



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52 1st Quarter of 2021/22



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's 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.

Approved budget - means an annual budget—

- a) approved by a municipal council; or
- b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28;

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include the Tariff Policy, Property Rates Policy, Customer Care, Credit Control and Debt Collection Policy etc.

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 – summarizes the amount of cash and cash equivalents entering and leaving the municipality. The cash flow statement measures how well the municipality manages its cash position. It should be noted that there could be a difference between the timing of the actual cash flow compared to the recognition of expenditure. For example, when an invoice is received by the Municipality it is recognised as expenditure in the month it is dated, even though it may not be paid within the same month.

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

Equitable share - A general unconditional grant paid to municipalities. It is predominantly targeted to subsidise the delivery of 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 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 principal piece of legislation relating to municipal financial management. From here on to be 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 outer year budget allocations. Also includes details of the previous and current year's financial position.

Operating expenditure - Spending on the day-to-day expenses of the Municipality such as salaries and wages. It provides a short-term benefit, normally less than a year.

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 - in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- a) overspending of the total amount appropriated in the municipality's approved budget;
 - b) overspending of the total amount appropriated for a vote in the approved budget;
- Unauthorised expenditure refers to expenditure that municipalities incurred without provision having been made for it in the budget approved by the council or which does not meet the conditions of a grant.

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.

PART 1: IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 In -Year Report – Quarterly Budget Statement

The quarterly budget statement, for the period ended **30 September 2021**, has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations and the Municipal Finance Management Act 56 of 2003.

- a) The budget of the municipality has been implemented in terms of ***the Service Delivery Budget Implementation Plan (SDBIP)***. Details on the implementation and any material deviations from the SDBIP will be covered under Section 10 of this document.
- b) ***Financial problems or risks*** facing the municipality are numerous and the implementation of the budget will demand continuous monitoring.

Cash flow has and will, for the foreseeable future, be of concern. In the short-term Kannaland Municipality has done well to meet the most pressing commitments such as employee related costs and meeting service delivery requirements. The municipality still experiences cash flow challenges due to constrained resources. A Budget Funding Plan has been developed and is being implemented to ensure that revenue will be sufficient to cover the expenses and prior year liabilities.

The adverse impact of Covid-19 on the local economy will be felt for some time to come. The situation remains unpredictable, and the finances of the municipality should be managed with care.

- c) The municipality have experienced challenges with the adoption of the Draft and Final budget for 2021/2022. The municipality acted in terms of the Municipal Budget Reporting and Regulations (MBRR) and the budget has subsequently been approved.

Section 2 – Resolutions

Recommendation:

That the council takes cognisance of the Quarterly budget statement of the **first quarter of the 2021/22 MTREF (Q1)**.

Section 3 – Executive Summary

1.1 Introduction

In terms of section 52(d) of the Municipal Finance Management Act 56 of 2003, the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality. The format and content of in-year reporting are set out in the Municipal Budget and Reporting Regulations of 2009, that was published in terms of section 168 of the MFMA (2003).

1.2 Consolidated Performance

The performance against the budget can be summarized as follow:

	Original Budget	Adjustments Budget	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 186 419	R 186 419	R 46 605	R 50 756	R 4 151	9%
Operating Expenditure	R 191 830	R 191 830	R 68 409	R 47 957	R 20 452	29 %
Capital	R 23 767	R 23 767	R 5 942	R2 255	R3 687	62 %

1.3 Payment Percentage

Collection percentage for Kannaland Municipality									
Period	Levy	Payments	Journals	Total Levy, Journals & Transfers	Payments	Payment % per month	Total Levies accumulated month to month	Total Payments accumulated month to month	Average YTD
Jul-21	10,594,968,62	- 6,192,505,73	- 124,826,55	10,470,142,07	- 6,192,505,73	-59,14%	10,470,142,07	(6,192,505,73)	-59,14%
Aug-21	11,083,479,27	- 11,300,212,54	- 661,154,90	10,422,324,37	- 11,300,212,54	-108,42%	20,892,466,44	(17,492,718,27)	-83,73%
Sep-21	11,269,448,88	- 8,351,169,59	160,655,15	11,430,104,03	- 8,351,169,59	-73,06%	32,322,570,47	(25,843,887,86)	-79,96%

The payment percentage for the September 2021 was **73.06 percent**, with a quarterly average of **79.96 percent**. The cyclical nature of the economy as well as the differences within the billing cycle, explains the differences in the collection rate on a month-to-month basis throughout the quarter.

In evaluating the collection rate, the following considerations will provide some context:

- The collection rate as indicated above is calculated – Q1 Receipts / Q1 Billing.
- The above cause a misalignment and do not account for “High / Low Season” electricity tariffs and to some extent the cyclical nature of the economy on a month-month basis.
- The indigent registrations for Quarter 1 (Q1) 2021/22 is 23% less than for the same period during the 2020/21 financial year. The 583-household difference on a year-on-year basis, did not all stop being indigent and did not necessarily become paying consumers. (Indigent households 2020/21 were 2578 vs 1995 in Q1 2021/22)
- The houses of the last low-cost housing projects were valued during the last general valuation above the R120 000 poverty alleviation threshold as in terms of the Kannaland municipal Indigent and Property Rates Policy (approximately R147,000 / house) and are currently being billed for property rates that will unlikely be recovered.
- If payments are considered in respect of the month the payment relate to, the **average collection rate for Q1 realised at 75%, excluding payments in advance.**

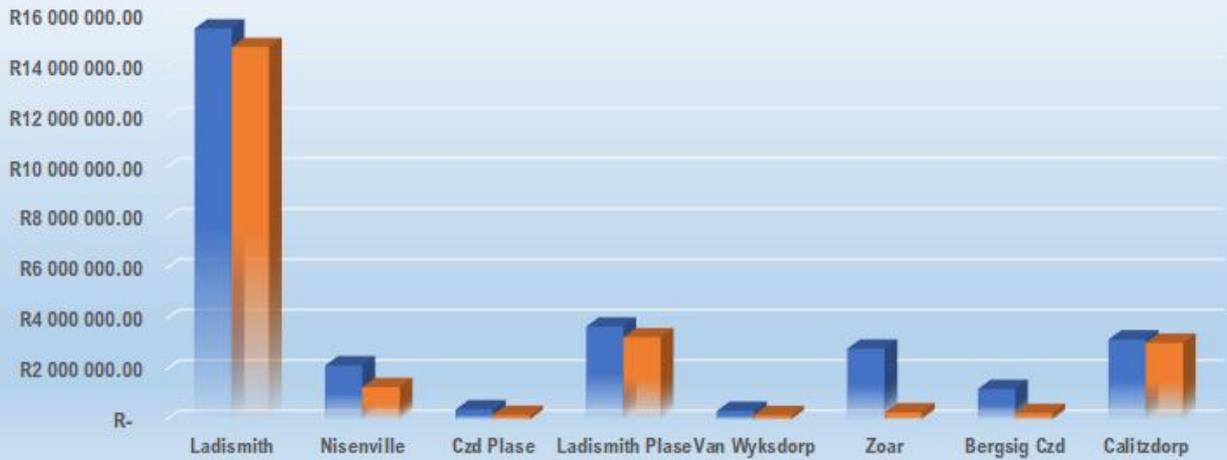
The schedule below sets out the collection rate per service on the basis of all receipts within the quarter are considered against the quarterly total billed.

Service	1st Quarter Levy	1st Quarter Receipts	Collection rate Excl Payments in advance	Collection rate - Payments in Advance allocated
Electricity	R 14 389 331.40	R 12 558 060.33	87%	87%
Sundries	R 197 604.92	R 172 094.40	87%	87%
Rates	R 5 546 940.26	R 3 474 621.56	63%	122%
Refuse	R 2 539 059.43	R 920 352.81	36%	36%
Water	R 5 357 838.27	R 2 957 932.44	55%	55%
Sewerage	R 2 484 234.95	R 1 008 457.61	41%	41%
	R 32 322 570.47	R 25 843 887.86		79.96%

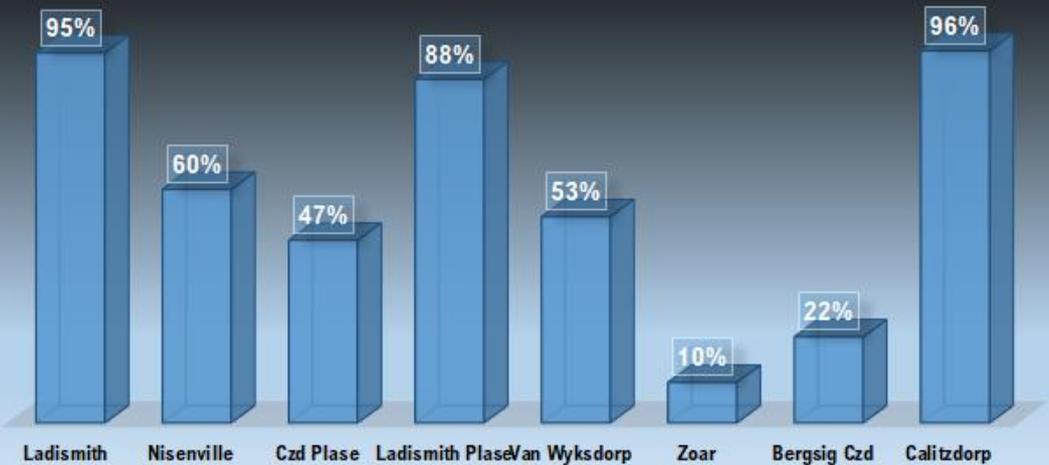
Government rates paid in advance	R 3 307 112.06
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Service	1st Quarter Levy	1st Quarter Receipts	Collection rate Excl Payments in advance	Collection rate - Payments in Advance allocated
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Rates	R 5 546 940.26	R 6 781 733.62	63%	122%
Refuse	R 2 539 059.43	R 920 352.81	36%	36%
Water	R 5 357 838.27	R 2 957 932.44	55%	55%
Sewerage	R 2 484 234.95	R 1 008 457.61	41%	41%
	R 30 515 009.23	R 24 398 631.21		
	Collection Rate	79.96%		
Excl Payments in advance	Collection Rate	69.12%		

COLLECTIONS VS BILLING_Q1



COLLECTION RATE PER WARD_Q1



COLLECTION RATE PER SERVICE_Q1

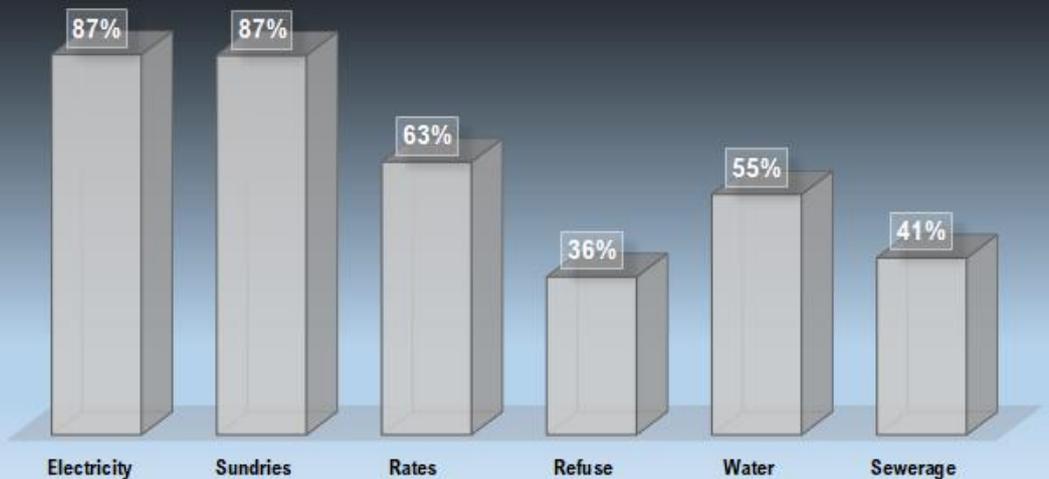


TABLE C1 – QUARTERLY BUDGET SUMMARY

Western Cape: Kannaland (WC041) - Table C1 Quarterly Budget Summary for 1st Quarter ended 30 September 2022

Description	2020/21	Budget year 2021/22								
	R thousands	Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance	Full Year Forecast
Financial Performance										
Property rates	19 337	24 562	24 562	6 492	6 492	6 140	352	5,73	24 562	
Service charges	87 941	104 162	104 162	27 131	27 131	26 041	1 091	4,19	104 162	
Investment revenue	1 150	864	864	333	333	216	117	54,17	864	
Transfers and subsidies	42 601	45 128	45 128	15 187	15 187	11 282	3 905	34,61	45 128	
Other own revenue	6 358	11 704	11 704	1 612	1 612	2 926	(1 313)	(44,89)	11 704	
Total Revenue (excluding capital transfers and	157 387	186 419	186 419	50 756	50 756	46 605	4 151	8,91	186 419	
Employee costs	64 229	65 563	65 563	15 230	15 230	16 388	(1 158)	(7,06)	65 563	
Remuneration of councillors	3 117	3 637	3 637	973	973	909	64	7,02	3 637	
Depreciation & asset impairment	13 459	12 698	12 698	3 175	3 175	3 175	0	0,00	12 698	
Finance charges	1 485	382	382	55	55	96	(41)	(42,46)	382	
Inventory consumed and bulk	46 585	56 133	56 133	5 703	5 703	14 033	(8 330)	(59,36)	56 133	
Transfers and subsidies	246	838	838	-	-	210	(210)	(100,00)	838	
Other expenditure	46 788	52 589	52 589	43 273	43 273	13 147	30 126	229,15	52 589	
Total Expenditure	175 908	191 830	191 830	68 409	68 409	47 957	20 452	42,65	191 830	
Surplus/(Deficit)	(18 521)	(5 411)	(5 411)	(17 653)	(17 653)	(1 352)	(16 301)	1 205,54	(5 411)	
Transfers and subsidies - capital (monetary allocations)	19 524	22 763	22 763	88	88	5 691	(5 603)	(98,46)	22 763	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private	34	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	1 037	17 352	17 352	(17 566)	(17 566)	4 339	(21 904)	(504,86)	17 352	
associate	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	1 037	17 352	17 352	(17 566)	(17 566)	4 339	(21 904)	(504,86)	17 352	
Capital expenditure & funds sources										
Capital expenditure	15 405	23 767	23 767	2 255	2 255	5 942	(3 687)	(62,06)	23 767	
Transfers recognised - capital	1 831	22 763	22 763	1 950	1 950	5 691	(3 741)	(65,74)	22 763	
Borrowing	-	-	-	-	-	-	-	-	-	
Internally generated funds	555	1 004	1 004	305	305	251	54	21,40	1 004	
Total sources of capital funds	2 386	23 767	23 767	2 255	2 255	5 942	(3 687)	(62,06)	23 767	
Financial position										
Total current assets	(339)	(17 989)	(17 989)	(24 555)	(24 555)	(6 535)	(18 020)	276,74	(17 989)	
Total non current assets	327 161	351 292	351 292	(920)	(920)	3 263	(4 183)	(128,20)	351 292	
Total current liabilities	32 104	29 011	29 011	(7 759)	(7 759)	(7 288)	(471)	6,47	29 011	
Total non current liabilities	46 571	37 082	37 082	-	-	(323)	323	(100,00)	37 082	
Community wealth/Equity	247 110	249 857	249 857	(150)	(150)	-	(150)	-	249 857	
Cash flows										
Net cash from (used) operating	100 500	34 440	34 440	44 716	44 716	8 610	36 107	419,36	34 440	
Net cash from (used) investing	-	(23 767)	(23 767)	-	-	(5 942)	5 942	(100,00)	(23 767)	
Net cash from (used) financing	1 055	(664)	(664)	11	11	(423)	433	(102,51)	(664)	
Cash/cash equivalents at the year end	144 043	52 496	52 496	44 723	44 723	2 245	42 477	1 891,81	52 496	
Collection Rate	30,53	83,16	83,16	68,32	68,32	83,16	-	-	83,16	
Property rates	38,77	82,29	82,29	53,10	53,10	82,29	-	-	82,29	
Service charges	29,95	85,83	85,83	71,99	71,99	85,83	-	-	85,83	
Service charges - electricity	32,52	95,11	95,11	80,94	80,94	95,11	-	-	95,11	
Service charges - water re	29,17	76,82	76,82	64,47	64,47	76,82	-	-	76,82	
Service charges - sanitation	23,32	58,23	58,23	47,41	47,41	58,23	-	-	58,23	
Service charges - refuse re	18,79	55,93	55,93	40,56	40,56	55,93	-	-	55,93	
Interest earned - outstanding d	-	-	-	-	-	-	-	-	-	

Operational Revenue

The municipality's total operational revenue budget amounts to **R186 million** and the year-to-date revenue on the budget accrued to **R 51 million**. This represents **27%** of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to **R191 million**, with a year-to-date performance of **R68 million, or 35%** of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality was **R 24 million**, which is mainly funded from national government allocations. National grant funding amounts to **R23 million**, and own funding **R1 million**. Year to date capital expenditure amounted to **R2.2 million or 9%** of the total capital budget.

Operating Surplus/Deficit

First quarter **operating revenue** amounted to **R51 million**, with **expenditure** amounting to **R68 million**, with an **operating deficit** of **R17.7 million** for the quarter under review. The deficit was caused by prescription and indigent **debt-write-offs** to the amount of **R38.45 million**.

1.4 Material differences to the SDBIP

Material differences to the SDBIP will be discussed under section 10 with top layer reporting to be covered within Appendix A.

1.5 Remedial actions

- (a) Directorates needs to ensure, that the budget is being implemented in accordance with the Service Delivery and Budget Implementation Plan of the Municipality;
- (b) That, strategic decisions / resolutions to improve capital expenditure, be implemented;
- (c) That monthly monitoring of the implementation of the Budget Funding Plan takes place;
- (d) That it is a coordinated effort;
- (e) That the Credit Control, Debt Collection and Customer Care Policy is being implemented;
- (f) That procurement plan is being developed and approved as a matter of urgency;
- (g) That the Budget Funding Plan addresses all issues and challenges on the financial performance of the municipality and adapt to an extremely volatile and dynamic environment. Section 4 – In-year budget statement tables

TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

Western Cape: Kannaland (WC041) - Table C4 Quarterly Budgeted Financial Performance (All) for 1st Quarter ended 30

Description	Ref	2020/21	Budget year 2021/22							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance	
Revenue By Source										
Property rates		19 337	24 562	24 562	6 492	6 492	6 140	352	5,73	24 562
Service charges - electricity revenue		55 432	67 946	67 946	17 935	17 935	16 986	949	5,58	67 946
Service charges - water revenue		18 013	20 787	20 787	4 729	4 729	5 197	(468)	(9,00)	20 787
Service charges - sanitation revenue		7 456	8 019	8 019	2 236	2 236	2 005	232	11,55	8 019
Service charges - refuse revenue		7 040	7 410	7 410	2 231	2 231	1 852	378	20,41	7 410
Rental of facilities and equipment		606	631	631	132	132	158	(26)	(16,46)	631
Interest earned - external investments		1 150	864	864	333	333	216	117	54,17	864
Interest earned - outstanding debtors		3 541	3 087	3 087	10	10	772	(762)	(98,70)	3 087
Dividends received										
Fines, penalties and forfeits		142	5 547	5 547	1 063	1 063	1 387	(324)	(23,34)	5 547
Licences and permits		217	378	378	46	46	94	(48)	(50,95)	378
Agency services		1 083	1 087	1 087	215	215	272	(56)	(20,79)	1 087
Transfers and subsidies		42 601	45 128	45 128	15 187	15 187	11 282	3 905	34,61	45 128
Other revenue		769	974	974	146	146	243	(97)	(40,02)	974
Gains										
Total Revenue (excluding capital transfers and contributions)		157 387	186 419	186 419	50 756	50 756	46 605	4 151	8,91	186 419
Expenditure By Type										
Employee related costs		64 229	65 553	65 553	15 230	15 230	16 388	(1 158)	(7,06)	65 553
Remuneration of councillors		3 117	3 637	3 637	973	973	909	64	7,02	3 637
Debt impairment		19 658	20 723	20 723	38 540	38 540	5 181	33 360	643,92	20 723
Depreciation and asset impairment		13 459	12 698	12 698	3 175	3 175	3 175	0		12 698
Finance charges		1 485	382	382	55	55	96	(41)	(42,46)	382
Bulk purchases - electricity		40 824	48 940	48 940	4 878	4 878	12 235	(7 357)	(60,13)	48 940
Inventory consumed		5 761	7 193	7 193	825	825	1 798	(973)	(54,13)	7 193
Contracted services		8 113	17 971	17 971	2 582	2 582	4 493	(1 911)	(42,53)	17 971
Transfers and subsidies		246	838	838			210	(210)	(100,00)	838
Other expenditure		14 526	13 895	13 895	2 151	2 151	3 473	(1 323)	(38,08)	13 895
Losses		4 492								
Total Expenditure		175 908	191 830	191 830	68 409	68 409	47 957	20 452	42,65	191 830
Surplus/(Deficit)		(18 521)	(5 411)	(5 411)	(17 653)	(17 653)	(1 352)	(16 301)	1 205,54	(5 411)
Transfers and subsidies - capital (monetary allocations) (National / Transfers and subsidies - capital (monetary allocations) (Nat / Prov		19 524	22 763	22 763	88	88	5 691	(5 603)	(98,46)	22 763
Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ										
Transfers and subsidies - capital (in-kind - all)		34								
Surplus/(Deficit) after capital transfers and contributions		1 037	17 352	17 352	(17 566)	(17 566)	4 339	(21 904)	(504,86)	17 352
Taxation										
Surplus/(Deficit) after taxation		1 037	17 352	17 352	(17 566)	(17 566)	4 339	(21 904)	(504,86)	17 352
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		1 037	17 352	17 352	(17 566)	(17 566)	4 339	(21 904)	(504,86)	17 352
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year		1 037	17 352	17 352	(17 566)	(17 566)	4 339	(21 904)	(504,86)	17 352

THE DETAILED QUARTERLY OPERATING REVENUE PERFORMANCE AGAINST THE TOTAL BUDGET ITEMS ARE AS FOLLOW:

Electricity Revenue – R17.94 million (106% of the YTD budget)

Electricity service charges related revenue realised R17.94 million, a 6% deviation from the year-to-date budget. The budget was exceeded, and this can be attributed to straight-line budgeting not accounting for electricity being sold at “high season” (winter) tariffs. The impact is higher revenue even with lower consumption.

Water Revenue – R4.73 million (91% of the YTD budget)

Water service charges related revenue realised R4.7 million, a 9% deviation (lower) from the year-to-date budget. It should not be of any concern as straight-line budgeting did not account for the cyclical use of water by industry within the municipality. A rapid increase in the use of water can be expected during the summer months until April. The cheese factories normally increase consumption during the summer months with the cellars drastically increasing their consumption from February to approximately mid-April every year.

Sewerage Revenue – R2.24 million (112% of the YTD budget)

Sewerage billing during the first quarter amounted to 2.24 million with 12% deviation from the year-to-date budget. The deviation can be explained with a 23% less indigent registration rate, that the subsidised component of sewerage is significantly less than forecasted for Q1. Sewerage, water and refuse are generally impacted more significantly by the movement in the cost of Free Basic Services (FBS) than other components of revenue.

Refuse Removal Revenue – R2.23 million (120% of the YTD Budget)

Refuse removal billing during the first quarter amounted to 2.24 million with 20% deviation from the year-to-date budget. The deviation can be explained with a 23% less indigent registration rate, that the subsidised component of sewerage is significantly less than forecasted for Q1.

Interest on Outstanding Debtors (2% of YTD Budget – Allocation correction needed)

Interest charges on outstanding debtors related revenue only realized R10 thousand, which is 99% less than the year-to-date forecast. There was however an allocation error, with interest being allocated to Fines, Penalties & Forfeits. The actual amount of interest raised exceeded the forecast with 29% but is expected to decrease during the second quarter due to, interest carrying debt to the amount of R38.5 million, being written-off during August 2021.

Rental of Facilities and Equipment (84% of the YTD Budget)

Rental of facilities and equipment realised R132 thousand, which is 16% less than the year-to-date budget. The reason for this shortfall relates to straight-line budgeting not accounting for the fact that annual increases are contract based and are not aligned to the financial year.

Interest on External Investments – R333 thousand (155% of the YTD Budget)

The majority of grant funding to be transferred to the municipality in terms of the DoRA, was received during the first quarter of the year and the interest charges earned, directly relate to the investment of grant funding (interest on call deposits).

Fines Penalties and forfeits – to be corrected

Fines Penalties and forfeits realised R1.06 million or 77% of the year-to-date budget. It should however be noted incorrectly allocated interest earned on overdue accounts should be reallocated and this will leave a shortfall of R1.06 million. A vendor to administer speed fines has not yet been appointed and this issue should be addressed as a matter of urgency.

Agency Services – R215 000 (79% of the YTD budget)

The shortfall under this item can be explained as a result of the straight-line budget approach that does not consider the cyclical nature of this item. It is difficult to forecast as this will be significantly impacted as to when the public's vehicle licenses will be due, and this can be very unpredictable. It should be noted that the first quarter tend to be lower if history is anything to go by.

Licences and permits – R46 000 (49% of the YTD budget)

Revenue streams relating to the above can be difficult to predict and the variance on revenue not realising, is of a very low base.

Other revenue – R146 000 (60% of the YTD budget)

Revenue streams relating to the above can be difficult to predict and the variance on revenue not realising, is of a very low base.

Summary

Revenue in total did exceed the year-to-date budget forecast by 9%. This can mainly be attributed to the cyclical nature of the economy not accounted for within the straight-line budget approach, the low indigent registration rate and electricity being charged at the more expensive "high season" tariffs.

THE DETAILED QUARTERLY OPERATING EXPENDITURE PERFORMANCE AGAINST THE TOTAL BUDGET ITEMS ARE AS FOLLOW:

Employee Related Costs – R15.2 million (93% of the YTD budget)

Employee related expenditure is within the budget parameters, but it should be noted that the budget is based on a straight-line approach (annual budget divided by 12 times 3 for Q1). Bonus and annual salary increase already accounted for under the budget but not yet recognised as expenditure.

Councillor Remuneration – R973 000 (107% of YTD budget)

The budget for councillor remuneration was exceeded by 7% during the quarter and this relate to an error in allocation of expenditure that will be addressed.

Debt Impairment – R38.5 million (743% of the YTD budget)

No contribution to the provision for debt impairment was recognised for the quarter under review, but R38.5 million was written-off and therefor the excessive expense recognised.

Bulk Purchases – R4.88 million (40% of the YTD budget)

Bulk purchases are severely understated as expenditure are only recognised once paid and not when incurred on an accrual basis. The actual expenditure on bulk purchases was in line with the full year budget and the recognition of expenditure will be addressed in due course.

Finance Charges R55 thousand (58% of the YTD budget)

Finance charges will significantly exceed the full budget forecast and the extent thereof still needs to be established. The deviation from the year-to-date budget can be explained that not all interest charges were accounted for during the quarter under review.

Other Materials / Inventory Consumed – R825 thousand (46% of the YTD budget)

Expenditure on “Other Materials” is well below the year-to-date forecast. Straight-line budget and expenditure only incurred in terms of available revenue can explain the difference.

Contracted Services – R2.6 million (58% of the YTD Budget)

The expenditure on Contracted Services will be well below the actual forecast. Straight-line budget and expenditure only incurred in terms of available revenue can explain the difference. Delays in the procurement of various consultants also contributes to the low year-to-date expenditure.

Other Expenditure – R2.12 thousand (62 % of the YTD Budget)

Other expenditure is much lower than forecasted. Straight-line budget and expenditure only incurred in terms of available revenue can explain the difference. The recognition of expenditure when incurred and not to be recognised only when paid, remains an issue throughout.

TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

Western Cape: Kannaland (WC041) - Table C5 Quarterly Budgeted Capital Expenditure by Functional Classification and Funding for 1st Quarter ended 30 September 2021

Description	Ref	2020/21	Budget year		Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
Capital Expenditure - Functional										
<i>Municipal governance and administration</i>		13 655	2 001	2 001	66	66	500	(434)	(96,74)	2 001
Executive and council			192	192			48	(48)	(100,00)	192
Finance and administration	13 655	1 809	1 809	1 809	66	66	452	(386)	(85,33)	1 809
Internal audit										
<i>Community and public safety</i>		(11 297)	378	378	-	-	95	(95)	(100,00)	378
Community and social services	(11 467)									
Sport and recreation	170	378	378	378			95	(95)	(100,00)	378
Public safety										
Housing										
Health										
<i>Economic and environmental services</i>		-	500	500	305	305	125	180	143,78	500
Planning and development										
Road transport		500	500	500	305	305	125	180	143,78	500
Environmental protection										
<i>Trading services</i>		13 047	20 888	20 888	1 884	1 884	5 222	(3 339)	(63,93)	20 888
Energy services	797	2 639	2 639	2 639			675	(675)	(100,00)	2 639
Water management	12 249	18 189	18 189	18 189	1 884	1 884	4 547	(2 664)	(58,58)	18 189
Waste water management										
Waste management										
<i>Other</i>										
Total Capital Expenditure - Functional	3	15 405	23 767	23 767	2 255	2 255	5 942	(3 687)	(62,06)	23 767
Funded by										
National Government	-	12 984	22 763	22 763	1 950	1 950	5 691	(3 741)	(65,74)	22 763
Provincial Government		(11 154)								
District Municipality										
Transfers and subsidies - capital (monetary allocations)										
Transfers recognised - capital		1 831	22 763	22 763	1 950	1 950	5 691	(3 741)	(65,74)	22 763
Borrowing	6									
Internally generated funds		555	1 004	1 004	305	305	251	54	21,40	1 004
Total Capital Funding		2 386	23 767	23 767	2 255	2 255	5 942	(3 687)	(62,06)	23 767

THE FOLLOWING IS THE FINANCIAL PERFORMANCE AGAINST THE BUDGET CAPITAL EXPENDITURE IN THE SECOND QUARTER

The actual year-to-date capital expenditure amounts to **R2.26 million**, which makes up **38%** of the first quarter (Q1) capital budget. The low expenditure, if considered in terms of the year-to-date forecast, can be explained by the fact that the Q1 budget is calculated on a straight-line approach that do not take into account planning, procurement etc.

TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

Western Cape: Kannaland (WC04) - Table C6 Quarterly Budget Statement - Financial Position (All) for 1st Quarter ended 30 September 2021

Description	Ref	Budget year 2021/22								
		2020/21	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands	1	Audited Outcome								
ASSETS										
Current assets										
Cash		18 745	(13 359)	(13 359)	(5 530)	(5 530)	(4 496)	(1 034)	23,00	(13 359)
Call deposits and investments		40 236	37 862	37 862	12 932	12 932		12 932		37 862
Consumer debtors		5 055	6 755	6 755	(34 125)	(34 125)	(399)	(33 726)	8 453,21	6 755
Other debtors		(67 612)	(46 381)	(46 381)	1 776	1 776	(312)	2 089	(668,38)	(46 381)
Current portion of long-term receivables										
Inventory		3 237	(2 867)	(2 867)	392	392	(1 327)	1 720	(129,54)	(2 867)
Total current assets		(339)	(17 989)	(17 989)	(24 555)	(24 555)	(6 535)	(18 020)	275,74	(17 989)
Non current assets										
Long-term receivables										
Investments										
Investment property		1 250	1 364	1 364						1 364
Investment in Associate										
Property, plant and equipment		325 883	349 890	349 890	(912)	(912)	3 263	(4 175)	(127,96)	349 890
Biological										
Intangible		28	38	38	(8)	(8)		(8)		38
Other non-current assets										
Total non current assets		327 161	351 292	351 292	(920)	(920)	3 263	(4 183)	(128,20)	351 292
TOTAL ASSETS		326 822	333 303	333 303	(25 475)	(25 475)	(3 272)	(22 203)	678,52	333 303
LIABILITIES										
Current liabilities										
Bank overdraft										
Borrowing		14	586	586	(153)	(153)		(153)		586
Consumer deposits		1 119	1 027	1 027	65	65		65		1 027
Trade and other payables		23 859	14 780	14 780	(7 671)	(7 671)	(7 288)	(383)	5,26	14 780
Provisions		7 114	12 619	12 619						12 619
Total current liabilities		32 104	29 011	29 011	(7 759)	(7 759)	(7 288)	(471)	6,47	29 011
Non current liabilities										
Financial liabilities		863	(429)	(429)			(323)	323	(100,00)	(429)
Provisions		45 708	37 511	37 511						37 511
Total non current liabilities		46 571	37 082	37 082	-	-	(323)	323	(100,00)	37 082
TOTAL LIABILITIES		78 675	66 094	66 094	(7 759)	(7 759)	(7 611)	(149)	1,95	66 094
NET ASSETS	2	248 147	267 209	267 209	(17 716)	(17 716)	4 339	(22 054)	(508,32)	267 209
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		247 096	238 953	238 953						238 953
Reserves		14	10 904	10 904	(150)	(150)		(150)		10 904
TOTAL COMMUNITY WEALTH/EQUITY	2	247 110	249 857	249 857	(150)	(150)	-	(150)	-	249 857

TABLE C7 – QUARTERLY BUDGETED CASH FLOW

Western Cape: Kannaland (WC04) - Table C7 Quarterly Budgeted Cash Flows (All) for 1st Quarter ended 30 September 2021

Description	Ref	2020/21	Budget year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		7 496	20 213	20 213	3 447	3 447	5 053	(1 606)	(31,78)	20 213
Service charges		26 341	89 407	89 407	19 531	19 531	22 352	(2 821)	(12,62)	89 407
Other revenue		1 379	9 833	9 833	331	331	2 458	(2 128)	(86,55)	9 833
Transfers and Subsidies - Operational	1	43 137	44 598	44 598	18 865	18 865	11 149	7 716	69,20	44 598
Transfers and Subsidies - Capital	1	22 164	22 763	22 763	2 542	2 542	5 691	(3 149)	(55,33)	22 763
Interest										
Dividends										
Payments										
Suppliers and employees		(17)	(152 375)	(152 375)			(38 094)	38 094	(100,00)	(152 375)
Finance charges										
Transfers and Grants	1									
NET CASH FROM (USED) OPERATING ACTIVITIES		100 500	34 440	34 440	44 716	44 716	8 610	36 107	419,36	34 440
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (increase) in non-current debtors (not used)										
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
Payments										
Capital assets			(23 767)	(23 767)			(5 942)	5 942	(100,00)	(23 767)
NET CASH FROM (USED) INVESTING ACTIVITIES		-	(23 767)	(23 767)	-	-	(5 942)	5 942	(100,00)	(23 767)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		1 055	(91)	(91)	11	11	(280)	290	(103,80)	(91)
Payments										
Repayment of borrowing			(572)	(572)			(143)	143	(100,00)	(572)
NET CASH FROM (USED) FINANCING ACTIVITIES		1 055	(664)	(664)	11	11	(423)	433	(102,51)	(664)
NET INCREASE / (DECREASE) IN CASH HELD		101 556	10 009	10 009	44 727	44 727	2 245	42 482	1 892,01	10 009
Cash/cash equivalents at the year begin:		42 488	42 488	42 488	-	-	-	-	-	42 488
Cash/cash equivalents at the year end:	2	144 043	52 496	52 496	44 723	44 723	2 245	42 482	1 892,01	52 496

The balances of the various municipal bank accounts for **Quarter 1** were:

- Standard Bank Main Account is – **R1.3 million**;
- The Traffic Account and the **R914 thousand**;
- Deposit Account has **R3.8 million**; with
- The call account that contains the cash-backed component of conditional grants amounts to **R45 million** as at the end of Quarter 1.

The lack of revenue streams and inability to collect money owed in line with municipal norms, has left the municipality to be heavily dependent on grant funding to run its daily operations. The revenue base needs to be broaden and operational expenditure needs to be managed as efficiently as possible. Funding is insufficient to fund reserves and provisions and the liquidity of the municipality remains fragile.

TABLE C2 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE (Functional Classification)

Western Cape: Kannaland (WC041) – Table C2C Quarterly Budgeted Financial Performance by Functional Classification for 1st Quarter ended 30 September 2021

Description	Ref	Budget year 2021/22								
		2020/21	Budget year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Revenue – Functional										
Municipal governance and administration		59 433	40 973	40 973	21 961	21 961	10 243	11 718	114,40	40 973
Executive and council		34 237	6 402	6 402	12 730	12 730	1 601	11 129	695,32	6 402
Mayor and Council		34 237	6 402	6 402	12 730	12 730	1 601	11 129	695,32	6 402
Finance and administration		25 196	34 571	34 571	9 231	9 231	5 643	589	6,51	34 571
Administrative and Corporate Support		405	298	298	98	98	74	23	31,29	298
Finance		24 015	28 770	28 770	9 134	9 134	7 192	1 941	26,99	28 770
Human Resources			145	145			36	(36)	(100,00)	145
Property Services		776	5 368	5 368			1 340	(1 340)	(100,00)	5 368
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		15 409	20 827	20 827	1 318	1 318	5 207	(3 888)	(14,68)	20 827
Community and social services		15 193	14 727	14 727	1 274	1 274	3 682	(2 407)	(65,39)	14 727
Cemeteries, Funeral Parlours and Crematoriums		9 031	10 110	10 110	55	55	2 528	(2 473)	(97,84)	10 110
Community Halls and Facilities		101	40	40	1	1	10	(9)	(93,18)	40
Libraries and Archives		4 903	3 217	3 217	923	923	804	119	14,80	3 217
Literacy Programmes		1 159	1 359	1 359	296	296	340	(44)	(12,98)	1 359
Public safety		251	-	-	44	44	-	44	-	-
Fire Fighting and Protection	(5)				(0)	(0)		(0)		
Police Forces, Traffic and Street Parking Control		257			45	45		45		
Housing		(36)	6 100	6 100	-	-	1 525	(1 525)	(100,00)	6 100
Housing		(36)	6 100	6 100			1 525	(1 525)	(100,00)	6 100
Economic and environmental services		1 677	7 047	7 047	385	385	1 762	(1 377)	(78,16)	7 047
Road transport		1 677	7 047	7 047	385	385	1 762	(1 377)	(78,16)	7 047
Road and Traffic Regulation		1 166	6 467	6 467	218	218	1 517	(1 398)	(66,49)	6 467
Roads		512	580	580	166	166	145	21	14,78	580
Trading services		100 426	140 336	140 336	27 179	27 179	35 054	(7 905)	(22,53)	140 336
Energy sources		56 671	74 321	74 321	17 940	17 940	18 580	(641)	(3,45)	74 321
Electricity		56 671	74 321	74 321	17 940	17 940	18 580	(641)	(3,45)	74 321
Water management		27 712	35 358	35 358	4 772	4 772	8 839	(4 067)	(46,01)	35 358
Water Distribution		27 712	35 358	35 358	4 772	4 772	8 839	(4 067)	(46,01)	35 358
Waste water management		8 188	15 079	15 079	2 236	2 236	3 770	(1 533)	(40,68)	15 079
Sewerage		8 188	15 079	15 079	2 236	2 236	3 770	(1 533)	(40,68)	15 079
Waste management		7 855	15 578	15 578	2 231	2 231	3 894	(1 664)	(42,72)	15 578
Solid Waste Removal		7 855	15 578	15 578	2 231	2 231	3 894	(1 664)	(42,72)	15 578
Other		-	-	-	-	-	-	-	-	-
Total Revenue – Functional	2	176 945	209 182	209 182	50 843	50 843	52 296	(1 452)	(2,75)	209 182
Expenditure – Functional										
Municipal governance and administration		49 337	57 383	57 383	50 708	50 708	14 346	36 363	253,48	57 383
Executive and council		14 176	17 062	17 062	4 617	4 617	4 265	351	8,24	17 062
Mayor and Council		6 836	8 328	8 328	1 836	1 836	2 082	(247)	(11,86)	8 328
Municipal Manager, Town Secretary and Chief Executive		7 340	8 734	8 734	2 782	2 782	2 183	598	27,40	8 734
Finance and administration		35 161	40 321	40 321	46 092	46 092	10 050	36 011	357,25	40 321
Administrative and Corporate Support		9 381	9 300	9 300	2 317	2 317	2 325	(8)	(0,33)	9 300
Finance		24 632	24 645	24 645	41 856	41 856	6 161	35 695	579,35	24 645
Fleet Management		189	1 490	1 490	130	130	372	(242)	(65,03)	1 490
Human Resources		33	145	145			36	(36)	(100,00)	145
Property Services		926	4 742	4 742	1 788	1 788	1 185	603	50,85	4 742
Community and public safety		10 562	17 233	17 233	2 592	2 592	4 306	(1 716)	(39,82)	17 233
Community and social services		7 726	9 166	9 166	2 075	2 075	2 292	(217)	(9,45)	9 166
Cemeteries, Funeral Parlours and Crematoriums		1 266	454	454	87	87	113	(27)	(23,55)	454
Community Halls and Facilities		1 664	2 712	2 712	883	883	678	205	30,20	2 712
Disaster Management		467	1 191	1 191	208	208	298	(90)	(30,19)	1 191
Literacy Programmes		4 328	4 610	4 610	896	896	1 202	(305)	(25,34)	4 610
Sport and recreation		380	549	549	56	56	137	(82)	(69,41)	549
Recreational Facilities		244	374	374	24	24	93	(70)	(74,64)	374
Sports Grounds and Stadiums		136	176	176	32	32	44	(12)	(26,99)	176
Public safety		1 579	375	375	239	239	94	145	155,30	375
Fire Fighting and Protection		146	375	375	33	33	94	(61)	(64,62)	375
Police Forces, Traffic and Street Parking Control		1 433			206	206		206		
Housing		877	7 143	7 143	223	223	1 786	(1 563)	(67,53)	7 143
Housing		877	7 143	7 143	223	223	1 786	(1 563)	(67,53)	7 143
Economic and environmental services		9 098	16 083	16 083	2 193	2 193	4 021	(1 827)	(45,45)	16 083
Road transport		9 098	16 083	16 083	2 193	2 193	4 021	(1 827)	(45,45)	16 083
Road and Traffic Regulation		3 262	9 228	9 228	791	791	2 307	(1 516)	(65,72)	9 228
Roads		5 836	6 855	6 855	1 403	1 403	1 714	(311)	(18,15)	6 855
Trading services		105 912	101 131	101 131	12 914	12 914	25 283	(12 368)	(45,92)	101 131
Energy sources		56 314	59 169	59 169	6 643	6 643	14 792	(8 149)	(65,09)	59 169
Electricity		56 314	59 169	59 169	6 643	6 643	14 792	(8 149)	(65,09)	59 169
Water management		29 689	18 684	18 684	3 015	3 015	4 671	(1 656)	(35,46)	18 684
Water Distribution		29 689	18 684	18 684	3 015	3 015	4 671	(1 656)	(35,46)	18 684
Waste water management		5 754	9 711	9 711	1 467	1 467	2 428	(961)	(39,59)	9 711
Sewerage		5 754	9 711	9 711	1 467	1 467	2 428	(961)	(39,59)	9 711
Waste management		15 154	13 566	13 566	1 790	1 790	3 391	(1 601)	(47,21)	13 566
Solid Waste Removal		15 154	13 566	13 566	1 790	1 790	3 391	(1 601)	(47,21)	13 566
Other		-	-	-	-	-	-	-	-	-
Total Expenditure – Functional	3	175 908	191 530	191 530	68 409	68 409	47 957	20 452	42,65	191 530
Surplus/(Deficit)		1 037	17 352	17 352	(17 566)	(17 566)	4 339	(21 904)	(604,86)	17 352

TABLE C3 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE

(Revenue & Expenditure by Municipal Vote)

WC041 Kannaland - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter										
Vote Description	Ref	2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	34,237	6,402	6,402	-	12,730	1,601	11,129	695,3%	6,402
Vote 2 - CORPORATE SERVICES		15,822	26,377	26,377	482	1,339	6,594	(5,255)	-79,7%	26,377
Vote 3 - FINANCIAL SERVICES		24,791	34,128	34,128	559	9,156	8,532	624	7,3%	34,128
Vote 4 - TECHNICAL SERVICES		102,096	142,274	142,274	9,619	27,591	35,569	(7,978)	-22,4%	142,274
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	176,945	209,182	209,182	10,661	50,815	52,296	(1,480)	-2,8%	209,182
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	14,176	17,062	17,062	2,634	4,618	4,265	352	8,3%	17,062
Vote 2 - CORPORATE SERVICES		22,092	34,547	34,547	3,092	5,701	8,636	(2,935)	-34,0%	34,547
Vote 3 - FINANCIAL SERVICES		25,558	29,387	29,387	3,219	43,644	7,347	36,297	494,1%	29,387
Vote 4 - TECHNICAL SERVICES		113,894	109,345	109,345	5,111	14,320	27,336	(13,016)	-47,6%	109,345
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		189	1,490	1,490	130	130	372	(242)	-65,0%	1,490
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	175,908	191,830	191,830	14,186	68,413	47,957	20,457	42,7%	191,830
Surplus/ (Deficit) for the year	2	1,037	17,352	17,352	(3,525)	(17,598)	4,339	(21,937)	-505,6%	17,352

PART 2 SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

WC041 Kannaland - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter													
Description	NT Code	Budget Year 2021/22										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	2,025	726	536	378	416	392	2,334	7,836	14,642	11,355	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,432	137	110	70	66	53	187	371	2,427	747	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2,621	754	330	278	270	262	1,337	15,318	21,170	17,465	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	700	335	238	234	234	233	1,371	4,888	8,233	6,960	-	-
Receivables from Exchange Transactions - Waste Management	1600	1,408	559	384	372	368	364	2,084	7,439	12,977	10,626	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	21	32	30	34	43	51	362	8,893	9,466	9,383	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(4,396)	191	126	108	107	111	550	1,508	(1,695)	2,384	-	-
Total By Income Source	2000	3,812	2,734	1,755	1,474	1,503	1,465	8,225	46,253	67,221	58,921	-	-
2020/21 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(3,228)	90	29	18	19	20	52	733	(2,266)	843	-	-
Commercial	2300	1,102	183	154	130	141	111	490	2,377	4,688	3,249	-	-
Households	2400	5,784	2,229	1,446	1,207	1,225	1,220	7,046	33,215	53,371	43,912	-	-
Other	2500	154	232	125	119	119	113	637	9,928	11,428	10,916	-	-
Total By Customer Group	2600	3,812	2,734	1,755	1,474	1,503	1,465	8,225	46,253	67,221	58,921	-	-

- The total amount owed to Kannaland Municipality was standing at **R67 million** as at the end of the **First Quarter**.
- **R46.25 million or 69 percent** of the total outstanding debtors are older than one year.
- **R58.92 million or 88 percent** of the outstanding debtors are outstanding for more than 90 days and are less likely to be recoverable debt.

The biggest concern regarding debt collection in Kannaland, is the inability to collect on debt within the Eskom electricity distribution area. Pre-paid electricity is the most effective method of credit control, and the introduction of pre-paid water meters, should be a non-negotiable consideration in future.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Description	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	6,347	6,848	5,350	-	13,640	-	-	-	32,184
Bulk Water	0200	30	-	-	-	-	-	-	-	30
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	60	-	-	-	-	-	-	-	60
Trade Creditors	0700	716	79	162	39	7,651	-	-	-	8,647
Auditor General	0800	148	52	2,323	316	6,224	-	-	-	9,063
Other	0900	1,983	85	60	3	6,887	-	-	-	9,017
Total By Customer Type	1000	9,283	7,063	7,895	358	34,401	-	-	-	59,000

- The total outstanding creditors as at the end of the **First Quarter** amounts to **R59 million**.
- The biggest outstanding creditors are Eskom (**R32 184 million**), the Auditor-General of South Africa (**R9 063 million**). Combined, the before mentioned, represents **70%** 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.

Section 7 – Investment portfolio analysis

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

Date: 10.09.2018

ACCOUNT STATEMENT



Interest Accrual		30.09.2021	30.09.2021	0.00	7,822.50	0.00	7,822.50	769,212.69	761,390.19
Interest Capitalisation		30.09.2021	30.09.2021	0.00	-7,822.50	7,822.50	0.00	769,212.69	769,212.69
Repayment Due		30.09.2021	30.09.2021	-52,177.50	0.00	-7,822.50	-60,000.00	709,212.69	709,212.69

- The total outstanding long-term debt of Kannaland Municipality amounts to **R709 thousand** at the end of **Quarter 1** ending **30 September 2021**.
- A monthly instalment of **R60 thousand** at an interest rate of **12.52 percent** per annum is being paid.

Section 8 – Allocation and grant receipts and expenditure

WC041 Kannaland - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter										
Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		38,285	35,253	35,253	1,063	14,264	8,813	5,451	61,8%	35,253
Operational Revenue:General Revenue:Equitable Share	3	34,050	30,553	30,553	-	12,730	7,638	5,092	66,7%	30,553
Operational:Revenue:General Revenue:Fuel Levy		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1,159	1,359	1,359	296	296	340	(44)	-13,0%	1,359
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		2,564	2,811	2,811	725	1,072	703	369	52,5%	2,811
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		512	530	530	43	166	132	34	25,6%	530
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		5,094	9,730	9,730	295	923	2,432	(1,509)	-62,1%	9,730
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		5,094	9,680	9,680	295	923	2,420	(1,497)	-61,9%	9,680
Disaster and Emergency Services	4	-	-	-	-	-	-	-	-	-
Health	4	-	-	-	-	-	-	-	-	-
Housing	4	-	-	-	-	-	-	-	-	-
Infrastructure	4	-	50	50	-	-	12	(12)	-100,0%	50
Libraries, Archives and Museums	4	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	145	145	-	-	36	(36)	-100,0%	145
Total Operating Transfers and Grants	5	43,378	45,128	45,128	1,359	15,187	11,282	3,905	34,6%	45,128
Capital Transfers and Grants										
National Government:		16,747	22,763	22,763	43	88	5,691	(5,603)	-98,5%	22,763
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		1,123	2,699	2,699	-	-	675	(675)	-100,0%	2,699
Municipal Infrastructure Grant [Schedule 5B]		8,987	10,064	10,064	-	45	2,516	(2,472)	-98,2%	10,064
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant [Schedule 5B]		6,637	10,000	10,000	43	43	2,500	(2,457)	-98,3%	10,000
WiFi Connectivity		-	-	-	-	-	-	-	-	-
Provincial Government:		1,960	-	-	-	-	-	-	-	-
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		1,960	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	18,707	22,763	22,763	43	88	5,691	(5,603)	-98,5%	22,763
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	62,085	67,891	67,891	1,402	15,275	16,973	(1,698)	-10,0%	67,891

The following grants were received, and expenditure incurred (Operational & Capital) during Quarter 1:

National Treasury	Revenue	Expenditure
Equitable Share	R12.73 million	N/A
Financial Management Grant	R2.811 million	R 725 000
Expanded Public Works Programme	R340 000	R296 000
Municipal Infrastructure Grant	R1.5 million	R1.7 million
Water Services Infrastructure Grants	R1 million	R43 000
Provincial Treasury	Revenue	Expenditure
Library Replacement Grant	R1.072 million	R923 000

Section 9 – Expenditure on Councillor, Senior Managers and Other Staff

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

Summary of Employee and Councillor remuneration	Ref	Budget Year 2021/22								
		2020/21 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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2,484	2,895	2,895	255	833	724	110	15%	2,895
Pension and UIF Contributions		0	-	-	-	-	-	-		-
Medical Aid Contributions		133	220	220	2	24	55	(32)	-57%	220
Mobv Vehicle Allowance		189	172	172	13	38	43	(5)	-11%	172
Cellphone Allowance		311	349	349	26	78	87	(10)	-11%	349
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		3,117	3,637	3,637	295	973	909	64	7%	3,637
% increase	4		16,7%	16,7%						16,7%
Senior Managers of the Municipality										
Basic Salaries and Wages		1,802	2,525	2,525	262	435	631	(197)	-31%	2,525
Pension and UIF Contributions		0	3	3	0	0	1	(0)	-55%	3
Medical Aid Contributions		-	-	-	-	-	-	-		-
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Mobv Vehicle Allowance		64	168	168	30	38	42	(4)	-9%	168
Cellphone Allowance		35	75	75	8	13	19	(6)	-33%	75
Housing Allowances		-	17	17	-	-	4	(4)	-100%	17
Other benefits and allowances		29	272	272	157	159	68	91	133%	272
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		1,930	3,060	3,060	457	644	765	(121)	-16%	3,060
% increase	4		58,6%	58,6%						58,6%
Other Municipal Staff										
Basic Salaries and Wages		40,749	41,120	41,120	6,428	9,644	10,280	(636)	-6%	41,120
Pension and UIF Contributions		5,472	7,271	7,271	1,071	1,590	1,818	(227)	-13%	7,271
Medical Aid Contributions		1,693	2,162	2,162	327	498	540	(42)	-8%	2,162
Overtime		5,118	4,106	4,106	792	1,221	1,026	195	19%	4,106
Performance Bonus		2,012	-	-	-	6	-	6	#DIV/0!	-
Mobv Vehicle Allowance		2,026	2,133	2,133	330	500	533	(33)	-6%	2,133
Cellphone Allowance		119	80	80	20	30	20	11	53%	80
Housing Allowances		269	279	279	53	119	70	49	71%	279
Other benefits and allowances		2,408	4,651	4,651	433	953	1,163	(210)	-18%	4,651
Payments in lieu of leave		505	-	-	-	24	-	24	#DIV/0!	-
Long service awards		85	-	-	-	-	-	-		-
Post-retirement benefit obligations		1,843	692	692	-	-	173	(173)	-100%	692
Sub Total - Other Municipal Staff		62,298	62,493	62,493	9,454	14,586	15,623	(1,037)	-7%	62,493
% increase	4		0,3%	0,3%						0,3%
Total Parent Municipality		67,345	69,189	69,189	10,206	16,203	17,297	(1,094)	-6%	69,189
Unpaid salary, allowances & benefits in arrears:										
Total Municipal Entities		0	-	-	0	0	-	0	#DIV/0!	-
TOTAL SALARY, ALLOWANCES & BENEFITS		67,346	69,189	69,189	10,206	16,203	17,297	(1,094)	-6%	69,189
% increase	4		2,7%	2,7%						2,7%
TOTAL MANAGERS AND STAFF		64,228	65,553	65,553	9,911	15,230	16,388	(1,158)	-7%	65,553

Section 10 – Material variances to the SDBIP

FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2021/22 –

Includes the following KPA's to which performance will be measured within Appendix G:

KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens

KPA 2: To Provide adequate Services and improve our public relations

KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks

KPA 4: To Facilitate Economic Growth and Social and Community development

KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation

KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy

KPA 7: To Strive towards a financially sustainable municipality

Section 11– Capital programme performance

Detailed Capital Programme 2021/2022									
Grant	Project No	Project Name	2021	Received	Outstanding	Expenditure	Still to spend	% Spend	
MIG	235124	Kannaland: Installation of Water Meters	R 465 514.58	R 69 221.40	R 396 293.18	R 69 221.40	R 396 293.18	15%	
MIG	220290	Zoar: New Sport Field Lighting	R 357 007.87			R -	R 357 007.87	0%	
MIG	213625	Zoar: Upgrade new Cemetery	R 1 789 312.35	R 774 860.91	R 1 014 451.44	R 1 564 631.90	R 224 680.45	87%	
MIG	160843	Ladismith: New Waste Water Treatment Works	R 6 245 094.37	R 91 946.16	R 6 153 148.21	R 91 946.16	R 6 153 148.21	1%	
MIG	285450	Ladismith: Upgrade Water Treatment Works	R 1 207 370.83	R 76 271.53	R 1 131 099.30	R 76 271.53	R 1 131 099.30	6%	
TOTALS			R 10 064 300.00	R 1 012 300.00	R 8 694 992.13	R 1 802 070.99	R 8 262 229.01	18%	

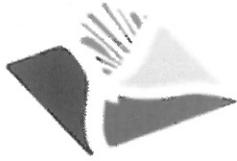
Grant	Project No	Project Name	Budget			Expenditure	Still to spend	% Spend	
WSIG		Calitzdorp: Klein Karoo Rural Water Scheme	R 10 000 000.00	R 1 000 000.00	R 9 000 000.00	R 43 085.59	R 956 914.41	4%	
TOTALS			R 10 000 000.00	R 1 000 000.00	R 9 000 000.00	R 43 085.59	R 956 914.41	0%	

Grant	Project No	Project Name	Budget			Expenditure	Still to spend	% Spend	
INEP		Ladismith Electrification	R 2 699 000.00			R -	R 2 699 000.00	0%	
TOTALS			R 2 699 000.00	R -	R -	R -	R 2 699 000.00	0%	

Grant	Project No	Project Name	Budget			Expenditure	Still to spend	% Spend	
Internal Funding		Acquisition (Furniture and office equipment and	R 1 004 000.00			R 430 422.89	R 573 577.11	43%	
TOTALS			R 1 004 000.00	R -	R -	R 430 422.89	R 573 577.11	43%	

Total Capital 2021/2022 R 23 767 300.00

	2021	2022	2023
Grant Name	Allocation	Allocation	Allocation
Municipal Infrastructure Grant	R10 064 300.00	R10 529 000.00	R10 805 000.00
Water Service Infrastructure Grant	R10 000 000.00	R9 552 000.00	R21 000 000.00
Integrated National Electrification Programme	R2 699 000.00	R2 000 000.00	R3 000 000.00
Internal Funding	R1 004 000.00		
	R23 767 300.00	R22 081 000.00	R34 805 000.00



KANNALAND

MUNISIPALITEIT | MUNICIPALITY

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6655

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Kerkstr. 32 Church St.
LADISMITH
6655

QUALITY CERTIFICATE

I, **M Hoogbaard** Accounting Officer of **Kannaland Municipality WC041**, (name of municipality), hereby certify that –

(mark as appropriate)

- The quarterly budget statement
- Quality report on the implementation of the budget and financial state affairs of the municipality
- Mid- year budget and performance assessment

For the month of **Quarter 1 September 2021** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: M Hoogbaard
Acting Municipal Manager

Municipal Manager of **Kannaland Municipality WC041** (name and demarcation of municipality)

Signature

Date :21 October 2021

APPENDIX A: MFM1 Priorities Return

APPENDIX B
NATIONAL TREASURY
QUARTERLY MFMA IMPLEMENTATION AND MONITORING CHECKLIST
IMPLEMENTATION PRIORITIES

1. Change Muncde to your own municipal code (e.g.: GT411), Year End (ccyy) to Financial Year End (e.g.: 2007 for year 2006/2007 and Quarter (Qn) to Quarter End (e.g.: Q1 for Quarter 1)
2. Enter Date if No to response (ccyy/mm/dd)
3. To Save File press the following keys at the same time with CapsLock off: Ctrl Shift S
4. In-built macro will save file as: Muncde_MFM1_ccyy_Qn.xls (e.g. GT411_MFM1_2006_Q1.xls)
5. E-mail completed returns to: lgdatabase@treasury.gov.za



MunCde	Municipality Name	Financial Year End	Quarter
WC041	Kannaland	2022	Q1 Jul-Sep
Ref	Question	Council Use Only	
		Response	Date (if applicable)

1 PREPARING AN IMPLEMENTATION PLAN

All municipalities are required to prepare an MFMA implementation plan that focuses on what the municipality intends to implement and achieve over the next few years. The plan should contain a list of activities together with target (and actual) dates, with provision to show ongoing (possibly monthly) progress with comments and a responsible councillor / official for each activity.

A copy of the MFMA Implementation Plan (Circular 7) must be submitted to the National Treasury by October each year as well as each time it is updated. Note that the MFMA Implementation Plan should include implementation issues to align implementation with amendments to the Municipal Systems Act.

1.1	Is an MFMA implementation plan prepared that contains realistic and achievable activities together with target dates, responsible councillors or officials and provision to record ongoing progress to meet targeted implementation? (If not, please download the implementation plan template from the NT website).	Yes	
-----	--	-----	--

2 ALLOCATING APPROPRIATE RESPONSIBILITIES UNDER THE MFMA TO THE ACCOUNTING OFFICER

The accounting officer of the municipality (municipal manager) must take on the responsibilities assigned to the position under the MFMA. A full list of these responsibilities is provided in Chapter 8 of the MFMA and throughout the legislation.

2.1	Has council appointed a person to assume the duties of the municipal manager?	Yes	
2.2	Has a report to the current council been tabled that creates an awareness of the roles and responsibilities of the municipal manager as the accounting officer of the municipality who must exercise the powers and functions of this position in terms of the MFMA, and to provide guidance and advice to council and officials? (s 60).	Yes	
2.3	Are the appropriate systems in place to allow the municipal manager to take responsibility for managing the financial administration of the municipality to ensure compliance with the MFMA. (s 62)	Yes	
2.4	Are the appropriate systems in place to allow the municipal manager to take full responsibility for managing the municipality's assets, liabilities, revenue and expenditure? (s 63, s 64, s 65)	Yes	
2.5	Does the municipal manager ensure that expenditure on staff benefits is reported to council on a regular basis? (s 66) If so, how often is this expenditure reported ie: monthly, quarterly, six-monthly, annually or other?	Qrt	
2.6	Does the municipal manager assist the mayor in carrying out his or her responsibilities under the MFMA? (s 68)	Yes	
2.7	Is the municipal manager provided with the appropriate autonomy and flexibility to implement the budget? (s 69)	Yes	

3 ESTABLISHING A TOP (SENIOR) MANAGEMENT

The municipal manager is required to formally establish and maintain a top management team, to include all those senior managers who are responsible for a vote or the budget of a vote. Detail of top management is provided in section 77 of the MFMA. All councils should comply with the provisions of the Municipal Systems Act (as amended) and its regulations in relation to annual staff performance agreements.

3.1	Has council appointed a person to assume the duties of the Chief Financial Officer (CFO)? (s 77, 80, 81)	Yes	
3.2	Has council appointed persons to assume the duties of other senior managers ie: to form top (or senior) management, with appropriate responsibilities and delegations? (s 77, 78)	Yes	2022/03/31 Partially
3.3	Is the CFO able to effectively assist the municipal manager in carrying out his or her duties with respect to financial management generally, in providing financial advice to senior managers and undertaking specific financial management duties? (s 81)	Yes	
3.4	Are other senior managers able to exercise the appropriate financial management responsibilities as required by legislation? (s 78)	Yes	2022/03/31 Partially
3.5	Does an appropriate system of delegations exist, that maximises administrative and operational efficiency and provides adequate checks and balances in financial administration within the municipality, within the confines of the MFMA in terms of limits to delegations? (s 79)	Yes	2021/12/31 Needs to be updated
3.6	Has a report to the current council been tabled that creates an awareness of and endorses the roles and responsibilities of the top (or senior) management team within the municipality? (s 77)	Yes	2022/03/31 Needs to be updated
3.7	Does council comply with the provisions of the MFMA and the Municipal Systems Act (as amended) and its regulations in relation to the establishment and review of annual staff performance agreements? (MFMA s 53 and Municipal Systems Act s 57)	No	2022/06/30

4 IMPLEMENTING APPROPRIATE CONTROLS OVER MUNICIPAL BANK ACCOUNTS AND CASH MANAGEMENT

Municipalities must establish controls over their bank accounts, cash management and investments. Further details of these requirements are provided in Chapter 3 of the MFMA.

4.1	Does the municipality maintain at least one bank account, designated the primary bank account which receives all allocations (including those for a municipal entity), income from investments and money collected by an entity on behalf of the municipality? (s 8)	Yes	
4.2	During the quarter under review has there been any changes to the details of the primary bank account of the municipality and were such changes reported to the National Treasury and Auditor-General? (s 8(5))	No changes	
4.3	During the quarter under review did the municipality open any new bank accounts and were these reported to the Provincial Treasury and Auditor-General? (s 9)	No changes	
4.4	Does the municipal manager administer all bank accounts and is the municipal manager accountable to council for this? (s 10)	Yes	
4.5	Is an appropriate system of delegation in place in instances where the municipal manager has delegated the administration of a bank account to another officer (or the CFO)? Note limitation on delegations with respect to enforcement of sections 7, 8 and 11 that may only be delegated to the CFO (s 10).	Yes	

5 MEETING OF FINANCIAL COMMITMENTS

Municipal managers must ensure that they take the appropriate steps to implement effective systems of expenditure control, and meet their financial commitments to other parties promptly and in accordance with the Act.

5.1	Does the municipality operate and maintain an effective system of expenditure control that includes procedures for approval, authorisation, withdrawal and payment of all funds? (s 65(2)(a))	Yes	2021/12/31	Needs to be reviewed and risks addressed
5.2	Is the municipal manager able to confirm that all moneys owing by the municipality are paid within 30 days of receiving the relevant invoice or statement? (s 65(2)(e))	No	2022/06/30	
5.3	Does the municipality promptly meet all financial commitments toward other municipalities, national and provincial organs of state? (s 37(1)(c))	No	2022/06/30	
5.4	Is the municipality currently party to any formal dispute concerning non-payment of monies owing between the municipality and another organ of state? (s 65(2)(g)). Note: formal disputes between organs of state are discussed in s 44 and Circular 21.	No		

6 REPORTING REVENUE AND EXPENDITURE

Municipal managers must take steps to put systems in place that ensure that they report on the implementation of the current budget by submitting monthly reports to the mayor and quarterly reports to the council on revenue collected and total spending. Further detail on reporting is contained in sections 71 and 72 of the MFMA.

The municipality must monthly report on the implementation of the current budget to the National Treasury and to the relevant Provincial Treasury.

6.1	Has the municipal manager submitted monthly budget statements to the mayor, National Treasury and the Provincial Treasury for each of the months of this quarter? (s 71)	Yes	
6.2	Has the municipal manager submitted a quarterly budget statement to council, reflecting expenditure incurred and income collected? (s 71)	Yes	

7 SUPPLY CHAIN MANAGEMENT (SCM)

All municipalities must adopt and implement a supply chain management (SCM) policy in accordance with the Municipal Supply Chain Management Regulations and consistent with the "model policy" provided in MFMA Circular No 22.

7.1	Has council adopted a supply chain management policy that complies with the Supply Chain Management Regulations? (SCM Regulations 2 & 3, Circular No 22) ?	Yes	
7.2	Has council delegated SCM powers and duties to the municipal manager as required in SCM Regulation 4?	No	2021/12/31
7.3	Does the municipal manager report at least quarterly to the mayor and at least annually to council on implementation of the supply chain management policy? (SCM Regulation 6)	Yes	
7.4	Has the municipal manager submitted monthly reports on contracts awarded above R100 000 to National Treasury for each of the months of this quarter? (Circular No 34)	Yes	
7.5	If a tender other than one recommended in the normal course of implementing the SCM policy was approved during this quarter, has the municipal manager reported the approval of tenders not recommended and the reasons for deviating from such recommendation to the National Treasury, provincial treasury and Auditor-General? (s 114)	No s 114 instances	
7.6	If there has been any deviation from or breach of the SCM policy during this quarter, has the municipal manager reported the reasons for such deviation from or ratification of minor breaches of procurement processes to council during this quarter? (SCM Regulations 36)	Yes	

8 IMPLEMENTING REFORMS IN RELATION TO MUNICIPAL ENTITIES AND LONG-TERM CONTRACTS

Municipalities must ensure compliance with the MFMA and Municipal Systems Act (as amended) where relevant, for any new undertaking relating to a municipal entity, Public-Private Partnership (PPP), long-term contract (LTC) or any borrowings.

8.1	Has the municipal manager submitted to the National Treasury the Municipal Entity Return Form, for this quarter? (See "Municipal Entity Return Form" under National Treasury Return Forms on website www.treasury.gov.za/mfma).	Yes	
8.2	Has the municipal manager submitted to the National Treasury the Long Term Contract Return Form, for this quarter? (See "Long Term Contract Return Form" under National Treasury Return Forms on website www.treasury.gov.za/mfma).	Yes	

9 COMPLETING FINANCIAL STATEMENTS AND ADVISING NATIONAL TREASURY

The municipal manager must ensure that financial statements are promptly prepared and submitted to the Auditor-General for audit by 31 August each year. In the case of a parent municipality, the municipal manager must ensure that consolidated financial statements (including all municipal entities) are promptly prepared and submitted to the Auditor-General by 30 September each year (s 126). Also refer MFMA Circular No. 36.

9.1	Have the 2020/2021 annual financial statements of the municipality been prepared and submitted to the Auditor-General for audit? >If Yes, provide actual date submitted in the space provided for date.	No	
9.2	Have the 2019/2020 annual financial statements of the municipality been prepared in compliance with the prescribed accounting framework? > If Yes also indicate in the space provided for date the format (framework) of the annual financial statements.	Yes	GRAP
9.3	In the case of a parent municipality, have the consolidated 2020/2021 annual financial statements of the municipality and all its entities been prepared and submitted to the Auditor-General for audit? >If Yes, provide actual date submitted in the space provided for date.	No entities	
9.4	If the accounting officer did not submit either the 2020/2021 annual financial statements and/or the 2020/2021 consolidated annual financial statements (including all municipal entities) to the Auditor-General for audit on time,	No	Submission 30 September 2021
	(a) did the mayor table a written explanation in council setting out the reasons for the failure and (b) did the municipal council investigate the matter and take the appropriate steps as required by section 133(1)(c)	Yes	

10 COMPLETING AND TABLING ANNUAL REPORT

The municipal manager must ensure that the annual report of the municipality and the annual reports of all of its municipal entity(s) have been tabled in council by 31 January each year. Refer NT Circulars No 11 and 18.

10.1	Are the appropriate management systems in place to ensure that the annual report of the municipality and the annual reports of all its municipal entity(s) will be tabled in council by 31 January each year? (s 121 & 127)	No	2022/01/31
10.2	Have the 2019/2020 annual report of the municipality and the 2019/2020 annual reports of all of its entities been tabled in council by 31 January?	No	2021/09/30

11 COMPLYING WITH PROVISIONS FOR TENDER COMMITTEES, BOARDS OF MUNICIPAL ENTITIES AND IN RELATION TO FORBIDDEN ACTIVITIES

Municipalities must ensure that there is no councillor that serves on a bid or tender committee or on any board of an entity. Municipalities must also ensure that the composition of all boards of entities comply with the Municipal Systems Act (as amended). Boards of an entity should consist of at least one-third non-executive directors and a non-executive chairperson.

Municipalities must also ensure that councillors do not engage in any forbidden activities prohibited under section 164 of the MFMA. Refer MFMA Circular No 8 - Forbidden loans - Oct 2004.

11.1	Does council comply with s 117 which precludes councillors from serving on a bid or tender committee? (s 117)	Yes	
11.2	Does council comply with s 118 which precludes undue interference from any person in relation to the municipal tender process? (s 118)	Yes	
11.3	Does council comply with s 93F of the amended Municipal Systems Act which precludes any councillor of any municipality or official of the municipality, or member of the National Assembly or a provincial legislature or permanent delegate to the NCOP from serving on boards of a municipal entity? (Municipal Systems Act, as amended s 93F)	NA	
11.4	Does council comply with s 103 which precludes improper interference by any councillor in relation to the financial affairs or responsibilities of the board of directors of a municipal entity? (s 103)	NA	
11.5	Does council comply with s 164 which precludes loans to councillors or officials of the municipality, directors or officials of a municipal entity or members of the public? (s 164)	Yes	

12 COMPLYING WITH PROVISIONS FOR INTERNAL AUDIT AND AUDIT COMMITTEES

The municipality and each of its municipal entity(s) must have an internal audit unit and an audit committee. (Refer s165 and 166).

12.1	Does the municipality have an internal audit (IA) unit (s 165) and indicate whether the function is in-house or outsourced or shared?	Yes
12.2	Does each of the municipality's entity(s) have an internal audit unit? (s 165)	Municipality has no entities
12.3	Does the municipality have an audit committee (AC)? (s 166) > If Yes, indicate in the space provided for date whether the function is shared	Yes
12.4	Does each of the municipality's entity(s) have an audit committee (AC)? (s 166)	Municipality has no entities

13 COMPLYING WITH PROVISIONS FOR BUDGETS

The municipality may only incur expenditure in terms of an approved budget and within the limits of the amounts appropriated for the different votes in its approved budget. (s15). When a municipality revises an approved annual budget it may do so only through an adjustments budget and within the framework as set-out in s 28.

13.1	Did the municipality revise its approved annual budget? > If Yes, indicate the number of adjustments budget(s) tabled in council to date in the space provided for date.	No	2022/02/28
13.2	If the municipality revised its approved annual budget, were the Service Delivery and Budget Implementation Plan (SDBIP) and performance agreements of the municipal manager and all senior managers (section 57 (Systems Act)) accordingly amended?	N/A	

14 INFORMATION TO BE PLACED ON WEBSITE OF MUNICIPALITY

The municipal manager must ensure that the documents set out in s75 are placed on the website (refer s 21A of the Systems Act) of the municipality.

14.1	Does the municipality have a website?	1. Yes	
14.1.1	If Yes in 14.1 or share district website or other website arrangement, provide the website address in the space provided.	www.kannaland.gov.za	
14.2	Is all the information as set-out in s75 displayed on the municipality's / shared district website?	No	2021/12/31

Other Comments:

Due to the instability in leadership MFMA implementation has been hampered.

Internal audit function has subsequently been established and will contribute to compliance with sections 62,63,64 & 65 of the MFMA.

FOR COUNCIL USE ONLY

Prepared by: (CFO, or other)

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028 5518000	Contact number
30-Sep-21	Date

Reviewed by: (Municipal Manager)

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30-Sep-21	Date

APPENDIX C: Cost Containment Measures

Allowances & Overtime	Annual Budget	Relates to the quarter (Q1) under review			YTD (Exceeded Budget) / Within Budget	Total: (Exceeded Budget) / Saving	Comment
		Q1 Budget	Actual				
Telephone Allowance	R 79 800.00	R 19 950.00	R 30 450.00	-R 10 500.00	R 49 350.00	To be investigated	
Vehicle Allowance	R 2 132 578.00	R 533 144.50	R 500 266.29	R 32 878.21	R 1 632 311.71		
Acting Allowance	R 1 428 759.00	R 357 189.75	R 840 923.40	-R 483 733.65	R 587 835.60	To be investigated	
Standby Allowance	R 2 226 815.00	R 556 703.75	R 633 932.53	-R 77 228.78	R 1 592 882.47	To be investigated	
Leave Payout	R -	R -	R 23 697.96	-R 23 697.96	-R 23 697.96	No budget in place	
Overtime	R 1 879 024.00	R 469 756.00	R 587 237.73	-R 117 481.73	R 1 291 786.27		
Contracted Services	R 17 970 720.00	R 4 492 680.00	R 2 540 423.87	R 1 952 256.13	R 15 430 296.13		
Interest - Overdue Accounts	R 200 000.00	R 50 000.00	R 422.03	R 49 577.97	R 199 577.97		
Petrol & Diesel	R -	R -	R 109 965.18	-R 109 965.18	-R 109 965.18	To be investigated	
Entertainment	R 48 120.00	R 12 030.00	R 21 402.61	-R 9 372.61	R 26 717.39	To be investigated	
Travel and Subsistence	R 379 360.00	R 94 840.00	R 148 311.10	-R 53 471.10	R 231 048.90	To be investigated	
R	26 345 176.00	R 6 586 294.00	R 5 437 032.70	R 1 149 261.30	R 20 908 143.30		

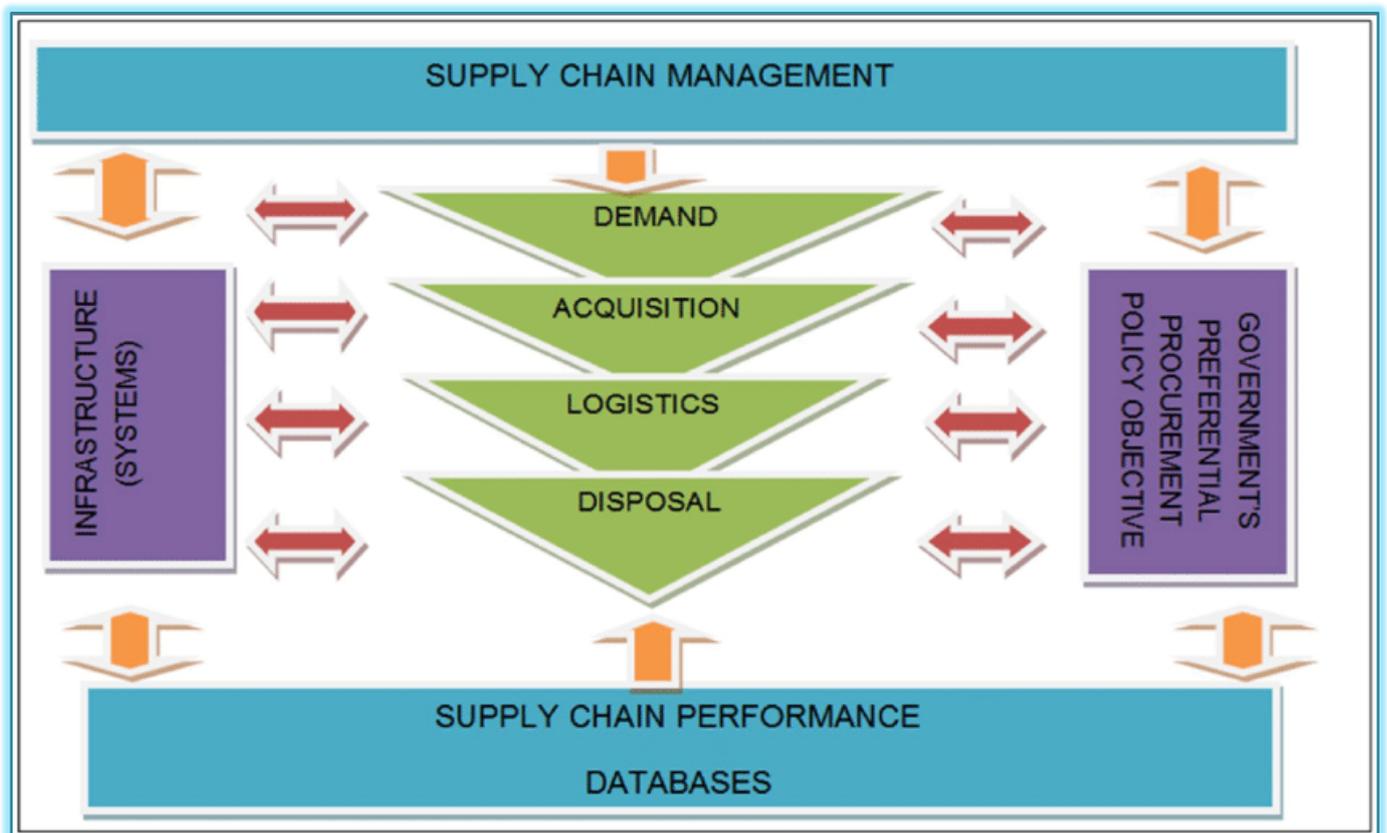
CONTRACT SERVICES	Annual Budget	Q1 Budget	Actual	(Exceeded Budget) / Within Budget	YTD: (Exceeded Budget) / Saving	Comment
Catering Services	R 24 000.00	R 6 000.00	R -	R 6 000.00	R 24 000.00	
Cleaning Services	R 342 290.00	R 85 572.50	R -	R 85 572.50	R 342 290.00	
Transport Services	R 11 000.00	R 2 750.00	R -	R 2 750.00	R 11 000.00	
Business and Advisory	R 8 549 000.00	R 2 137 250.00	R 801 684.11	R 1 335 565.89	R 7 747 315.89	
Legal Cost	R 1 133 250.00	R 283 312.50	R 820 832.62	-R 537 520.12	R 312 417.38	To be investigated
Maintenance of Equipment	R 1 474 620.00	R 368 655.00	R 66 730.80	R 301 924.20	R 1 407 889.20	
Safeguard and Security	R -	R -	R -	R -	R -	
Sewerage Services	R 619 500.00	R 154 875.00	R -	R 154 875.00	R 619 500.00	
Business and Advisory	R 1 462 760.00	R 365 690.00	R 45 396.09	R 320 293.91	R 1 417 363.91	
Internal Auditors	R -	R -	R -	R -	R -	
Maintenance of Buildings and F	R 958 990.00	R 239 747.50	R 684 247.71	-R 444 500.21	R 274 742.29	To be investigated
Meter Management	R 516 000.00	R 129 000.00	R 67 200.00	R 61 800.00	R 448 800.00	
Tracing Agents and Debt Collec	R 450 000.00	R 112 500.00	R -	R 112 500.00	R 450 000.00	
Stream Cleaning and Ditching	R 10 390.00	R 2 597.50	R -	R 2 597.50	R 10 390.00	
Catering Services	R -	R -	R -	R -	R -	
Refuse Removal	R -	R -	R -	R -	R -	
Laboratory Services	R 363 650.00	R 90 912.50	R -	R 90 912.50	R 363 650.00	
Traffic Fines Management	R 696 130.00	R 174 032.50	R -	R 174 032.50	R 696 130.00	
Maintenance of Unspecified Ass	R 1 359 140.00	R 339 785.00	R 54 332.54	R 285 452.46	R 1 304 807.46	
Burial Services	R -	R -	R -	R -	R -	
Electrical	R -	R -	R -	R -	R -	
R	17 970 720.00	R 4 492 680.00	R 2 540 423.87	R 1 952 256.13	R 15 430 296.13	

APPENDIX D: Implementation of the SCM Policy



KANNALAND
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Supply Chain Management Policy Implementation Report 1st Quarter 2021/22



Quarterly Report in terms of Section 6(3) of the Municipal SCM Policy

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1. INTRODUCTION

In terms of clauses 6(1) & 6(3) of Kannaland Municipality's Supply Chain Management Policy, the following responsibilities were allocated:

- 1) The council of a municipality must maintain oversight over the implementation of its supply chain management policy.
- 3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.

2. BACKGROUND

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy, specifically regarding the following:

- a) Awards made through the bid committee system for the Quarter under review;
- b) Deviations in terms of Clause 36 of the Supply Chain Management Policy;
- c) Minor breaches approved by the Accounting Officer in terms of Clause 36(2) of the Supply Chain Management Policy;
- d) The status of objections, complaints and appeals lodged;
- e) Deviations in terms of section 114 of the MFMA, pertaining to the approval of a tender other than the one recommended through normal procurement processes;
- f) Clause 32 of the SCM Policy disclosure, procurement of goods or services under a contract secured by another organ of state;
- g) Status update on the implementation of the Council approved procurement plan as year-to-date; and
- h) Report of and progress made with incidences of non-compliance and irregular expenditure identified and currently undergoing investigation.

3. SCM POLICY & PROCEDURES

3.1 Adoption of a SCM Policy by Council

- Adopted.

3.2 SCM Procedures

- SCM procedures manual and relevant SOP's.

It should however be noted that implementation has been hampered due to the delay in the staff-placement process and the potential review of the organogram.

3.3 Delegations

- All delegations have not been delegated, are not in writing and accepted.

The above will be addressed as a matter of urgency.

3.4 Infrastructure Procurement

- The Standard for Infrastructure Procurement and Delivery Management Policy has been adopted.

4. FUNCTIONING OF THE SCM UNIT

4.1 SCM Structure:

- The approved SCM Structure is in place but not in full operation.

It is important to note that there are numerous critical vacancies within the SCM department that needs to be filled as a matter of urgency. There are only three positions filled and all are assuming acting positions for more than nine months that is in contravention with the Collective agreement.

Please see below the latest approved organogram:

SCM & Asset Management	Manager: SCM & Contract Management	T15
Demand & Acquisition Management	Senior SCM Practitioner: Demand & Acquisition Management	T11
	Senior Clerk: Procurement	T7
	Senior Clerk: Procurement	T7
Logistics, Compliance & Contract Management	Senior SCM Practitioner: Logistics, Compliance & Contract Management	T11
	Assistant: Inventory Control	T4
	Assistant: Inventory Control	T4
Fleet, Asset & Insurance Management	Accountant: Fleet, Asset & Insurance Management	T12
	Clerk: Assets, Fleet & Insurance	T6

4.2 Declaration of Interest:

- All SCM Practitioners Have declared their interests.

4.3 Code of Conduct for SCM Practitioners:

- All SCM Practitioners have signed the Code of Conduct.

4.4 Training of SCM Personnel:

- Training schedule to be made available.

4. FUNCTIONING OF BID COMMITTEES

4.1 All Bid Committees are constituted in line with Clauses 27, 28 and 29 of the SCM Policy of Kannaland Municipality. The municipality may need to revisit the reporting lines to ensure compliance.

4.2 All Infrastructure Committees are aligned with the Infrastructure Delivery Management System (IDMS)

4.3 Bid Committee Terms of Reference are in place.

5. REPORTING

5.1 Total Bids Awarded

Bids are awarded in terms of Kannaland Municipality's Supply Chain Management Policy.

Total value of bids awarded for the quarter under review:

Bids are awarded in terms of Kannaland Municipality's Supply Chain Management Policy and the preferential points system prescribed in the Preferential Procurement Policy.

Procurement transactions have been processed through the bid committee system and formal written price quotations in excess of R30 000 within the following timeframes:

	2021/22 1 st Quarter	2021/22 YTD	2020/2021
Bids Processed	9	9	
Bids processed - Average per Quarter	9	9	
Average days from final evaluation to Bid Adjudication Committee	N/A	N/A	N/A
Average days from initiation to Bid Specification Committee	N/A	N/A	N/A
Estimated Value of Awards (Rand)	R 35 222 353.34	R	R

A schedule of these awards for the 1st Quarter of 2021/22 is attached as **Annexure A**.

a) Value of all Awards

The total value of tenders and formal written price quotations in excess of R30 000 awarded by the Supply Chain Management Unit for the 1st Quarter of 2021/22:

	Operational Amount (Including VAT, where applicable)	Capital Amount (Including VAT, where applicable)	VAT @ 15%	Value of Awards (Including VAT, where applicable) for Q1
Bid Awards (xxx)	R 32 682 938.64	R 2 539 414.70	R	R 35 222 353.34

b) Deviations – Clause 36(1)(a)

Clause 36(1)(a) of Kannaland Municipality's Supply Chain Management Policy allows circumstances for deviations from the procurement processes. Furthermore, the policy requires in Clause 36(2), that the reasons for any deviations from the procurement processes must be recorded and be reported to Council.

Deviations approved by the Accounting Officer or by the delegated officials were motivated in terms of the following categories for applications approved for the 2021/22 year to date is compared to the 2020/2021 financial year as per the following schedule:

SCM Policy	Description	2021/22 1st Quarter	2021/22 to date	2020/2021
Clause 36(1)(a)(i)	Emergency	0	0	0
Clause 36(1)(a)(ii)	Sole Provider	2	2	0
Clause 36(1)(a)(iii)	Special works of Art	2	2	0
Clause 36(1)(a)(iv)	Animals for zoos	0	0	0
Clause 36(1)(a)(v)	Impractical Impossible	2	2	0
Total		6	0	0

A schedule of Deviations approved in terms of Clauses 36(1)(a) is attached as **Annexure B**.

Value of all Deviations Awarded

The total value of deviations processed via the Supply Chain Management Unit for the 1st Quarter of 2021/22, are as follows:

	Operational Amount (Excluding VAT, where applicable)	Capital Amount (Excluding VAT, where applicable)	VAT @ 15%	Value of Awards (Including VAT, where applicable) for Q1
Deviations (xxx)	R 1 106 198.66	R0.00	R	R 1 106 198.66

c) Minor Breaches

The Supply Chain Management Policy states in Clause 36(1)(b) that the Accounting Officer may consider ratifying any minor breach of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

The Accounting Officer approved one (0) minor breaches of the Supply Chain Management Policy in the 1st Quarter of the 2021/2022 financial year:

SCMMB #	Date approved	Description
N/A		

d) Objections, Complaints and Appeals

In terms of Clause 49 of the SCM Policy, persons aggrieved by decisions or actions taken in the implementation of the supply chain management system, may lodge a written objection against the decision or action within 10 business days of the decision or action.

These objections must be dealt with and resolved in terms of Clause 50(1) of the SCM Policy. In terms of this, the Accounting Officer has appointed an 'appeals authority' which must strive to resolve all objections within 46 business days of receipt and report to the

Accounting Officer on a monthly basis on the objections received, attended to and resolved in terms of Clause 50(3) of the Policy.

In terms of Section 62 of the Local Government: Municipal Systems Act, No. 32 of 2000, a person whose rights are affected by a decision taken by a staff member of a municipality, may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.

e) Incidences of Non-compliance and Irregular Expenditure

In terms of Section 32(4) of the Local Government: Municipal Finance Management, Act No. 56 of 2003, the Executive Mayor, inter alia, must be made aware of all possible irregular expenditure incurred by the municipality.

A register of all incidences of irregular expenditure identified and currently undergoing investigation will be attached when compiled.

f) Awards above R2000 to spouses, child, parent of a person in service of the state

Section 45 of the Supply Management Policy – Nothing to declare

6. FINANCIAL IMPLICATIONS

Nothing to be reported.

7. STAFF IMPLICATIONS

Nothing to be reported.

8. COMMENTS FROM OTHER DEPARTMENTS, DIVISIONS AND ADMINISTRATIONS

Nothing to be reported.

9. ANNEXURES

Annexure A: Schedule of Awards made through the Bid Committee system and all formal written price quotations in excess of R30 000;

Annexure B: Schedule of Deviations from the procurement processes;

Annexure C: Schedule of disputes, objections, queries, complaints and appeals received

RECOMMENDATION TO THE COUNCIL:

That the activities undertaken, and outcomes achieved in the implementation of the Kannaland Municipality's Supply Chain Management Policy for the 1st Quarter of 2021/22 **be noted**, including the schedules pertaining to -

- Awards made through the Bid Committee system and all formal written price quotations in excess of R30 000;
- Deviations from the procurement processes;
- Disputes, objections, queries, complaints and appeals received; and
- Irregular Expenditure report will be available for the 2nd Quarter of 2021/2022.

APPENDIX A

Attached

APPENDIX B

Attached

APPENDIX C

Attached

ANNEXURE A

<u>TENDER NO.</u>	<u>NAME OF SUPPLIER</u>	<u>APPOINTED 2020/2021</u>	<u>ADDRESS OF SUPPLIER</u>	<u>DATE</u>	<u>NAME OF TENDER</u>	<u>BEDRAG</u>
04/2021	EXEO KHOKELA CIVIL ENGINEERING CONSTRUCTION (PTY) LTD	2021/2022	5 CILMOR STREET BELLVILLE 7530	14/05/2021	UPGRADING AND REFURBISHMENT OF LADISMITH WASTE WATER TREATMENT WORKS	R16 547 921.03
05/2021	AMANDLA KHUBEKA JV	2021/2022	18 FERROUS CRESCENT BRACKENFELL 7560	14/05/2021	UPGRADING OF THE LADISMITH WATER TREATMENT WORKS	R9 798 883.04
07/2021	EXEO KHOKELA CIVIL ENGINEERING CONSTRUCTION (PTY) LTD	2021/2022	5 CILMOR STREET BELLVILLE 7530	14/05/2021	REFURBISHMENT OF LADISMITH BOREHOLES	R4 493 980.81
08/2021	ARTHURS WORKSHOP & TOWING	2021/2022	23 MAIN ROAD ZOAR 6656	07/06/2021	APPOINTMENT OF A SERVICE PROVIDER FOR THE REPAIRS & MAINTENANCE OF VEHICLES AND EARTH MOVING EQUIPMENT	
14/2021	R DATA (PTY) LTD	2021/2022	UNIT 22 BLOCK B MS PARK EASTMAN ROAD MAITLAND CAPE TOWN	17/06/2021	PROVISION OF METER READING SOFTWARE FOR MOBILE DEVICES	R319 608.00
12/2021	ONTRACK VISION SOLUTIONS	2021/2022	13 4TH AVENUE CHURCHHILL ESTATE PAROW 7500	17/06/2021	PROVISION OF AUDIT TOOL FOR KANNALAND MUNICIPALITY	R273 400.00
16/2021	UTILITIES WORLD (PTY) LTD	2021/2022	701 STRAUSS DALY PLACE 41 RICHEFORD CIRCLE	17/06/2021	PROVISION AND ADMINISTRATION OF AN ELECTRICTY VENDING SYSTEM	R910 800.00
06/2021	MTDJ PROJECTS (PTY) LTD	2021/2022	38 KLOOF STREET PACALTSORP GEORGE 6529	25/06/2021	APPOINTMENT OF CONTRACTOR OF THE ZOAR SPORT FIELD LIGHTING	R1 842 153.76
17/2021	CAB HOLDING (PTY) LTD	2021/2022	UNIT 8 BOFORS PLACE CIRCLE EPPING 7475	02/07/2021	THE PRINTING AND DISTRIBUTION OF SERVICE ACCOUNTS	R493 676.20
						<u>R34 680 422.84</u>

<u>FORMAL QUOTATION NO.</u>	<u>NAME OF SUPPLIER</u>	<u>APPOINTED 2020/2021</u>	<u>ADDRESS OF SUPPLIER</u>	<u>NAME OF TENDER</u>	<u>AMOUNT</u>
03/2021	PPD ENGINEERING AND HARDWARE SUPPLY	2021/2022	6 MAPLEFIELD PLACE SPRINGFIELD INDUSTRIAL PARK KWAZULU-NATAL	SUPPLY AND DELIVER OF 20MM PLASTIC WATERMETERS WITHIN PLASTIC BOX	R169 050.00
04/2021	PNB CIVILS	2021/2022	13 DORING CRESCENT GROENEWEIDE PARK GEORGE 6531	SUPPLY AND DELIVERY OF BLACK REFUSE BAGS	R187 000.00
05/2021	NOLADA 8 (PTY) LTD	2021/2022	8 KOUGA STREET STIKLAND BELLVILLE	SUPPLY AND DELIVERY OF FITTINGS FOR WATERMETER INSTALLATION	R105 880.50
06/2021	SESANA GROUP (PTY) LTD	2021/2022	1 COLLEGE AVENUE 115 THE SUNDOWN 7441	SUPPLY AND DELIVERY OF LAPTOPS	R80 000.00
					<u>R541 930.50</u>

ANNEXURE B

JUL-SEP 2021

VOORSIENINGSKANAAL AFWYKINGS: ART 36- SCM REGULASIES

NOMMER	ORDER NO.	DATUM	DEPARTEMENT	VERSKAFFER	BEDRAG	REDE
8/1/4/R	17785	16/08/2021	FINANCE	LSD INFORMATION TECHNOLOGY PTY LTD	R 39 079.88	KANNALAND ARE MAKING USE OF ZIMBRA LICENSING FOR THE PAST FIVE (5) YEARS NOW. DEEMED NECESSARY KANNALAND TO PROCURE THE SAME ZIMBRA LICENSING AS IT IS LESS EXPENSIVE THAN OTHER EMAIL CLIENTS.
8/1/4/R	17784	13/08/2021	MUNICIPAL MANAGER	LIONEL MARK TRICHARDT	R 93 207.50	COUNCIL RESOLVED ON THE 30 NOVEMBER 2020 THAT AN INDEPENDENT INVESTIGATOR BE APPOINTED TO INVESTIGATE ALLEGATIONS OF MINOR TO SERIOUS MISCONDUCT AGAINST MR R.STEVENS. THE AFORE-MENTIONED STEMS FROM A LETTER RECEIVED FROM THE OFFICE OF THE MEC FOR LOCAL GOVERNMENT. IN THE LETTER THE MEC BRING IT TO THE ATTENTION OF MR STEVENS THAT THERE IS ALLEGATIONS CHARGES OF MALADMINISTRATION LEVELLED AGAINST HIM. FUTHERMORE, THE HAWKS BROUGHT TO BE THE INTENTION OF MR STEVENS THAT THEY ARE CONDUCTING AN INVESTIGATION AGAINST HIM, WHEREBY IT IS ALLEGED THAT HE HAS BEEN INVOLVED, RECEIVING MONEY BRIBERY FRIM A PARTICULAR SERVICE PROVIDER.
8/1/4/R	17772	10/08/2021	FINANCE	SA POST OFFICE	R 45 881.28	ALL KANNALAND MUNICIPALITY'S INCOMING AND OUTGOING CORRESPONDENCES ARE GENERATED THROUGH REGISTRY. POSTAL STAMPS AND YEARLY PAYMENT FOR HIRE OF PO BOX AND PRIVATE BAG AT THE SOUTH AFRICAN POST OFFICE. IT IS THE ONLY SERIVE PROVIDER.
8/1/4/R	17888	13/09/2021	FINANCE	RED ANT METER READING/ LUCROMSOFT	R 38 640.00	IN APRIL 2014, MOTLA (PTY)LTD WAS APPOINTED TO SUPPLY AND PROCESS ALL METER READINGS THROUGH HANDHELD DEVICES. THIS INCLUDED THE SOFTWARE REQUIRED.METER READING SERVICES FOR MARCH 2021 INVOICES.
8/1/4/R	17887	13/09/2021	FINANCE	RED ANT METER READING/ LUCROMSOFT	R 38 640.00	IN APRIL 2014, MOTLA (PTY)LTD WAS APPOINTED TO SUPPLY AND PROCESS ALL METER READINGS THROUGH HANDHELD DEVICES. THIS INCLUDED THE SOFTWARE REQUIRED.METER READING SERVICES FOR MARCH 2021 INVOICES.
8/1/4/R	17919	23/09/2021	COUNCIL	MACGREGOR ERASMUS ATTORENEYS	R 850 750.00	OUR LEGAL REPRESENTATIVE MR HARDY MILLS HAS SENT AN URGENT EMAIL TO ADVICE THE MUNICIPALITY TO OPPOSE THE ONGOING LEGAL ATTACKS BY MR WESSEL RABBETS (APPARENTLY SUPPORT BY THE MEC FOR DPLG WC).

R 1 106 198.66

APPENDIX E: Material Losses

Material Electricity and Water Losses were as follows and are not recoverable: Q1

				Kannaland	Ward Loss	Ward Loss	
Electricity Losses:		Lost Units	Tariff	Value	% Loss	Czd	Lds
July 2021 to September 2021	Q1	849 881	R 1.77	1 503 875	13.3%	19.1%	11.9%
SDBIP	Q1	-1%	Quarterly Target Missed		12%		

The high unit cost on losses is due to High Season tariffs that were applicable.

Electricity Losses occur due to *inter alia*, technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

				Kannaland	Czd	VWD	LDS	Zoar
Water Losses:		Lost Units	% Loss	% Loss	% Loss	% Loss	% Loss	
July 2021 to September 2021	Q1	88 691	20.1%	-0.4%	27.1%	19.0%	39.0%	
SDBIP	Q1	20%	Quarterly Target Achieved		40%			

Water Losses occur due to *inter alia*, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported. Water Losses only to be quantified at year-end

APPENDIX F: Budget Funding Plan

IMPLEMENTATION PLAN TOWARDS A FUNDED BUDGET										
Main Pillars	Key priority areas	Milestone/Output	Responsible	Target		Did the municipality meet the target?		Activities (To be implemented immediately to 30 November 2021)	Activities (To be implemented longer term Dec 2021 - Jul 2022)	Status
				Short to Medium Term - July 2021 to 30 Nov 2021	Long Term (Dec 2021 to June 2022)	Medium Term (July 2021 to Nov 2021)	Long Term (Dec 2021 to June 2022)			
Positive cash flows from revenue from trading services	Revenue Management	Improve the monthly Debt Collection Rate	Revenue Manager/ CFO	<ul style="list-style-type: none"> Meet budget assumptions target pertaining to a 85% Collection Rate on billed services. Needs to improve 6% from the ytd collection rate. (76% to 85%) Note: Collection rate higher during Q1&Q2 Policies adjustments were made in support of activities R3.1 million additional revenue (4 months) 	<ul style="list-style-type: none"> Maintain at least an average collection rate of 85% for the full financial year. R6.2 million additional revenue in total R9.3 additional / annum 	Yes/No	Yes/No	<ul style="list-style-type: none"> Award tenders in support of activity including: <ul style="list-style-type: none"> Pre-paid water & Electricity tender with auxiliary function Tender for issuing of summonses Bulk SMS's / account notifications 	<ul style="list-style-type: none"> Expand the implementation of pre-paid water meters Address non-technical losses via exception reporting on pre-paid after system clean-up (impact of new pre-paid tender clearing dormant meters) 	<ul style="list-style-type: none"> Pre-paid tender has been awarded the municipality and commencement will take place before the end of October Bulk SMS tender was non-responsive and the municipality is going out on a formal quotation. Summons tender - budget was secured, specifications were finalized and currently in the procurement process.
				<ul style="list-style-type: none"> Public works Account disputes (farms) Address issue of unpaid fire levies / disputes Policy (CreditC) implementation 	<ul style="list-style-type: none"> Continuous strengthening & improvement in credit control actions + monitoring of progress 	<ul style="list-style-type: none"> Disputes are being handled and government account issues are being addressed - will need council decisions to address some of the issues raised. Council recommendations will be needed and will be addressed - new council item - Policy consideration 				
				<ul style="list-style-type: none"> Implement Auxiliary Services Introduce pre-paid water to indigent households Monitor over /above FBS consumption of indigent households 	<ul style="list-style-type: none"> Avoid prescription debt & meet requirements of an official demand for payment 	<ul style="list-style-type: none"> Auxiliary services will be implemented with the pre-paid electricity contract taking effect. Vendor has been appointed and will start 1 December 2021. Vendor will also enable improved exception reporting 				
		Improve Accuracy of Monthly Billing	Revenue Manager/ CFO / Technical Director / Manager Technical Services	<ul style="list-style-type: none"> Improve Revenue generation by R500 000 	<ul style="list-style-type: none"> Improve Revenue generation by 2% Additional revenue of R 2.6 million 	Yes/No	Yes/No	<ul style="list-style-type: none"> Award a tender for TID & Meter Verification 	<ul style="list-style-type: none"> Water and Electricity meters to be recorded correctly and linked to the financial system 	<ul style="list-style-type: none"> This will be delayed due to a lack of funding
								<ul style="list-style-type: none"> Ensure Accurate Monthly Meter Reading & Address system billing parameters 	<ul style="list-style-type: none"> Ensure that correct details of accountholder are on record and have been verified. 	<ul style="list-style-type: none"> Corrective journals been passed to address misallocations and parameters will be fixed before the next billing cycle. Exception reporting is being done but will improve once dormant meters are removed from the pre-paid system (new vendor take care of that)
								<ul style="list-style-type: none"> Communication between departments - Meter installation & reporting of broken meters 	<ul style="list-style-type: none"> Improved access to accounts at a lower cost - email / download account 	<ul style="list-style-type: none"> Delayed due to unforeseen reasons (Manager Technical illness) and a leadership vacancy before the new appointment of Electrical & Mechanical. System in place will be improved and formalized. A portal was established to improve access to account and is currently being rolled-out.

Positive cash flows - Revenue from other Sources	Other Revenue	Improved Contract Management	Legal / CFO / Manager Revenue / Asset Accountant	<ul style="list-style-type: none"> Improved / complete rent register that reconciles to actual billing for rent Improved recordkeeping Additional revenue - R30k 	<ul style="list-style-type: none"> Continuous strengthening of activity Improved Revenue 5% (R30k) - Full year R60k Evaluate where applicable market related rent & economical viability of rent-generating /underlying asset 	Yes/No	Yes/No	<ul style="list-style-type: none"> Ensure all lease contracts are in place & up to date market related rent where applicable. Apply credit control 	<ul style="list-style-type: none"> Ensure all lease contracts are in place & up to date market related rent where applicable. Apply credit control 	<ul style="list-style-type: none"> Rental contracts for all properties are a WIP. Corrections on rental in addressing prior year audit findings were made Municipal properties in context of cost of up-keep should be evaluated and to consider disposal if uneconomical (R&M houses) - a WIP
		Traffic Department	Head: Traffic Services / CFO / Manager Community Services	<ul style="list-style-type: none"> Realize budget relating to traffic fines - AARTO Implementation - at an cost effective cost and ensuring administrative costs are minimised. Revenue projection first 4 months R1.5 million 	<ul style="list-style-type: none"> Revenue target Dec - Jun 2022 = R3.5 million Continuous improvement & increase in productivity 	Yes/No	Yes/No	<ul style="list-style-type: none"> Appoint vendor Obtain experienced support on AARTO implementation & effective management practises of administrative demands spot fines to improve collection rate Increase section 56 fines 	<ul style="list-style-type: none"> Improved productivity & Performance Incorporate best practice practises 	Impacted by leadership instability - currently extremely low revenue and procurement process to appoint vendor will be fast-tracked. Evaluate the needs of AARTO and address the requirements. Financial impact is significant.
			Head: Traffic Services / CFO / Manager Community Services	<ul style="list-style-type: none"> Improve vehicle testing experience & improve service Additional revenue potential R100k Not to be subsidised - break-even 	<ul style="list-style-type: none"> Transport Cpy's use local Issuing of drivers licenses Additional revenue R250k Become profitable 	Yes/No	Yes/No	<ul style="list-style-type: none"> Appoint a Head of Traffic Services Increase staff discipline & productivity + clear targets Laise with transport & earthmoving cpy's Analyse current performance 	<ul style="list-style-type: none"> Build K53 test course Improve customer relations Monitor progress 	Leadership vacuum to be addressed - under-performing department.
2. Implementation of cost containment measures and a reduction of expenditure	Human Resource	Review and strengthen the implementation of HR policies.	HR Manager / Manager Technical Services / Director Technical Services /CFO	<ul style="list-style-type: none"> Manage Overtime, Stand-by, Cut Empl costs by R500k Leave, Allowances, S&T Reduce leave liability Increase productivity & Improved org. culture 	<ul style="list-style-type: none"> Continues improvement in effectiveness & productivity in the use of HR Cut Empl cost by R1.5mil Y/E 	Yes/No	Yes/No	<ul style="list-style-type: none"> Review all HR policies in context of the cost containment measures Phased-in implementation of cost cutting measures on allowances Ensure completeness of HR records and related party transactions 	<ul style="list-style-type: none"> Ensure that all policies be workshopped and well understood promote implementation. To be monitored on a monthly basis Cost containment measures implemented & report upon 	<ul style="list-style-type: none"> All municipal officials service account details communicated and monitored to be paid on a monthly basis / HR monitor Ensure that payroll data correspond with HR records - WIP Cost Containment Measures Policy to be strengthened by HR policies. Reporting quarterly on implementation as required in terms of regulation
	Contract Management	Appointment & Monitoring of the contract function.	Legal / SCM / CFO / Director Technical Services	<ul style="list-style-type: none"> Manage cost of consultants & legal expenses. All outsourced contract costs justifiable Build internal capacity & reduce dependence R100k reduction 	<ul style="list-style-type: none"> Ensure completeness of contracts in place Performance measures in place - improved performance Y/E reduction of R500k 	Yes/No	Yes/No	<ul style="list-style-type: none"> Policy for the appointment of consultants, stringent monitoring and see to value for money. A "need" analysis must be completed and ensure that the appointment is justifiable. 	<ul style="list-style-type: none"> Monitoring of consultant performance on a regular base ensure capacity building In-house activities instead of using consultants to do the job of officials 	Draft Contract Management Policy with a value for money and needs assessment checklist was drafted and stands to be workshopped and approved.

4. Creditors payment rates that ensure that all fixed obligations, including obligations for bulk purchases, are met	Liability Management	Compliance to section 65 of the MFMA	BTO / CFO	<ul style="list-style-type: none"> Pay all current creditors on 30 days Affordable Eskom payment arrangement Reduction of Finance charges 	<ul style="list-style-type: none"> Pay Current creditors and reduce old outstanding debt R800k saving in finance charges (F&W) 	Yes/No	Yes/No	<ul style="list-style-type: none"> Recognise expenditure when incurred and capture immediately on the system / Use GRN's Improve accuracy of reporting Monthly cash flow planning & address straight lining of cash flows in the budget Establish a budget steering committee in line with MBRR 	<ul style="list-style-type: none"> Monthly payable reconciliations Develop a strategy to deal with creditors in arrears and interest charges AG fees to 1% of Exp 	<ul style="list-style-type: none"> Expenditure side must be advised upon linking GRN to order to recognise expenditure on an accrual basis - essential to reporting Budget Steering committee to be establish by new council - sit once a month & monitor budget implementation
5. Ring fencing of conditional grants and ensuring that conditional grant funding is cash backed	Liability Management		BTO / CFO / PMU / Technical Director	<ul style="list-style-type: none"> Spending of conditional grants Improved grant and retention management practices No grants to revert back to PT /NT 	<ul style="list-style-type: none"> Ensure mSCOA compliance and transactional accuracy on SAMRAS 	Yes/No	Yes/No	<ul style="list-style-type: none"> An accurate grant and retention registers in place. Account cash & accrual basis to accommodate dept reporting. Trace old grant owners and request recognition of revenue Administration responsibilities of PMU allocated 	<ul style="list-style-type: none"> Ensure mSCOA compliance and transactional accuracy on SAMRAS Get assistance if necessary - prioritised reporting accuracy - seamless transacting no Jnl's 	<ul style="list-style-type: none"> Retention register accurate and functional, grant register to be improved and linked to projects Role of PMU i.t.o retention, grant and contract register be defined
6. Other measures	Losses Management	Reduce water distribution losses	CFO / Technical Director / Manager Technical Services	<ul style="list-style-type: none"> Reduce water losses to 30% 	<ul style="list-style-type: none"> Reduce water losses to 25% 	Yes/No	Yes/No	<ul style="list-style-type: none"> Reduce theft through exception reporting and monitoring of use. Technical losses managed by isolating areas of high losses and fix Pre-Paid meters indigent households 	<ul style="list-style-type: none"> Meter verification & TID process Expansion of Pre-paid water metering system Calibration of bulk meters 	Water losses was reduced to 20.1% during Q1
		Reduce Electricity distribution losses	CFO / Technical Director / Manager Technical Services	<ul style="list-style-type: none"> Reduce elec losses by 1% R130 k reduction in bulk account 	<ul style="list-style-type: none"> Reduce elec losses by 2% for the full year R950K 	Yes/No	Yes/No	<ul style="list-style-type: none"> Reduce theft through exception reporting and monitoring of use. Technical losses managed by isolating areas of high losses and fix Removing dormant meters from pre-paid system 	<ul style="list-style-type: none"> Meter verification & TID process 	Pre-paid electricity contract will address dormant meter issue and improve exception listing capabilities CzD Losses to be addressed as it pulled down the average losses to 13.1% - above the target.
	Asset Management	Improved fleet management	SCM Manager / CFO /	<ul style="list-style-type: none"> Reduce fleet opex by R10k 	<ul style="list-style-type: none"> Reduce fleet opex by R30k full year 	Yes/No	Yes/No	<ul style="list-style-type: none"> Award fleet monitoring contract Manage fuel and vehicle usage. (tyres / licensing etc.) Monthly reporting Review policy considerations 	<ul style="list-style-type: none"> Improved monitoring Manage condition and care of municipal fleet accurate logbooks and records of use 	<ul style="list-style-type: none"> Draft policy in place to be adjusted according to fleet management contract Fleet Management contract advertised and to be awarded
		Ensure assets reach expected economic life & only maintain economic assets	CFO / Technical Director / SCM Manager	<ul style="list-style-type: none"> Improve use of municipal assets Evaluate economical use of municipal assets reduce cost R&M especially on municipal houses 	<ul style="list-style-type: none"> Cost reduction on maintenance and revenue disposal of assets R2 million Review & accommodate Adj Budget 	Yes/No	Yes/No	<ul style="list-style-type: none"> Identify uneconomical assets. Identify indicators of impairment and reason. Maintain through maintenance plans and avail finances for financing 	<ul style="list-style-type: none"> Develop a R&M Policy Improved reporting on asset management & use Dispose of all uneconomical assets review municipal houses and economical viability to maintain 	<ul style="list-style-type: none"> high maintenance cost of municipal houses and lack of contracts an issue that will be dealt with. Asset verification revealed areas of concern to be investigated and reported to MM
	Staff Expenditure	Staff Expenditure maintained at affordable ratio to Expenditure (funded budget)	CFO / BTO Manager	<ul style="list-style-type: none"> Review effectiveness of org structure & organogram Prioritise vacancies & manage risks / return on investment in staff 	<ul style="list-style-type: none"> Reduced to 35% of total opex expenditure (in deficit express in terms of revenue) Realize a R1.5 million saving 	Yes/No	Yes/No	<ul style="list-style-type: none"> Ensure expense justify the output - performance management and filling of critical vacancies will improve revenue. Prioritise expense. 	<ul style="list-style-type: none"> Review grading of positions (T-Gradings) Structure council to ensure savings (Sec 79 Chair combine with Dep Mayor position - R400k/annum saving) 	New Council to advise - cost to be evaluated against disposal income and operational costs needs to be reduced.

APPENDIX G: SDBIP_Q1



KANNALAND

MUNISIPALITEIT | MUNICIPALITY

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION
PLAN 2021/2022
(QUARTER 1 PERFORMANCE REPORTING)**



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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1. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, Roland Butler, the Acting Municipal Manager of the Kannaland Municipality, submits the Final Revised Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the 2021/22 financial year for approval by the Executive Mayor. This Revised TL SDBIP 2021/22 has been prepared in terms of the stipulated requirements as documented in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and regulations made under this Act.



**MORNE HOOGBAARD
ACTING MUNICIPAL MANAGER**

Date: 26/10/2021

2. EXECUTIVE MAYOR'S CERTIFICATE OF APPROVAL

I, Magdalene Barry, in my capacity as the Executive Mayor of the Kannaland Municipality, hereby approves the Final Revised Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the 2021/22 financial year as required in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and regulations made under this Act.

.....

EXECUTIVE MAYOR

Date:

3. IMPLEMENTATION, MONITORING AND REVIEW – ONE YEAR

The Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) (MFMA) requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration and the community. It gives effect to the IDP and budget of the municipality. The SDBIP is a one – year detailed implementation plan which gives effect to the IDP and Budget of the Municipality. It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

The five necessary components are:

1. Monthly projections of revenue to be collected for each month;
2. Monthly projections of expenditure (operating and capital) and revenue for each vote;
3. Quarterly projections of service delivery targets and performance indicators;
4. Ward information for expenditure and service delivery; and
5. Detailed capital works plan broken down by ward over three years.

4. FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2021/2022

- KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens
- KPA 2: To Provide adequate Services and improve our Public relations
- KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks
- KPA 4: To Facilitate Economic Growth and Social and Community development
- KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation
- KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy
- KPA 7: To Strive towards a financially sustainable municipality

DETAILED CAPITAL PROGRAMME 2021/2022

ANNEXURE I

Q	Project No	Project Name	2021	Received	Outstanding	Expenditure	Still to spend	% Spend
MIG	235124	Kannaland: Installation of Water Meters	R 465 514,58	R 69 221,40	R 396 293,18	R 69 221,40	R 396 293,18	15%
MIG	220290	Zoar: New Sport Field Lighting	R 357 007,87			-	R 357 007,87	0%
MIG	213625	Zoar: Upgrade new Cemetery	R 1 789 312,35	R 774 860,91	R 1 014 451,44	R 1 564 631,90	R 224 680,45	87%
MIG	160843	Ladismith: New Waste Water Treatment Works	R 6 245 094,37	R 91 946,16	R 6 153 148,21	R 91 946,16	R 6 153 148,21	1%
MIG	285450	Ladismith: Upgrade Water Treatment Works	R 1 207 370,83	R 76 271,53	R 1 131 099,30	R 76 271,53	R 1 131 099,30	6%
		TOTALS	R 10 064 300,00	R 1 012 300,00	R 8 694 992,13	R 1 802 070,99	R 8 262 229,01	18%

Grant	Project No	Project Name	Budget	Expenditure	Still to spend	% Spend
WSIG		Calitzdorp: Klein Karoo Rural Water Scheme	R 10 000 000,00	R 43 085,59	R 956 914,41	4%
		TOTALS	R 10 000 000,00	R 43 085,59	R 956 914,41	0%

Grant	Project No	Project Name	Budget	Expenditure	Still to spend	% Spend
INEP		Ladismith Electrification	R 2 699 000,00	-	R 2 699 000,00	0%
		TOTALS	R 2 699 000,00	R -	R 2 699 000,00	0%

Grant	Project No	Project Name	Budget	Expenditure	Still to spend	% Spend
Internal Funding		Acquisition (Furniture and office equipment and Laptops)	R 1 004 000,00	R -	R 1 004 000,00	0%
		TOTALS	R 1 004 000,00	R -	R 1 004 000,00	0%

Total Capital 2021/2022 R23 767 300, 00

Grant Name	2021		2022		2023	
	Allocation	Allocation	Allocation	Allocation	Allocation	Allocation
Municipal Infrastructure Grant	R10 064 300,00	R10 529 000,00	R10 805 000,00			
Water Service Infrastructure Grant	R10 000 000,00	R9 552 000,00	R21 000 000,00			
Integrated National Electrification Programme	R2 699 000,00	R2 000 000,00	R3 000 000,00			
Internal Funding	R1 004 000,00					
	R23 767 300,00	R22 081 000,00	R34 805 000,00			

MONTHLY PROJECTIONS OF REVENUE 2021/2022

ANNEXURE II

R thousand	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
Cash Receipts By Source																
Property rates	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	1 513	18 151	19 886	21 774	
Service charges - electricity revenue	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	5 709	68 306	71 486	74 549	
Service charges - water revenue	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	1 331	16 969	17 747	18 471	
Service charges - sanitation revenue	430	430	430	430	430	430	430	430	430	430	430	430	5 160	5 895	6 694	
Service charges - refuse revenue	395	395	395	395	395	395	395	395	395	395	395	395	4 743	5 599	6 357	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	50	50	50	50	50	50	50	50	50	50	50	50	601	625	650	
Interest earned - external investments	72	72	72	72	72	72	72	72	72	72	72	72	864	898	934	
Interest earned - outstanding debtors	1	1	1	1	1	1	1	1	1	1	1	1	10	10	11	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	389	389	389	389	389	389	389	389	389	389	389	389	4 673	4 862	5 055	
Licences and permits	19	19	19	19	19	19	19	19	19	19	19	19	228	237	247	
Agency services	91	91	91	91	91	91	91	91	91	91	91	91	1 087	1 130	1 175	
Transfers and Subsidies - Operational	3 749	3 749	3 749	3 749	3 749	3 749	3 749	3 749	3 749	3 749	3 749	3 749	44 983	55 677	38 463	
Other revenue	80	80	80	80	80	80	80	80	80	80	80	80	964	1 042	1 042	
Cash Receipts by Source	13 828	13 828	13 828	13 828	13 828	13 828	13 828	13 828	13 828	13 828	13 828	13 828	165 937	165 036	175 423	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	22 763	22 081	34 805	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	15 725	15 725	15 725	15 725	15 725	15 725	15 725	15 725	15 725	15 725	15 725	15 725	188 700	207 117	210 228	

MONTHLY PROJECTION OF EXPENDITURE

ANNEXURE III

WC041 Kannaland - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework			
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
		R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand
Expenditure By Type																	
Employee related costs		5 694	5 694	5 694	5 694	5 694	5 694	5 694	5 694	5 694	5 694	5 694	5 694	68 331	68 519	71 340	
Remuneration of councillors		303	303	303	303	303	303	303	303	303	303	303	303	3 637	3 782	3 933	
Debt impairment		1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	19 065	19 210	18 242	
Depreciation & asset impairment		1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	12 698	13 236	13 735	
Finance charges		32	32	32	32	32	32	32	32	32	32	32	32	382	392	401	
Bulk purchases		4 120	4 120	4 120	4 120	4 120	4 120	4 120	4 120	4 120	4 120	4 120	4 120	49 434	53 834	59 625	
Other materials		624	624	624	624	624	624	624	624	624	624	624	624	7 493	7 792	8 103	
Contracted services		1 528	1 528	1 528	1 528	1 528	1 528	1 528	1 528	1 528	1 528	1 528	1 528	18 337	20 356	12 977	
Transfers and subsidies		70	70	70	70	70	70	70	70	70	70	70	70	839	872	937	
Other expenditure		1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	14 465	15 021	16 693	
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		16 228	16 228	16 228	16 228	16 228	16 228	16 228	16 228	16 228	16 228	16 228	16 228	194 733	212 024	203 957	

2021/2022 KANNALAND MUNICIPALITY SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
(PERFORMANCE REPORT FOR QUARTER 1)

ANNEXURE IV

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)											
IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
KPI.1	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	3 Bulk Infrastructure Co-ordination	Innovation and Culture	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Spend 98% of allocation for MIG budget within 2020/21 financial year in terms of Provincial DPJP by 30 June 2022 and projects listed in the approved IDP	% Of Budget spend of MIG funding	18%	16.2%	KPI ACHIEVED	Pending: Kama 10/2021: upgrading of Zoar cemetery: completion certificate (project completed on 10 September 2021) and Monthly MIG report submitted
KPI.2	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7. An inclusive district economy	Innovation and Culture	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Complete 95% of all infrastructure projects (incl MIG, WSIG, INEP etc) to the stage where Practical Completion certificates by 30 June 2022	% of all Infrastructure projects completed and issued with Practical Completion certificates	Progress report to Mayco			

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
KPI.3	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7. An inclusive district economy	Innovation and Culture	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Corporate Services	Complete the upgrade of the library in Bergsig, Calitzdorp by end June 2022	Number of libraries completed (listed if phased project)	-	-	-	KPI not measure in the first quarter.
KPI.4	KPA 2: To Provide adequate Services and improve our Public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Infrastructure Services	Limit total of electricity losses in distribution network to less than 12% accumulative over the financial year until 30 June 2022	% of electricity losses in distribution network	12%	13.3%	KPI ALMOST ACHIEVED	No comment

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP REF	IDP KPA	District Output	PSP: VP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
12%	KPA 2: To Provide adequate Services and improve our Public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Infrastructure Services	75% of water samples comply with SANS-241 micro biological indicators (Number of water samples that comply with SANS-241 indicators/Number of water samples tested)x100}	% of water samples that complies with SANS-241 standards	75%			
75%	KPA 2: To Provide adequate Services and improve our Public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Infrastructure Services	Limit accumulated unaccounted for water to less than 30% annually until 30 June 2022	% of water losses in distribution networks in all towns of Kannaland	30%	20%	KPI ACHIEVED	No Comment
30%	KPA 2: To Provide adequate Services and	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum	Outcome 8: Sustainable human settlement	Financial Services	Number of formal residential properties that receives piped waterconnected to the municipal	Number of residential properties which are billed for water services asat 30 June	4635	4635	KPI ACHIEVED	No Comment

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
	improve our Public relations		impact	and improved quality of household live.		water infrastructure network as at 30 June 2022	2022				
4635	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of formal residential properties connected to the municipal electrical infrastructure network (excluding eskom areas) as at 30 June 2022	Number of residential properties which are billed for electricity (excluding eskom areas) as at 30 June 2022	Conventional: 241 Pre-paid: 3003	Conventional: 239 Pre-paid: 3065	KPI ACHIEVED	No Comment
Conventional: 241 Pre-paid: 3003	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of formal residential properties connected to the municipal waste water sanitation/sewera ge network billed for the service as at 30 June 2022	Number of residential properties which are billed for sewerage services as at 30 June 2022	4228	4238	KPI ACHIEVED	No Comment

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities) impact	National Output	Department	Indicator	Unit of measurement				
			live.			June 2022					
4228	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of formal residential properties for which refuse is removed on a weekly basis and billed for the service as at 30 June 2022	Number of residential properties which are billed for refuse removal services as at 30 June 2022	4537	4544	KPI ACHIEVED	No Comment
4537	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of Households with access to free basic services (as per Indigent Register) by 30 June 2022	Number of Households with access to free basic services (as per Indigent Register)	2100			
2100											

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)											
IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
KPI.7	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	4. Environmental management and public safety	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Corporate Services	Review of the disaster management plan by March 2022	Number of plans reviewed	-	-	-	KPI not measure in the first quarter.
NKPI.6	KPA 4: To Facilitate Economic Growth and Social and Community development	7. An inclusive district economy	Growth and Jobs	Outcome 5: A skilled and capable workforce to support inclusive growth	Infrastructure Services	Create job opportunities through the Expanded Public Works Programme (EPWP)	Number of job opportunities created	80			
KPI.8	KPA 5: To Promote efficient and effective Governance	6. Good Governance	12. Building the best-run regional government	Outcome 9: A responsive and, accountable, effective and	Office of the Municipal Manager	Sign performance agreements for all \$57156 managers by end July 2022	Number of signed performance	3	3	KPI ACHIEVED	Performance Agreements signed by Executive Mayor

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)											
IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities) in the world	National Output	Department	Indicator	Unit of measurement				
	with high levels of stakeholder participation			efficient local government system			agreements				
KPI.9	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Corporate Services	Minimum number of General Council meetings to be held per annum	Number of meetings convened	1		KPI ACHIEVED	Council meeting minutes
KPI.10	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable and efficient local government system	Corporate Services	Minimum number of Mayoral Committee meetings to be held per annum.	Number of meetings convened	1		KPI ACHIEVED	Mayoral Committee Minutes

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
KPI.11	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Conduct an Annual Strategic riskassessment	Number of risk assessments conducted				KPI not measure in the first quarter.
KPI.12	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Revise the communication strategy by means of approval by the mayor and or council	Number of strategies approved				KPI not measure in the first quarter.
KPI.13	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Corporate Services	Number of reviewed policies updated on the Council policy register.	Number of reports generated of updated policies				KPI not measure in the first quarter.

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP Ref	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
KPI.14	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	10. Integrating service delivery for maximum impact	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Financial Services	ICT governance framework adopted by council by June 2022	Number of ICT frameworks adopted	-	-		KPI not measure in the first quarter.
KPI.15	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Redevelop a led strategy for the Kannaland Municipality by June 2022	Number of strategies approved	-	-		KPI not measure in the first quarter.
KPI.16	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government	Office of the Municipal Manager	Annual review of Performance management policy by September 2022	Number of policies approved	1	1	KPI ACHIEVED	Council Resolution of Performance Management Policy. Council adopted the PM Policy.

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP Ref	IDP KPA	District Output	PSP: VP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
KPI.17	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Complete and produce a draft Annual report to council within seven months after the end of the financial year	Number of annual reports completed				KPI not measure in the first quarter.
KPI.18	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Produce a final annual report with oversight to council within nine months after the end of the financial year.	Number of annual reports completed				KPI not measure in the first quarter.
KPI.19	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Prepare and submit a draft and final IDP to Council for approval	Number of IDP approved				KPI not measure in the first quarter.

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP Ref	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
KPI.20	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, efficient and local government system	Office of the Municipal Manager	Prepare and submit a section 46 report to the Auditor-General by end August 2020	Number of section 46 reports submitted	1		KPI ACHIEVED	KPI Submission to AG by 30 September 2021. Extension granted for awaited financial statements.
KPI.21	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, efficient and local government system	Corporate Services	Number of audit and performance committee meetings held	Number of meetings convened	-			KPI not measure in the first quarter.
KPI.22	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, efficient and local government system	Office of the Municipal Manager	Quarterly Ward Committee meetings with consolidated quarterly reports to council until 30 June 2022	Number of ward committee meetings convened	4		KPI ACHIEVED	Attendance registers of ward committee meetings
KPI.23	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, efficient and local government system	Financial Services	100% Reporting compliance by submitting s71, s72 and s52d reports within legislated timeframes 30	% of reporting on all compliance documents	100%	100%	KPI ACHIEVED	All compliance reports loaded onto the website.

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
	participation			system		June 2022.					
KPI.24	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimising resource-use efficiency	Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Vacancy rate of the entire approved staff establishment	% of vacancy rate				
KPI.25	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimising resource-use efficiency	Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	The number of people from employment equity target groups employed in the three highest levels of management in compliance with municipality's approved employment equity plan	Number of people employed as per employment equity				KPI not measure in the first quarter.

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)											
IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
KPI.26	KPA 6: To Provide an efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	12. Building the best-run regional government in the world	Outcome 9: A responsive and accountable, efficient and local government system	Corporate Services	Spend 65% of the municipality's budget on implementing its workplaceskills plan.	% budget spend on wsp	-	-	-	KPI not measure in the first quarter.
KPI.27	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	10. Integrating service delivery for maximum impact	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Financial Services	Budget for 2022/23 financial year approved by Council by 31 May 2022.	Number of budgets approved	-	-	-	KPI not measure in the first quarter.
KPI.28	KPA 7: To Strive towards financially sustainable municipality	5. Financial Viability	10. Integrating service delivery for maximum impact	Outcome 6: Efficient, competitive and responsive economic	Financial Services	Achieve 80% year to date collection rate of revenue billed by 30 June 2022 (Total revenue collected / total	% on ytd rate of payment rate	-	-	-	KPI not measure in the first quarter.

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

IDP REF	IDP KPA	District Output	PSP- Vip (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
				infrastructure network		billed)x100					
NKPI.7	KPA 7: To Strive towards financially sustainable municipality	5. Financial Viability	1. Creating opportunities for growth and job	Outcome 4: Decent employment through inclusive growth	Financial Services	Financial Viability measured in terms of Cost coverage ratio for the financial year	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).				KPI not measure in the first quarter.
NKPI.8	KPA 7: To Strive towards financially	5. Financial Viability	7. Mainstreaming	Outcome 5: A skilled and capable	Financial Services	Financial Viability measured in terms of debt coverage ratio for the	Debt coverage ratio calculated as				KPI not measure in the first quarter.

KANNALAND MUNICIPALITY SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022 (QUARTER 1 PERFORMANCE REPORTING)

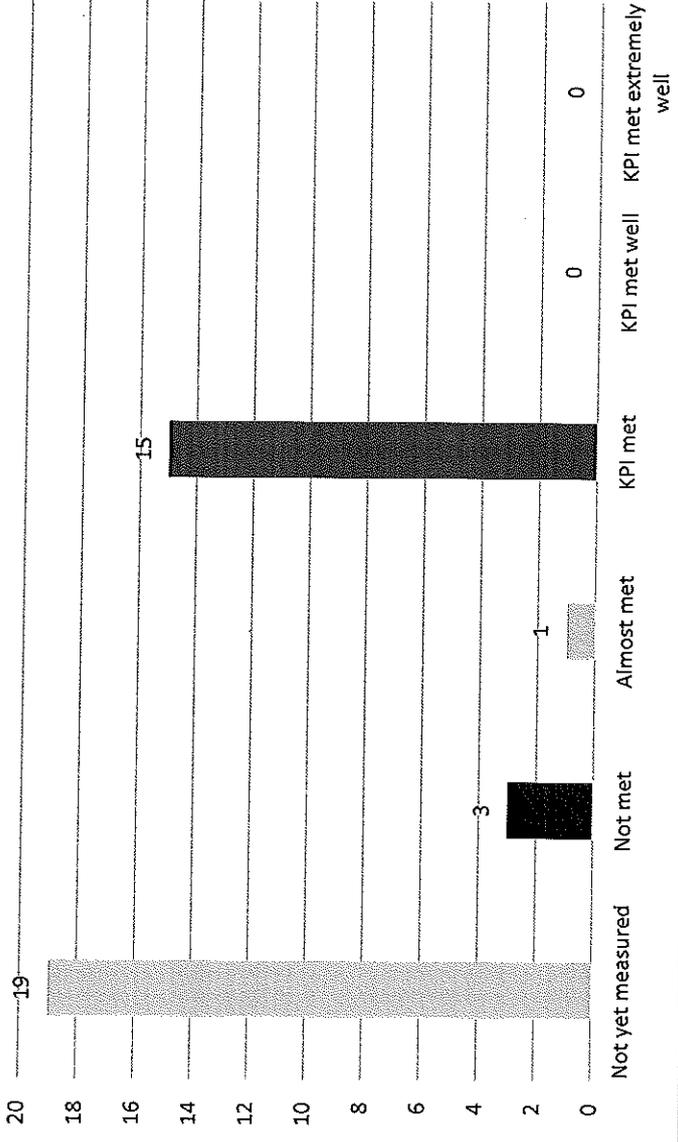
IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Output	Department	Indicator	Unit of measurement				
	sustainable municipality		sustainability and optimising resource-use efficiency	workforce to support inclusive growth		financial year	follows: (Total revenue received – Total grants)/debt service payments due within the year)				
KPI.29	KPA 7: To Strive towards financially sustainable municipality	5. Financial Viability	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Financial Services	Conduct monthly reconciliation of the bank account within 10 working days	Number of reconciliations completed	3		KPI ACHIEVED	Reconciliations Submitted
KPI.30	KPA 7: To Strive towards financially sustainable municipality	5. Financial Viability	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Financial Services	Financial Statements submitted to the Auditor-General by end of August 2021	Number of completed annual financial statements to be submitted to the Auditor-General	1		KPI ACHIEVED	Annual Financial Statement submission to AG
KPI.31	KPA 7: To Strive towards financially sustainable	5. Financial Viability	12. Building the best-run regional government	Outcome 9: A responsive and, accountable, effective and efficient local	Financial Services	Submit an adjustment budget to Council for approval by 28 February 2022	Number of adjustment budget approved				KPI not measure in the first quarter.

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IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	STATUS	PORTFOLIO OF EVIDENCE/MANAGEMENT COMMENTS
IDP Ref	KPA	District Objective	Provincial Outcome (Very inspired priorities) in the world	National Output government system	Department	Indicator	Unit of measurement				
	municipality										

	Not yet measured	19
	Not met	3
	Almost met	1
	KPI met	15
	KPI met well	0
	KPI met extremely well	0

2021/2022 SDBIP PERFORMANCE RESULTS QUARTER 1



PERFORMANCE DESCRIPTION