assets		(871)	(52 626)	(67 607)	—	—	(67 607)	(67 607)	100%	(67 607)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(835)</b>	<b>(52 626)</b>	<b>(67 607)</b>	<b>—</b>	<b>—</b>	<b>(67 607)</b>	<b>(67 607)</b>	<b>100%</b>	<b>(67 607)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		—	—	—	—	—	—	—		—
Borrowing long term/refinancing		—	—	—	—	—	—	—		—
Increase (decrease) in consumer deposits		11	—	—	9	60	—	60	0%	—
<b>Payments</b>										
Repayment of borrowing		0	(720)	(1 166)	—	(2)	(1 166)	(1 164)	100%	(1 166)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>11</b>	<b>(720)</b>	<b>(1 166)</b>	<b>9</b>	<b>57</b>	<b>(1 166)</b>	<b>(1 224)</b>	<b>105%</b>	<b>(1 166)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(2 177)</b>	<b>(344 043)</b>	<b>(69 758)</b>	<b>(25)</b>	<b>(493)</b>	<b>(69 758)</b>			<b>(69 758)</b>
Cash/cash equivalents at beginning:		(2)	—	11 631		—	11 631			—
Cash/cash equivalents at month/year end:		(2 179)	(344 043)	(58 127)		(493)	(58 127)			(69 758)

## Cash Receipts

As extensively reported earlier, the municipal cash flow position remains difficult and with the implementation of the Financial Recovery Plan we hope to turn this situation around in the near future.

The total bank balance as of **30 June 2020** was as follows Standard Bank main account is **R 2.14 million** and the **R 771 thousand** at the Traffic Account and the Deposit Account has **R1.36 million**.

The lack of revenue streams has left the municipality to be heavily dependent on Equitable Share Grant to run its daily operations which is not sufficient and the current national economic situation is not helping our situation.

We will keep the cash situation closely monitored and we hope to cut on unnecessary spending in order to improve our cash flow situation.

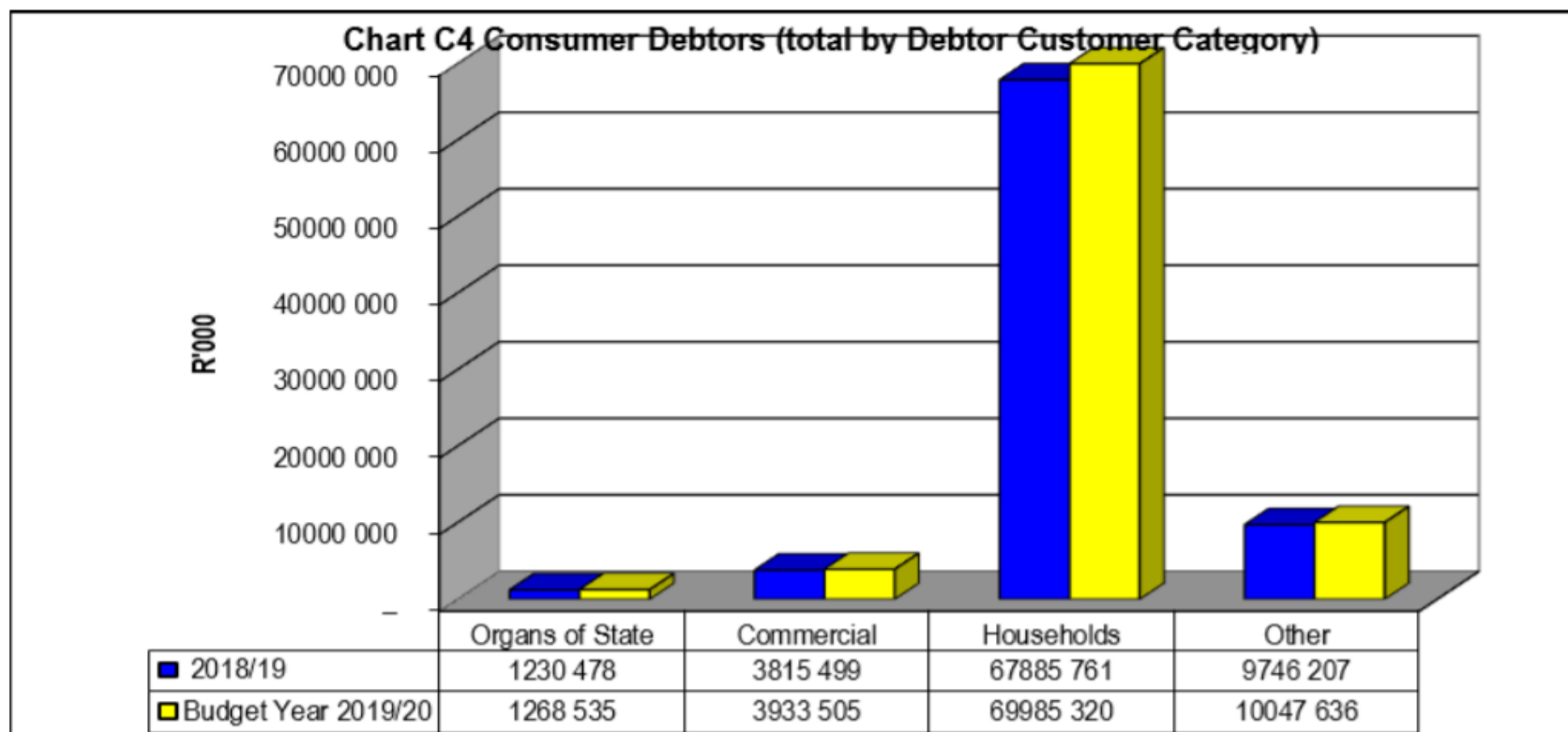
## 6 Debtor Age Analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

W0047 Kamuland - Supporting Table 000 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter													
Description	NT Code	Budget Year 2019/20										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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	1 458	11	790	2 475	3	1 557	2 964	11 539	20 797	18 538	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 472	121	218	229	21	82	256	1 420	3 819	2 008	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 489	3	378	613	115	242	2 265	13 004	18 109	16 239	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	499	-	237	466	-	231	1 396	8 428	11 256	10 520	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 172	1	464	869	0	415	2 435	9 833	15 188	13 552	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	24	24	24	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	1	2	39	397	14 971	15 410	15 410	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(2 409)	12	172	267	7	102	528	1 954	631	2 857	-	-
Total By Income Source	2000	3 681	148	2 259	4 918	148	2 668	10 240	61 173	85 235	79 147	-	-
2018/19 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(37)	90	164	148	30	20	381	474	1 269	1 052	-	-
Commercial	2300	437	57	189	252	28	108	513	2 350	3 934	3 250	-	-
Households	2400	3 659	1	1 754	4 222	72	2 397	8 165	49 715	69 985	64 572	-	-
Other	2500	(377)	-	152	296	19	143	1 182	8 633	10 048	10 273	-	-
Total By Customer Group	2600	3 681	148	2 259	4 918	148	2 668	10 240	61 173	85 235	79 147	-	-

- The total amount owed to Kannaland Municipality amounted to **R 85.24 million** during **June 2020**.
- **R 61.17 million or 72 percent** of the total outstanding debtors are older than one year.
- **R 79.15 million or 93 percent** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.
- There has been an increase in debtors from the previous month. This increase can be contributed to increasingly difficult economic circumstances.
- The biggest concern regarding debt collection in Kannaland Municipality is the ability to collect service charges for Water, Refuse and Sewerage in areas where electricity is not supplied by the municipality.

### 3.6.2 Chart of debtors age analysis per consumer category



The problematic category is households, which **represent 80 percent or R53 million** of the total amount of outstanding debt with a **3 percent year-on-year increase**.

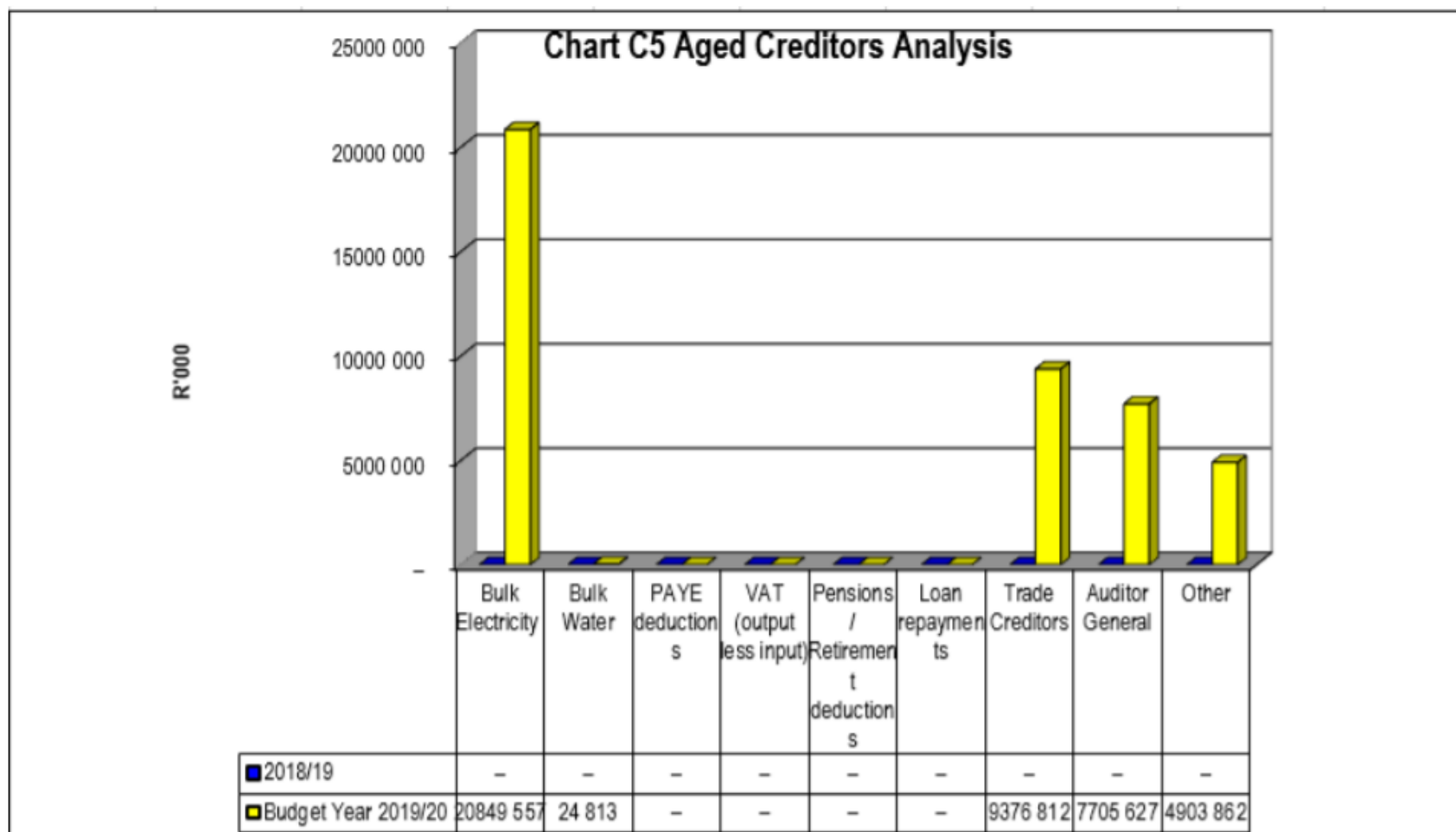
## 7 Creditors Age Analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

Description R thousands	NT Code	Budget Year 2019/20								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	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	5 254	3 921	579	2 404	8 692				20 850
Bulk Water	0200	25								25
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	165	200	387	147	8	8 469			9 377
Auditor General	0800	(635)	2 149	51	52	6 089				7 706
Other	0900	54	212	38	26	-	4 573			4 904
<b>Total By Customer Type</b>	<b>1000</b>	<b>4 864</b>	<b>6 482</b>	<b>1 055</b>	<b>2 629</b>	<b>14 789</b>	<b>13 042</b>	<b>-</b>	<b>-</b>	<b>42 861</b>

- The total outstanding creditors as at June 2020 amounts to **R 42 86 million**.
- The biggest outstanding creditors are Eskom (**R 20 850 million**), the Auditor-General of South Africa (**R 7 71 million**). Combined, the before mentioned, represents **59 percent** of all outstanding creditors.
- 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. 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.

## 7.1 Chart of creditors expressed proportionately to the total amount owed



## 8 Conditional Grants Transferred and Expenditure

WC041 Kannaland - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q4 Fourth Quarter										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		23 682	25 442	24 542	966	20 220	24 542	(4 322)	-17,6%	24 542
Operational Revenue:General Revenue:Equitable Share		20 713	21 611	20 430	1 000	16 721	20 430	(3 709)	-18,2%	20 430
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 038	1 184	1 184	(34)	1 140	1 184	(44)	-3,7%	1 184
Local Government Financial Management Grant [Schedule 5B]		1 493	2 215	2 215	—	1 686	2 215	(529)	-23,9%	2 215
Municipal Infrastructure Grant [Schedule 5B]		438	433	713	—	673	713	(40)	-5,6%	713
<b>Provincial Government:</b>		6 537	3 985	10 323	579	5 174	10 323	(5 149)	-49,9%	10 323
Capacity Building		1 645	—	—	—	—	—	—	—	—
Capacity Building and Other		—	3 935	10 293	579	5 173	10 293	(5 120)	-49,7%	10 293
Housing		1 061	—	—	—	—	—	—	—	—
Infrastructure		—	50	30	—	1	30	(29)	-95,7%	30
Libraries, Archives and Museums		2 058	—	—	—	—	—	—	—	—
Other		1 773	—	—	—	—	—	—	—	—
<b>Total operating expenditure of Transfers and Grants:</b>		30 219	29 428	34 865	1 545	25 394	34 865	(9 471)	-27,2%	34 865
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		14 210	47 658	25 434	5 771	12 816	25 434	(12 617)	-49,6%	25 434
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		1 918	2 901	2 901	—	176	2 901	(2 725)	-93,9%	2 901
Municipal Infrastructure Grant [Schedule 5B]		8 367	9 757	9 558	2 241	6 169	9 558	(3 389)	-35,5%	9 558
Regional Bulk Infrastructure Grant (Schedule 5B)		—	25 000	—	—	—	—	—	—	—
Water Services Infrastructure Grant [Schedule 5B]		3 925	10 000	12 975	3 530	6 472	12 975	(6 503)	-50,1%	12 975
<b>Provincial Government:</b>		2 034	4 578	9 569	—	1 927	9 569	(7 642)	-79,9%	9 569
Capacity Building and Other		—	1 278	1 578	—	500	1 578	(1 077)	-68,3%	1 578
Infrastructure		—	3 300	7 991	—	1 426	7 991	(6 565)	-82,2%	7 991
Water Supply Infrastructure		2 031	—	—	—	—	—	—	—	—
<b>District Municipality:</b>		—	—	—	—	—	—	—	—	—
All Grants		—	—	—	—	—	—	—	—	—
<b>Other grant providers:</b>		985	390	490	—	98	490	(392)	-80,0%	490
Transfer from Operational Revenue		985	390	490	—	98	490	(392)	-80,0%	490
<b>Total capital expenditure of Transfers and Grants</b>		17 229	52 626	35 492	5 771	14 841	35 492	(20 651)	-58,2%	35 492
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		47 448	82 054	70 357	7 316	40 235	70 357	(30 122)	-42,8%	70 357

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 indicates expenditure on each respective grant received (Operational)

The above table indicates the total grants budgeted for both operational and capital expenditure. A lot of capital expenditure has taken place in the last quarter more specially on the last month of June. The municipality has still some capital and operational grants expenditure to be recognised and reallocations to the correct grants at year end. The tables above don't reflect all the expenditure for both operational and capital.



## 9 Capital Revenue & Expenditure

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4 Fourth Quarter

<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		2 095	360	610	-	-	610	(610)	-100%	610
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		2 095	360	610	-	-	610	(610)	-100%	610
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		2 945	4 383	2 928	4	1 761	2 928	(1 166)	-40%	2 928
Community and social services		-	700	650	-	-	650	(650)	-100%	650
Sport and recreation		2 945	3 105	1 600	4	1 261	1 600	(339)	-21%	1 600
Public safety		-	578	678	-	500	678	(177)	-26%	678
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		215	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		215	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		13 520	47 883	31 955	5 767	13 080	31 955	(18 875)	-59%	31 955
Energy sources		2 208	3 345	3 520	37	595	3 520	(2 925)	-83%	3 520
Water management		10 972	26 538	26 232	5 203	11 792	26 232	(14 440)	-55%	26 232
Waste water management		-	18 000	2 202	526	693	2 202	(1 509)	-69%	2 202
Waste management		340	-	-	-	-	-	-		-
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	3	18 776	52 626	35 492	5 771	14 841	35 492	(20 651)	-58%	35 492
<b>Funded by:</b>										
National Government		14 094	47 658	25 434	5 771	12 816	25 434	(12 617)	-50%	25 434
Provincial Government		2 031	4 578	9 569	-	1 927	9 569	(7 642)	-80%	9 569
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		16 125	52 236	35 002	5 771	14 743	35 002	(20 259)	-58%	35 002
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-		-
<b>Borrowing</b>	6	-	-	-	-	-	-	-		-
<b>Internally generated funds</b>		985	390	490	-	98	490	(392)	-80%	490
<b>Total Capital Funding</b>		17 111	52 626	35 492	5 771	14 841	35 492	(20 651)	-58%	35 492

- The actual year to date capital expenditure for the third quarter amounts to **R14.84 million** to which National Government, Provincial allocations and own funding.
- 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.

## 10 Expenditure on Salaries

WC041 Kannaland - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter

Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		2 513	2 559	2 661	172	1 368	2 661	(1 293)	-49%	2 661
Pension and UIF Contributions		12	52	54	9	46	54	(8)	-15%	54
Medical Aid Contributions		—	32	33	11	95	33	62	186%	33
Motor Vehicle Allowance		143	282	294	22	237	294	(57)	-19%	294
Cellphone Allowance		656	352	366	26	448	366	82	22%	366
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
<b>Sub Total - Councillors</b>		<b>3 323</b>	<b>3 277</b>	<b>3 408</b>	<b>240</b>	<b>2 195</b>	<b>3 408</b>	<b>(1 213)</b>	<b>-36%</b>	<b>3 408</b>
<b>% increase</b>	4		<b>-1,4%</b>	<b>2,5%</b>						<b>2,5%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		1 145	3 120	3 120	165	1 911	3 120	(1 209)	-39%	3 120
Pension and UIF Contributions		—	—	1	0	1	1	0	6%	1
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		1 644	—	—	—	—	—	—	—	—
Performance Bonus		491	273	150	—	90	150	(60)	-40%	150
Motor Vehicle Allowance		459	193	290	14	298	290	8	3%	290
Cellphone Allowance		13	—	32	3	13	32	(20)	-61%	32
Housing Allowances		—	10	10	—	—	10	(10)	-100%	10
Other benefits and allowances		2	26	45	9	43	45	(2)	-5%	45
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>		<b>3 755</b>	<b>3 622</b>	<b>3 648</b>	<b>191</b>	<b>2 354</b>	<b>3 648</b>	<b>(1 294)</b>	<b>-35%</b>	<b>3 648</b>
<b>% increase</b>	4		<b>-3,5%</b>	<b>-2,8%</b>						<b>-2,8%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		35 411	38 108	41 040	2 474	38 568	41 040	(2 472)	-6%	41 040
Pension and UIF Contributions		5 300	6 823	6 490	471	5 813	6 490	(677)	-10%	6 490
Medical Aid Contributions		1 606	1 713	2 159	166	2 022	2 159	(138)	-6%	2 159
Overtime		3 245	1 950	4 590	(16)	4 104	4 590	(486)	-11%	4 590
Performance Bonus		2 186	—	—	35	2 252	—	2 252	#DIV/0!	—
Motor Vehicle Allowance		1 931	2 364	2 378	154	2 232	2 378	(146)	-6%	2 378
Cellphone Allowance		97	152	234	4	148	234	(86)	-37%	234
Housing Allowances		291	337	331	23	257	331	(74)	-22%	331
Other benefits and allowances		933	4 337	3 953	47	1 680	3 953	(2 273)	-58%	3 953
Payments in lieu of leave		591	—	140	—	124	140	(16)	-11%	140
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	159	—	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>		<b>51 749</b>	<b>55 784</b>	<b>61 314</b>	<b>3 358</b>	<b>57 199</b>	<b>61 314</b>	<b>(4 115)</b>	<b>-7%</b>	<b>61 314</b>
<b>% increase</b>	4		<b>7,8%</b>	<b>18,5%</b>						<b>18,5%</b>
<b>Total Parent Municipality</b>		<b>58 827</b>	<b>62 683</b>	<b>68 370</b>	<b>3 788</b>	<b>61 748</b>	<b>68 370</b>	<b>(6 622)</b>	<b>-10%</b>	<b>68 370</b>

- **Employee Related Costs:** The budget amounts to **R61.31 million**, while the expenditure to date amounts to **R57.20 million** or **93 percent** of the budget.
- **Remuneration of Councillors:** The budget amounts to **R3.41 million**, while the expenditure to date amounts to **R2.20 million** or **64 percent** of the budget. It should be noted that the municipality is still awaiting the government gazette relating to annual increases for Councillors which is normally received during December every year.

## 11 Long-term borrowing

Kannaland Municipality (WC041)  
32 Church Street  
P.O. Box 30  
Ladismith 6655  
Republic of South Africa

Date: 10.09.2018

### ACCOUNT STATEMENT



Lending Institution	Balance 01/June/2020 (R'000)	Interest Capitalised June-20 (R'000)	Repayments June-20 (R'000)	Balance 30 June 2020 (R'000)	Perce ntage %	Sinking Funds (R'000)	Loan Draw Downs (R'000)
DBSA	1 480 632.96	16 184,22	60 000,00	1 404 448.74			
<b>Total</b>	<b>1 480 632.96</b>	<b>16 184,22</b>	<b>60 000,00</b>	<b>1 404 448.74</b>			

- The total outstanding long-term debt of Kannaland Municipality amounts to **R 1.40 million** as of **30 June 2020**.
- A monthly instalment of **R 60 thousand** at an interest rate of **12.52 percent** per annum is being paid.
- For the current month, the instalment amount is made up out of **R 18 thousand** in interest with a capital redemption amount of **R 42 thousand**

## **12 ANNEXURE A**

### **12.1 Implementation of the Supply Chain Management policy**

No deviations for 30 March 2020

## **13 ANNEXURE B: Service Delivery performance analysis**

Performance management is prescribed by Chapter 6 of the Municipal Systems Act (MSA), Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.” This framework, inter alia, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP).

### **13.1 Implementation of the Performance Management**

The IDP 2019/20 was compiled and approved by Council on 28 May 2019. Performance is evaluated by means of a municipal scorecard (Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) at organisational level and through the Departmental SDBIP at Departmental level. The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality is implemented. It also allocates responsibilities to Departments to deliver services in terms of the IDP and Budget. The TL SDBIP was prepared and approved by the Executive Mayor on 27 June 2019.

### **13.2 Monitoring the Performance**

The municipality update manually on KPI's on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system. It is critical to have the correct controls and processes in place therefore is a web based system important to illuminate human error and to ensure kpi owners take responsibility for their kpi's to be reported on.

### **13.3 Report on municipal performance**

Below is the performance of the Kannaland Municipality for the fourth quarter:

**QUARTER 4:**  
**Toplayer Service Delivery Budget Implementation Plan for 2019-2020**

TL REF	Directorate [R]	IDP Objective [R]	KPI Name [R]	Unit of Measurement	Annual Target	Q 4Target	Q 4 Actual	Status	Performance Comment	Corrective Measure
KPI 1	Office of the Municipal Manager	To strive towards a financially sustainable municipality	Oversight of the financial recovery plan: progress report quarterly review	Submission of quarterly report to Council to ensure adherence to the planned targets set on a quarterly basis	4	1	1		Management report to council on the progress made on all activities within the FRP	N/A
KPI 2	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Compulsory number of general council meetings per annum	Number of general council meetings held per annum	4	1	4		Council exceeds the target by the number of meetings held	N/A
KPI 3	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Effective functioning of the committee system measured by the number of committee meetings per committee per annum	Number of sec 80 committee meetings per annum (Finance & Administration and Community & Infrastructure Services)	8	2	0		No meetings were held in this quarter	Management must and will ensure the amendment of the sdbip in terms of kpi and target setting is done concurrently with the adjustment process
KPI 4	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	The Top Layer SDBIP is approved by the Mayor within 28 days after the annual budget has been approved	Top Layer SDBIP approved within 28 days after the annual budget has been approved	1	1	1		Target met	
KPI 5	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Ensuring performance by the timeous development and signing of the Section 57 performance agreements in adherence to the Performance Framework	Number of signed performance agreements of Section 57 managers (not later than 31 July of each year)	3	3	N/A		Still in process	N/A
KPI 6	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Evaluate the performance of Section 57 managers in terms of their signed agreements bi-annually	Number of formal evaluations completed bi-annually	3	0	N/A		The performance reviews was only conducted for the MM for the 2017/18 financial year. The 2018/19 reviews will be concluded after audit is finalised	The municipality reported on why only the MM was evaluated.No CFO and Corporate directors were in service when the evaluations were conducted. The municipality has appointed a CFO and Infrastructure Director and will have evaluations onwards.
KPI 7	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Risk based audit plan approved by Audit Committee	Risk based audit plan approved by March annually	1	0	N/A		This kpi was measured in quarter 3. It should be noted that before a MOU was concluded, engagements between kannaland and the shared services parties were conducted from late in 2018/19 financial year. The commencement date was March 2020 to begin with activities where the RBAP was one of it. However due to Covid 19 and the lockdown physical engagements could not commenced. The agreement was therefore signed in June 2020, only to implement the content of the MOU in the 2020/2021 financial year.	An action plan or progress report will be drafted and submitted to the Municipal Manager on activities implemented by the shared service.
KPI 8	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	4	1	0		No meetings were held in this quarter	Due Covid 19 we could not held meetings. Management will ensure that proper ict infrastructure for skype or other online conferences be in place for instances like this.
KPI 9	Office of the Municipal Manager	To strive towards a financially sustainable municipality	The % of the Municipality's capital budget spent on capital infrastructure projects identified in the IDP for the financial year	The percentage (%) of a municipality's capital budget spent on capital projects identified in the IDP for the financial year measured as the total actual Year to Date (YTD) Capital Expenditure/ Total Approved Capital Budget x 100	85%	85%	42%		The final figures are still in processing	Detail on non achievement is outline in the section 52 report
KPI 10	Office of the Municipal Manager	To strive towards a financially sustainable municipality	Operational conditional grant spending measured by the percentage (%) spent	Percentage (%) of the of operational conditional grant spent	95%	95%	100%		Target met	N/A

**QUARTER 4:**  
**Toplayer Service Delivery Budget Implementation Plan for 2019-2020**

TL REF	Directorate [R]	IDP Objective [R]	KPI Name [R]	Unit of Measurement	Annual Target	Q 4Target	Q 4 Actual	Status	Performance Comment	Corrective Measure
KPI 11	Office of the Municipal Manager	To strive towards a financially sustainable municipality	Capital conditional grant spending measured by the percentage (%) spent	Percentage (%) of the capital conditional grant spent	95%	95%	42%		The final figures are still in processing	Detail on non achievement is outline in the section 52 report
KPI 12	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Review and prioritisation of risk register	Submit to Council reviewed and prioritised risk register by February annually	1	0	N/A		This kpi was measured in quarter 2. It should be noted that before a MOU was concluded, engagements between kannaland and the shared services parties were conducted from late in 2018/19 financial year. The commencement date was March 2020 to begin with activities where the RBAP was one of it. However due to Covid 19 and the lockdown physical engagements could not commenced. The agreement was therefore signed in June 2020, only to implement the content of the MOU in the 2020/2021 financial year.	An action plan or progress report will be drafted and submitted to the Municipal Manager on activities implemented by the shared service.
KPI 13	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Establish an internal audit unit as required in terms of section 165 of the MFMA	Effectively functioning of internal audit unit that advises the municipal manager and reports to the audit committee on the implementation of the internal audit plan and related matters	1	0	N/A		This kpi was measured in quarter 2. It should be noted that before a MOU was concluded, engagements between kannaland and the shared services parties were conducted from late in 2018/19 financial year. The commencement date was March 2020 to begin with activities where the RBAP was one of it. However due to Covid 19 and the lockdown physical engagements could not commenced. The agreement was therefore signed in June 2020, only to implement the content of the MOU in the 2020/2021 financial year.	An action plan or progress report will be drafted and submitted to the Municipal Manager on activities implemented by the shared service.
KPI 14	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	IDP reviewed and approved by Council before the end of May	IDP approved by Council before the end of May annually	1	1	1		The IDP was approved 28 May 2020	N/A
KPI 15	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Submit final Annual Report and oversight report of council before legislative deadline	Final Annual Report and oversight report completed and submitted to Council for approval by 31 March each year	1	0	N/A		This kpi was measured and met in the thrid quarter	N/A
KPI 16	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Compilation of IDP & Budget process plan for approval by end August annually	IDP and Budget process plan approved by Council by end August annually	1	0	N/A		This idp and budget process plan was tabled to council in August 2019	N/A
NKPI 1	Office of the Municipal Manager	To Promote Efficient and effective Governance with high levels of stakeholder participation	The percentage (%) of appointments made in the three highest levels of management which comply with the Employment Equity Plan, measured by Number of appointments in the three highest levels of management, which comply with the Employment Equity targets/ Total appointments made in three highest levels of management x 100.	The percentage (%) of appointments made in the three highest levels of management approved Employment Equity Plan	25%	25%	25%		Target achieved	N/A
KPI 17	Office of the Municipal Manager	To promote efficient and effective governance with high levels of stakeholder participation	Develop a strategy and implementation plan to address transformation of organisational culture to ensure performance culture are adhere to for approval by Council by 30 September 2019	Strategy and action plan to achieve the desired organisational culture / performance-driven culture	1	0	N/A		N/A	N/A
KPI 18	Office of the Municipal Manager	To facilitate economic growth, social and community development	Establishment of a Public Private Partnership (Inovasure, National Treasury, COGTA, Eskom and Kannaland Municipality)	Appointment of project steering committee to ensure the process of the establishment by 31 August 2019	1	0	N/A		This kpi was measured and met in the first quarter	N/A
KPI 19	Financial Services	To strive towards a financially sustainable municipality	Unaudited Annual Financial Statements submitted to Auditor-General	Financial statements submitted to Auditor-General by 31 August annually	1	0	N/A		This kpi was measured and met in the first quarter	N/A



**QUARTER 4:**  
**Toplayer Service Delivery Budget Implementation Plan for 2019-2020**

TL REF	Directorate [R]	IDP Objective [R]	KPI Name [R]	Unit of Measurement	Annual Target	Q 4Target	Q 4 Actual	Status	Performance Comment	Corrective Measure
KPI 20	Financial Services	To strive towards a financially sustainable municipality	The annual budget is approved by Council by end May	Approval by Council of the annual budget before the end of May annually	1	1	1		Target was met	N/A
KPI 21	Financial Services	To strive towards a financially sustainable municipality	The adjustment budget is approved by Council by the end of February annually	Approval of Adjustments Budget before the end of February annually	1	0	N/A		This target was already achieved in the third quarter	N/A
KPI 22	Financial Services	To strive towards a financially sustainable municipality	Maintain a Year to Date (YTD) debtors' payment percentage of 86% (excluding traffic fines)	Payment percentage (%) of debtors over 12 months rolling period	86%	86%	78%		Target partially achieved. Please note that this is a provisional figure since the financial year is not finally ended off on the financial system	Due to economic decline with result of the measures put in place during lockdown, the payment rate for this quarter could not be achieved as set in target. However a more detailed explanation is outlined in the section 52 report.  The municipality will however put the collection measures again in place by giving notices to pay debts.
KPI 23	Financial Services	To strive towards a financially sustainable municipality	Review the debt collection and credit control strategy and develop and implement initiatives to improve the cash flow	Annually review and submit the debt collection and credit control strategy for implementation of initiatives to improve the cash flow to the Mayor before end March	1	0	N/A		This target was already achieved in the third quarter	N/A
NKPI 2	Financial Services	To strive towards a financially sustainable municipality	Financial Viability measured in terms of Cost coverage ratio for the financial year	Cost coverage ratio calculated as follows: (Available cash at particular time + investments)/ Monthly fixed operating expenditure)	1	1	0 Month		Target not achieved. The municipality experience financial constraints to meet most of the deadlines as prescribed	The municipality is in process of implementing its financial recovery plan where all revenue enhancements are outlined and what measures to put in place.
NKPI 3	Financial Services	To strive towards a financially sustainable municipality	Financial Viability measured in terms of debt coverage ratio for the financial year	Debt coverage ratio calculated as follows: (Total revenue received – Total grants)/debt service payments due within the year)	34,7%	0	205.20%		Target achieved was achieved in the third quarter and remains the same for this quarter	N/A
KPI 24	Financial Services	To strive towards a financially sustainable municipality	Compliance with GRAP to ensure effective capital asset management (PPE; Intangible; Investment Property, Biological and Heritage Assets)	Number of findings in the external Audit report on non-compliance with GRAP not exceeding 2 findings	2	0	More than 2		Target not achieved.	An audit action plan was developed and is currently being implemented by the municipality
KPI 25	Financial Services	To strive towards a financially sustainable municipality	Maintaining an acceptable Long-Term Debt as a percentage of revenue as set out in the Borrowing Funds and Reserves Policy	Long Term Debt as percentage of revenue: Calculated as Total Long-term debt/Total Operating Revenue - Conditional Grants and Transfers x 100	25%	25%	25%		Target achieved	N/A
NKPI 4	Financial Services	To strive towards a financially sustainable municipality	Sound financial management by maintaining an acceptable Liquidity Ratio	Liquidity Ratio: Calculated as monetary assets (Current Assets - Inventory)/ Current Liabilities	1:1	1:1	1:0.3		Target not achieved due to prevailing financial constraints.	The municipality is in process of implementing its financial recovery plan where all revenue enhancements are outlined and what measures to put in place.
KPI 26	Financial Services	To strive towards a financially sustainable municipality	Maintain a financially unqualified audit with findings opinion	Obtain an unqualified audit opinion as per the Auditor-General Report	1	0	N/A		Pumezo and team to provide information	N/A
KPI 27	Financial Services	To strive towards a financially sustainable municipality	Establish a functional financial management and accounting system by implementing all the mSCOA reforms	Submit mSCOA implementation plan to Municipal Manager by 30 September 2019	1	0	N/A		Target achieved was achieved in the second quarter.	N/A
KPI 28	Financial Services	To strive towards a financially sustainable municipality	Enforce compliance to the process whereby expenditure is authorised, approved and incurred as per the approved budget and within the limits of the financial recovery plan	Conduct regular meetings between the Administrator, Implementation Manager, the CFO and the MM to review expenditure before it is incurred. (The principle of “no budget, no procurement” is applied)	5	0	5		Target achieved	Weekly meetings are being held to discuss the frp on progress of activities.
KPI 29	Financial Services	To strive towards a financially sustainable municipality	Ensure that business continuity matters are adhere to in terms of all ICT systems	Compile a business and action plan, including funding requirements to address the identified ICT deficiencies for submission	1	0	N/A		This kpi was already measured and achieved in the first quarter	N/A
KPI 30	Financial Services	To strive towards a financially sustainable municipality	Compile and submit cost-effective tariffs by 31 January 2020 for consideration in 2020/21 budget	Cost-reflective tariffs that cover the costs of services delivered as per legislative requirements	1	0	N/A		This target was already achieved in the third quarter	N/A
KPI 31	Financial Services	To strive towards a financially sustainable municipality	Develop and submit a capital reserve fund policy for approval by Council	Develop and approve the capital reserve fund policy	1	1	0		This was not met as per presenting it to council. However the municipality does consist of such a policy that needs to be updated and reviewed.	All relevant financial policies will be reviewed in the next financial year.

**QUARTER 4:**  
**Toplayer Service Delivery Budget Implementation Plan for 2019-2020**

TL REF	Directorate [R]	IDP Objective [R]	KPI Name [R]	Unit of Measurement	Annual Target	Q 4Target	Q 4 Actual	Status	Performance Comment	Corrective Measure
KPI 32	Corporate Services	To strive towards a safe community in Kannaland through the proactive management of traffic , enviromental health,fire and disaster risks	Annual Review of the Disaster Management Plan by end November	Plan completed and submitted to Council for approval by end November	1	0	N/A		This kpi was already measured and achieved in the second quarter	N/A
KPI 33	Corporate Services	To strive towards a safe community in Kannaland through the proactive management of traffic , enviromental health,fire and disaster risks	Development of Alien Invasive Management plan as per NEM:BA	Submission of Alien Invasive Management Plan for approval by Council by 30 November 2019	1	0	N/A		This kpi was measured in the second quarter.	N/A
KPI 34	Corporate Services	To strive towards a safe community in Kannaland through the proactive management of traffic , enviromental health,fire and disaster risks	Waste disposal facilities managed according to Authorization conditions	Submit Waste Management Action Plan to Department by 31 July 2019	1	0	N/A		This kpi was measured in the first quarter.	N/A
KPI 35	Corporate Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Update Human Settlement Pipeline	Reviewed Human Settlement Pipeline submitted to Council by April 2020	1	1	0		The target could not be achieved. Due to covid 19 and regulations in terms of social distancing meetings could not be held. However the current pipeline remain the document in use.	This will be done in conjunction with all other sector plans in the following financial year
KPI 36	Corporate Services	To promote efficient and effective governance with high levels of stakeholder participation	Submit signed MOU for shared services regarding spatial planning to Council	MOU for shared services regarding spatial planning	1	0	N/A		This kpi was measured in the firt quarter	N/A
KPI 37	Infrastructure Services	To provide adequate services and improve our public relations	Effective management of electricity provisioning systems evaluated i.t.o. electricity losses	Percentage (%) of electricity losses calculated on a twelve-month rolling period (kWh purchased minus kWh sold). Measured and reported on quarterly.	12%	0,12	6.0%		Target achieved. It should be noted due to the financial system still busy with year end , June records could not be included.	The municipality will ensure that all financial processes being implemented to ensure year end processing will be within the timeframe.

**QUARTER 4:**  
**Toplayer Service Delivery Budget Implementation Plan for 2019-2020**

TL REF	Directorate [R]	IDP Objective [R]	KPI Name [R]	Unit of Measurement	Annual Target	Q 4Target	Q 4 Actual	Status	Performance Comment	Corrective Measure
KPI 38	Infrastructure Services	To provide adequate services and improve our public relations	Renewable energy plan to improve energy efficiency and hence also support mitigation of national load shedding by Eskom  (streetlight project – energy efficient project – ladismith and calitzdorp) Renewable energy plan to improve energy efficiency and hence also support mitigation of national load shedding by Eskom  (streetlight project – energy efficient project – ladismith and calitzdorp)	1. Renewable Energy Plan (REP) prepared. 2. Plan submitted to Department of Energy and other potential funders for funding. 3. Report progress quarterly on implementation milestones	4	1 Progress Reports	Progress Report included in Monthly report Tech Services		Target met	N/A
KPI 39	Infrastructure Services	To provide adequate services and improve our public relations	Action plan to reduce water losses – water demand management plan	Submit action plan to reduce water losses to Council by 30 September 2019	1	0	N/A		This kpi was measured and met in the first quarter	N/A
KPI 40	Infrastructure Services	To provide adequate services and improve our public relations	Effective management of water provisioning systems to minimise water losses by implementing measures to reduce water losses	Percentage (%) water losses calculated based on the methodology set out in the Department of Water Affairs – Water Balancing Report	37%	38%	N/A		It should be noted due to the financial system still busy with year end , June records could not be included.	The municipality will ensure that all financial processes being implemented to ensure year end processing will be within the timeframe.
KPI 41	Infrastructure Services	To provide adequate services and improve our public relations	Excellent water quality measured by the quality of water as per SANS 241 criteria	Percentage (%) water samples taken of which the quality conforms to SANS 241. If 100 samples taken and 85 complies, then 85/100 = 85% compliance, which are the targets set.	85%	85%	72%		Apr = 86%, May = 60% and June = 70%. This target was to be set to 75% hence this will be rectified in the annual performance report	Have motivated for reduced target as WTW upgrading at both Ladismith and Zoar was seriously delayed due to COVID-19 lockdown with no construction works allowed. Also drought as caused Zoar water to be very dirty while awaiting Zoar WTW upgrading.
KPI 42	Infrastructure Services	To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Review existing maintenance plan of all infrastructure services and table to Council	Maintenance plan of all infrastructure services reviewed and tabled to Council by end December 2019 by means of the council resolution (indicate the list maintenance plans)	1	0	N/A		This kpi was measured and met in the first quarter	N/A
NKPI 5	Financial Services	To provide adequate services and improve our public relations	Number of formal residential properties that receives piped water connected to the municipal water infrastructure network as at 30 June 2020	Number of residential properties which are billed for water services as at 30 June 2020	4914	4914	4932		The system calucate automatically as new connections and registrations incurred	N/A
NKPI 6	Financial Services	To provide adequate services and improve our public relations	Number of formal residential properties connected to the municipal electrical infrastructure network (excluding eskom areas) as at 30 June 2020	Number of residential properties which are billed for electricity (excluding eskom areas) as at 30 June 2020	Prepaid: 3086 Conventional 439	Prepaid: 3086 Conventional 439	Prepaid: 3356 Conventional 424		The system calucate automatically as new connections and registrations incurred	N/A
NKPI 7	Financial Services	To provide adequate services and improve our public relations	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network billed for the service as at 30 June 2020	Number of residential properties which are billed for sewerage services as at 30 June 2020	4460	4460	4468		The system calucate automatically as new connections and registrations incurred	N/A
NKPI 8	Financial Services	To provide adequate services and improve our public relations	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2020	Number of residential properties which are billed for refuse removal services as at 30 June 2020	4800	4800	4811		The system calucate automatically as new connections and registrations incurred	N/A
NKPI 9	Financial Services	To provide adequate services and improve our public relations	Number of Households with access to free basic services (as per Indigent Register) by 30 June 2020	Number of Households with access to free basic services (as per Indigent Register)	2700	2700	2580		The system calucate automatically as new connections and registrations incurred	A door to door inidigent campaign will be launched in the following financial years to motivate residents to apply for the indigent scheme.
NKPI 10	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	182	62	184		Achieved well over target	n/a

QUARTER 4:  
Toplayer Service Delivery Budget Implementation Plan for 2019-2020

TL REF	Directorate [R]	IDP Objective [R]	KPI Name [R]	Unit of Measurement	Annual Target	Q 4Target	Q 4 Actual	Status	Performance Comment	Corrective Measure
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Summary of Results

KPI Not Yet Measured	20
KPI Not Met	11
KPI Almost Met	4
KPI Met	7
KPI Well Met	5
KPI Extremely Well Met	5
<b>Total KPIs</b>	<b>52</b>

