



KANNALAND
MUNISIPALITEIT | MUNICIPALITY

Quarterly Budget Report – Section 52 1st Quarter of 2022/23



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

Table of Contents

GLOSSARY	3
PART 1: IN-YEAR REPORT	5
Section 1 – Mayor’s Report	5
1.1 In -Year Report – Quarterly Budget Statement	5
Section 2 – Resolutions	5
Section 3 – Executive Summary	5
1.1 Introduction	5
1.2 Consolidated Performance	6
1.3 Material differences to the SDBIP	8
1.4 Remedial actions	8
Section 4 – In-year budget statement tables	9
PART 2 SUPPORTING DOCUMENTATION	17
Section 5 – Debtors' analysis	17
Section 6 – Creditors' analysis	18
Section 7 – Investment portfolio analysis	19
Section 9 – Expenditure on Councillor, Senior Managers and Other Staff	21
Section 10 – Material variances to the SDBIP	22
Section 11– Capital programme performance	23
Section 13 – Quality certification	24
APPENDIX A: SDBIP_Q1	25
APPENDIX B: Bank Withdrawals MFMA Section 11(4)	26
APPENDIX C: Cost Containment Measures	27
APPENDIX D: Implementation of the SCM Policy	28
APPENDIX E: Material Losses	29
APPENDIX F: Budget Funding Plan	30

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 2022**, 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.

Section 2 – Resolutions

Recommendation:

That the council takes cognisance of the Quarterly budget statement of the **First Quarter of the 2022/23 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	YTD Budget	YTD Actual	YTD Budget vs YTD Actual Variance	YTD Budget vs YTD Actual Variance %
Operating Revenue	R 192 782	R 56 896	R 49 906	(6 990)	-12%
Operating Expenditure	R 218 716	R 54 678	R 29 815	(24 864)	-45%
Capital	R 10 529	R 4 387	R 0	R 4 387	-100%

Payment Percentages:

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-22	11,215,679,43	(9,893,854,40)	525,590,60	11,215,679,43	(9,893,854,40)	-88,21	136,425,490,86	(106,958,641,38)	78,40
Aug-22	11,389,460,28	(6,696,778,13)	383,541,05	11,389,460,28	(6,696,778,13)	-58,80	147,814,951,14	(113,655,419,51)	76,89
Sep-22	12,307,625,37	(12,873,586,77)	513,496,21	12,307,625,37	(12,873,586,77)	-104,60	160,122,576,51	(126,529,006,28)	79,02

The payment percentage for the September 2022 is 79.06 percent, which shows a fluctuation from July 78.40 percent and 76.89 percent in August 2022.

TABLE C1 – QUARTERLY BUDGET SUMMARY

WC041 Kannaland - Table C1 Monthly Budget Statement Summary - Q1 First Quarter									
Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	25,891	24,836	24,836	2,132	6,388	6,209	179	3%	24,836
Service charges	102,394	110,480	110,480	8,859	28,046	27,620	426	2%	110,480
Investment revenue	1,232	680	680	-	232	170	62	37%	680
Transfers and subsidies	41,701	43,164	43,164	-	12,989	19,492	(6,504)	-33%	43,164
Other own revenue	7,380	13,621	13,621	721	2,251	3,405	(1,154)	-34%	13,621
Total Revenue (excluding capital transfers and contributions)	178,600	192,782	192,782	11,712	49,906	56,896	(6,990)	-12%	192,782
Employee costs	71,597	80,239	80,239	5,836	18,110	20,059	(1,950)	-10%	80,239
Remuneration of Councillors	3,148	3,357	3,357	327	977	839	138	16%	3,357
Depreciation & asset impairment	16,588	13,222	13,222	-	1,075	3,305	(2,230)	-67%	13,222
Finance charges	4,244	2,072	2,072	-	75	518	(443)	-86%	2,072
Materials and bulk purchases	54,288	63,094	63,094	92	6,382	15,774	(9,392)	-60%	63,094
Transfers and subsidies	240	450	450	-	-	113	(113)	-100%	450
Other expenditure	61,387	56,283	56,283	1,895	3,196	14,070	(10,874)	-77%	56,283
Total Expenditure	211,493	218,716	218,716	8,151	29,815	54,678	(24,864)	-45%	218,716
Surplus/(Deficit)	(32,893)	(25,934)	(25,934)	3,561	20,092	2,218	17,873	806%	(25,934)
Transfers and subsidies - capital (monetary allocations)	18,889	10,529	10,529	0	0	4,387	(4,387)	-100%	10,529
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(14,004)	(15,405)	(15,405)	3,562	20,092	6,605	13,487	204%	(15,405)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(14,004)	(15,405)	(15,405)	3,562	20,092	6,605	13,487	204%	(15,405)
Capital expenditure & funds sources									
Capital expenditure	14,211	12,919	25,838	-	7	7,297	(7,290)	-100%	25,838
Capital transfers recognised	19,275	10,529	10,529	-	-	2,632	(2,632)	-100%	10,529
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	726	2,390	2,390	-	7	1,435	(1,428)	-100%	2,390
Total sources of capital funds	20,001	12,919	12,919	-	7	4,067	(4,060)	-100%	12,919
Financial position									
Total current assets	(11,916)	(60,736)	(60,736)	-	22,048	-	-	-	(60,736)
Total non current assets	324,309	325,969	325,969	-	(1,068)	-	-	-	325,969
Total current liabilities	40,954	(1,894)	(1,894)	-	912	-	-	-	(1,894)
Total non current liabilities	41,436	44,757	44,757	-	-	-	-	-	44,757
Community wealth/Equity	244,008	237,775	237,775	-	(24)	-	-	-	237,775
Cash flows									
Net cash from (used) operating	243,653	(38,004)	(38,004)	6,093	40,658	(3,959)	(44,617)	1127%	(38,004)
Net cash from (used) investing	2,440	(25,838)	(25,838)	-	-	(7,297)	(7,297)	100%	(25,838)
Net cash from (used) financing	1,217	1,119	1,119	12	22	-	(22)	#DIV/0!	1,119
Cash/cash equivalents at the month/year end	296,110	(13,918)	(13,918)	-	40,680	37,549	(3,131)	-8%	(62,723)
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	3,451	2,877	2,588	2,654	2,554	2,717	14,403	64,010	95,254
Creditors Age Analysis									
Total Creditors	9,922	5,995	570	1,333	46,654	-	-	-	64,474

Operational Revenue

The municipality's total operational revenue budget amounts to R193 million and the year-to-date revenue on the budget accrued to R 50 million. This represents 26% of total revenue to date.

Operational Expenditure

The municipality's total operational expenditure budget amounts to R219 million, with a year-to-date performance of R30 million, or 14% of the total expenditure budget.

Capital Expenditure

The total capital budget for the municipality amounts to 13 million. National grant funding amounts to R10.5 million, and own funding R2.4 million. The year-to-date capital budget has not been implemented and remedial action is required.

Operating Surplus/Deficit

First quarter operating revenue amounted to R50 million, with expenditure amounting to R30 million, with an operating surplus of R20 million for the quarter under review.

1.3 Material differences to the SDBIP

Material differences to the SDBIP will be discussed under section 10 and in more detail within Appendix A.

1.4 Remedial actions

- (a) Directorates are 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 the capital expenditure, be implemented;
- (c) Communicating with the technical department on slow spending on the capital budget;
- (d) That monthly monitoring of the implementation of the Budget Funding Plan;
- (e) The effort should be coordinated and dealt with in terms of the municipality's financial capability with liquidity as an all-important consideration;
- (f) That measures on debt collection are implemented and applied effectively; and
- (g) That the funding plan addresses all issues and challenges on the financial performance of the municipality and adapt to an always changing environment.

Section 4 – In-year budget statement tables

TABLE C4 – QUARTERLY FINANCIAL PERFORMANCE

WC041 Kannaland - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		25,891	24,836	24,836	2,132	6,388	6,209	179	3%	24,836
Service charges - electricity revenue		64,750	70,503	70,503	5,508	18,364	17,626	738	4%	70,503
Service charges - water revenue		20,355	21,841	21,841	1,828	5,020	5,460	(440)	-8%	21,841
Service charges - sanitation revenue		8,706	9,219	9,219	764	2,348	2,305	43	2%	9,219
Service charges - refuse revenue		8,583	8,918	8,918	760	2,314	2,229	85	4%	8,918
Rental of facilities and equipment		552	607	607	48	146	152	(6)	-4%	607
Interest earned - external investments		1,232	680	680	-	232	170	62	37%	680
Interest earned - outstanding debtors		4,984	4,968	4,968	614	1,765	1,242	523	42%	4,968
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		39	6,007	6,007	0	13	1,502	(1,488)	-99%	6,007
Licences and permits		159	364	364	16	43	91	(47)	-52%	364
Agency services		1,098	1,200	1,200	-	167	300	(133)	-44%	1,200
Transfers and subsidies		41,701	43,164	43,164	-	12,989	19,492	(6,504)	-33%	43,164
Other revenue		549	475	475	42	117	119	(2)	-2%	475
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		178,600	192,782	192,782	11,712	49,906	56,896	(6,990)	-12%	192,782
Expenditure By Type										
Employee related costs		71,597	80,239	80,239	5,836	18,110	20,059	(1,950)	-10%	80,239
Remuneration of councillors		3,148	3,357	3,357	327	977	839	138	16%	3,357
Debt impairment		24,300	23,594	23,594	-	-	5,899	(5,899)	-100%	23,594
Depreciation & asset impairment		16,588	13,222	13,222	-	1,075	3,305	(2,230)	-67%	13,222
Finance charges		4,244	2,072	2,072	-	75	518	(443)	-86%	2,072
Bulk purchases - electricity		50,752	58,024	58,024	-	5,873	14,506	(8,633)	-60%	58,024
Inventory consumed		3,536	5,071	5,071	92	509	1,268	(759)	-60%	5,071
Contracted services		13,677	13,749	13,749	834	1,033	3,437	(2,404)	-70%	13,749
Transfers and subsidies		240	450	450	-	-	113	(113)	-100%	450
Other expenditure		16,573	18,939	18,939	1,061	2,163	4,735	(2,572)	-54%	18,939
Losses		6,836	-	-	-	-	-	-	-	-
Total Expenditure		211,493	218,716	218,716	8,151	29,815	54,678	(24,864)	-45%	218,716
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(32,893)	(25,934)	(25,934)	3,561	20,092	2,218	17,873	0	(25,934)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		18,889	10,529	10,529	0	0	4,387	(4,387)	(0)	10,529
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(14,004)	(15,405)	(15,405)	3,562	20,092	6,605			(15,405)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(14,004)	(15,405)	(15,405)	3,562	20,092	6,605			(15,405)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(14,004)	(15,405)	(15,405)	3,562	20,092	6,605			(15,405)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(14,004)	(15,405)	(15,405)	3,562	20,092	6,605			(15,405)

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

Water Revenue – R5.02 million (23% of the Water Budget)

Water billing during the first quarter amounted to **R5.02 million** that represents **23%** of the year-to-date budget. Revenue for the full year is not under threat (8% less ytd) given the cyclical nature of consumption that was not accounted for under straight-line budgeting.

Interest on External Investments

Currently 37% more than first quarter forecast due to unspent grants earning interest as spending are slower than anticipated and the impact of straight-line budgeting not being aligned with the procurement plan.

Interest on Outstanding Debtors

Interest charges on outstanding debtors is currently exceeding the quarterly forecast with 42%, that is caused by straight-line budgeting not accounting for the write-off of indigent and prescription debt, that still needs to be considered and actioned.

Fines Penalties and forfeits

Fines Penalties and forfeits for Quarter 1 did not realize, with 99% less than the quarterly forecast. A vendor for the administration of speed fines have not yet been procured and it should be of concern that revenue pertaining to this function will not realize and budget amendments will be necessary.

Other revenue, Agency services, licences and permits

There is a significant under-collection on the above mentioned, being mainly impacted by the straight-line budgeting approach, the incidental nature of activity and a general lack of capacity in the municipality. A closer investigation is necessary.

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

Employee Related Costs

Employee related expenditure came in at 10% less than the quarterly forecast caused by straight-line budgeting not accounting for the payment of bonuses during November and vacancies not filled.

Councillor Remuneration

Councillor remuneration exceeds the quarterly forecast by 16% and the allocation of payroll related expenditure should be investigated to correct incorrect allocations.

Debt Impairment and Depreciation

Journals for the above-mentioned financial entries were not processed and therefor well below the year-to-date budget.

Bulk Purchases, Finance Charges, Contracted Services and all other expenditure items

The above is much less than the quarterly budget, due to expenditure not being recognised when incurred and therefor does not reflect on the quarterly report.

No evaluation of performance against the budget can be done on expenditure unless recognised accurately and completely on the financial system. This is a problem that will be addressed to ensure that well informed financial decision-making will prevail.

TABLE C5 – QUARTERLY BUDGETED CAPITAL EXPENDITURE

WC041 Kannaland - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter										
Vote Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		-	130	260	-	7	82	(75)	-91%	260
Vote 2 - CORPORATE SERVICES		5,235	1,710	3,420	-	-	1,537	(1,537)	-100%	3,420
Vote 3 - FINANCIAL SERVICES		3	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		2,351	9,454	18,909	-	-	4,727	(4,727)	-100%	18,909
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 Capital Multi-year expenditure	4.7	7,589	11,294	22,589	-	7	6,347	(6,340)	-100%	22,589
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		249	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		391	500	1,000	-	-	375	(375)	-100%	1,000
Vote 3 - FINANCIAL SERVICES		(1,200)	50	100	-	-	37	(37)	-100%	100
Vote 4 - TECHNICAL SERVICES		7,182	1,074	2,149	-	-	537	(537)	-100%	2,149
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 Capital single-year expenditure	4	6,622	1,624	3,249	-	-	950	(950)	-100%	3,249
Total Capital Expenditure	3	14,211	12,919	25,838	-	7	7,297	(7,290)	-100%	25,838
Capital Expenditure - Functional Classification										
Governance and administration		(885)	180	180	-	7	75	(68)	-91%	180
Executive and council		249	130	130	-	7	50	(43)	-86%	130
Finance and administration		(1,133)	50	50	-	-	25	(25)	-100%	50
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5,235	1,510	1,510	-	-	1,010	(1,010)	-100%	1,510
Community and social services		5,235	860	860	-	-	460	(460)	-100%	860
Sport and recreation		-	650	650	-	-	550	(550)	-100%	650
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		341	700	700	-	-	350	(350)	-100%	700
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		341	700	700	-	-	350	(350)	-100%	700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		9,520	10,529	10,529	-	-	2,632	(2,632)	-100%	10,529
Energy sources		-	1,980	1,980	-	-	495	(495)	-100%	1,980
Water management		9,520	2,441	2,441	-	-	610	(610)	-100%	2,441
Waste water management		-	6,108	6,108	-	-	1,527	(1,527)	-100%	6,108
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	14,211	12,919	12,919	-	7	4,067	(4,060)	-100%	12,919
Funded by:										
National Government		11,689	10,529	10,529	-	-	2,632	(2,632)	-100%	10,529
Provincial Government		7,586	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		19,275	10,529	10,529	-	-	2,632	(2,632)	-100%	10,529
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		726	2,390	2,390	-	7	1,435	(1,428)	-100%	2,390
Total Capital Funding		20,001	12,919	12,919	-	7	4,067	(4,060)	-100%	12,919

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

- There was no actual capital expenditure year-to-date.

TABLE C6 – QUARTERLY BUDGETED FINANCIAL POSITION

WC041 Kannaland - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		3,642	(31,478)	(31,478)	3,265	(31,478)
Call investment deposits		27,292	40,236	40,236	8,990	40,236
Consumer debtors		6,432	3,919	3,919	7,155	3,919
Other debtors		(51,539)	(72,689)	(72,689)	2,918	(72,689)
Current portion of long-term receivables		-	-	-	-	-
Inventory		2,257	(724)	(724)	(280)	(724)
Total current assets		(11,916)	(60,736)	(60,736)	22,048	(60,736)
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		186	-	-	-	-
Investment property		1,157	1,250	1,250	-	1,250
Investments in Associate		-	-	-	-	-
Property, plant and equipment		322,942	324,691	324,691	(1,068)	324,691
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		24	28	28	-	28
Other non-current assets		-	-	-	-	-
Total non current assets		324,309	325,969	325,969	(1,068)	325,969
TOTAL ASSETS		312,393	265,233	265,233	20,980	265,233
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		647	459	459	(116)	459
Consumer deposits		1,217	1,119	1,119	22	1,119
Trade and other payables		30,701	(10,769)	(10,769)	1,007	(10,769)
Provisions		8,390	7,296	7,296	-	7,296
Total current liabilities		40,954	(1,894)	(1,894)	912	(1,894)
Non current liabilities						
Borrowing		(418)	(950)	(950)	-	(950)
Provisions		41,854	45,708	45,708	-	45,708
Total non current liabilities		41,436	44,757	44,757	-	44,757
TOTAL LIABILITIES		82,390	42,863	42,863	912	42,863
NET ASSETS	2	230,003	222,370	222,370	20,068	222,370
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		243,994	237,306	237,306	(16)	237,306
Reserves		14	470	470	(8)	470
TOTAL COMMUNITY WEALTH/EQUITY	2	244,008	237,775	237,775	(24)	237,775

TABLE C7 – QUARTERLY BUDGETED CASH FLOW

WC041 Kannaland - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter										
Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		15,132	20,366	20,366	358	1,626	5,092	(3,466)	-68%	20,366
Service charges		74,810	100,478	100,478	8,310	19,973	25,119	(5,146)	-20%	100,478
Other revenue		1,343	10,583	10,583	172	462	2,646	(2,184)	-83%	10,583
Transfers and Subsidies - Operational		31,684	43,164	43,164	220	21,469	16,333	5,136	31%	43,164
Transfers and Subsidies - Capital		23,701	10,529	10,529	0	5,899	2,632	3,267	124%	10,529
Interest		18	3,664	3,664	0	0	916	(916)	-100%	3,664
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		96,966	(226,787)	(226,787)	(2,968)	(8,771)	(56,697)	(47,925)	85%	(226,787)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		243,653	(38,004)	(38,004)	6,093	40,658	(3,959)	(44,617)	1127%	(38,004)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		2,440	(25,838)	(25,838)	-	-	(7,297)	(7,297)	100%	(25,838)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2,440	(25,838)	(25,838)	-	-	(7,297)	(7,297)	100%	(25,838)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		1,217	1,119	1,119	12	22	-	22	0%	1,119
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,217	1,119	1,119	12	22	-	(22)	0%	1,119
NET INCREASE/ (DECREASE) IN CASH HELD		247,309	(62,723)	(62,723)	6,105	40,680	(11,256)			(62,723)
Cash/cash equivalents at beginning:		48,800	48,805	48,805			48,805			-
Cash/cash equivalents at month/year end:		296,110	(13,918)	(13,918)		40,680	37,549			(62,723)

The total bank balances of **Quarter 1** were as follow;

- Standard Bank Main Account Balance **R 676 thousand**;
- The Traffic Account Balance **R 388 thousand**;
- Deposit Account Balance **R 341 thousand**; and
- The call account contains the cash-backed **R17 million** component of conditional grants amounts to **R45 million** at the end of Quarter1.

The lack of revenue streams has left the municipality to be heavily dependent on grant funding to run its daily operations. The current local economic circumstances are in addition having an adverse effect on an already difficult situation. Insufficient funding is available to fund reserves and provisions and the liquidity of the municipality remains fragile.

TABLE C2 – QUARTERLY BUDGETED FINANCIAL PERFORMANCE

(Functional Classification)

WC041 Kannaland - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter										
Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
Governance and administration		61,563	43,561	43,561	2,397	20,411	15,188	5,223	34%	43,561
Executive and council		28,774	12,201	12,201	-	12,971	5,149	7,822	152%	12,201
Finance and administration		32,789	31,360	31,360	2,397	7,440	10,039	(2,599)	-26%	31,360
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		15,179	16,689	16,689	7	17	6,673	(6,656)	-100%	16,689
Community and social services		14,567	14,889	14,889	2	12	5,923	(5,912)	-100%	14,889
Sport and recreation		-	-	-	0	0	-	0	#DIV/0!	-
Public safety		80	-	-	5	5	-	5	#DIV/0!	-
Housing		532	1,800	1,800	-	-	750	(750)	-100%	1,800
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1,756	8,170	8,170	11	219	2,172	(1,954)	-90%	8,170
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1,756	8,170	8,170	11	219	2,172	(1,954)	-90%	8,170
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		118,991	134,891	134,891	9,297	29,260	37,250	(7,990)	-21%	134,891
Energy sources		71,371	75,292	75,292	5,526	18,412	19,596	(1,185)	-6%	75,292
Water management		28,376	30,332	30,332	1,998	5,495	8,798	(3,304)	-38%	30,332
Waste water management		9,618	15,135	15,135	880	2,673	4,621	(1,948)	-42%	15,135
Waste management		9,627	14,131	14,131	892	2,681	4,234	(1,554)	-37%	14,131
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	197,488	203,311	203,311	11,712	49,906	61,284	(11,377)	-19%	203,311
Expenditure - Functional										
Governance and administration		104,246	72,679	72,679	4,340	12,488	18,170	(5,681)	-31%	72,679
Executive and council		23,511	20,288	20,288	2,023	4,960	5,072	(112)	-2%	20,288
Finance and administration		80,735	52,391	52,391	2,317	7,529	13,098	(5,569)	-43%	52,391
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		13,857	13,346	13,346	1,403	2,796	3,336	(540)	-16%	13,346
Community and social services		10,670	9,826	9,826	1,198	2,178	2,456	(278)	-11%	9,826
Sport and recreation		397	448	448	41	121	112	9	8%	448
Public safety		1,276	231	231	81	249	58	191	331%	231
Housing		1,514	2,841	2,841	83	248	710	(462)	-65%	2,841
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		9,108	17,823	17,823	562	2,038	4,456	(2,418)	-54%	17,823
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		9,108	17,823	17,823	562	2,038	4,456	(2,418)	-54%	17,823
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		84,282	114,868	114,868	1,845	12,492	28,717	(16,225)	-56%	114,868
Energy sources		38,407	68,326	68,326	329	7,086	17,082	(9,996)	-59%	68,326
Water management		21,399	20,485	20,485	584	2,137	5,121	(2,984)	-58%	20,485
Waste water management		9,969	12,251	12,251	305	1,082	3,063	(1,981)	-65%	12,251
Waste management		14,507	13,806	13,806	628	2,188	3,451	(1,264)	-37%	13,806
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	211,494	218,716	218,716	8,151	29,815	54,678	(24,864)	-45%	218,716
Surplus/ (Deficit) for the year		(14,005)	(15,405)	(15,405)	3,561	20,092	6,605	13,486	204%	(15,405)

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	2021/22	Budget Year 2022/23							
		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	28,774	12,201	12,201	-	12,971	5,149	7,822	151.9%	12,201
Vote 2 - CORPORATE SERVICES		15,469	23,672	23,672	51	325	8,247	(7,921)	-96.1%	23,672
Vote 3 - FINANCIAL SERVICES		32,352	30,912	30,912	2,364	7,350	9,927	(2,577)	-26.0%	30,912
Vote 4 - TECHNICAL SERVICES		120,892	136,526	136,526	9,297	29,260	37,961	(8,701)	-22.9%	136,526
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	197,488	203,311	203,311	11,712	49,906	61,284	(11,377)	-18.6%	203,311
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	23,511	20,288	20,288	2,023	4,960	5,072	(112)	-2.2%	20,288
Vote 2 - CORPORATE SERVICES		29,078	36,476	36,476	2,652	6,738	9,119	(2,381)	-26.1%	36,476
Vote 3 - FINANCIAL SERVICES		66,518	35,710	35,710	1,089	4,061	8,927	(4,867)	-54.5%	35,710
Vote 4 - TECHNICAL SERVICES		91,527	124,182	124,182	2,247	13,883	31,045	(17,163)	-55.3%	124,182
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES (Continued)		860	2,060	2,060	139	174	515	(341)	-66.1%	2,060
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	211,494	218,716	218,716	8,151	29,815	54,678	(24,864)	-45.5%	218,716
Surplus/ (Deficit) for the year	2	(14,005)	(15,405)	(15,405)	3,561	20,092	6,605	13,486	204.2%	(15,405)

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 2022/23									Total over 90 days	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			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2,030	779	792	749	827	957	4,516	12,448	23,098	19,497	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,530	211	80	104	99	130	329	532	3,016	1,195	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2,375	699	690	763	599	589	3,175	16,782	25,672	21,908	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	722	347	307	305	304	306	1,839	7,658	11,787	10,412	-	-
Receivables from Exchange Transactions - Waste Management	1600	1,451	591	509	499	491	487	2,878	11,364	18,268	15,718	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	0	0	0	-	-
Interest on Arrear Debtor Accounts	1810	25	43	58	77	91	112	870	12,941	14,218	14,092	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(4,682)	206	153	157	143	136	796	2,285	(806)	3,516	-	-
Total By Income Source	2000	3,451	2,877	2,588	2,654	2,554	2,717	14,403	64,010	95,254	86,338	-	-
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(3,181)	155	72	74	40	40	132	439	(2,229)	725	-	-
Commercial	2300	1,008	262	174	243	166	190	768	3,186	5,998	4,553	-	-
Households	2400	5,608	2,251	2,162	2,158	2,170	2,304	12,481	49,041	78,176	68,155	-	-
Other	2500	15	208	180	179	177	183	1,022	11,344	13,309	12,906	-	-
Total By Customer Group	2600	3,451	2,877	2,588	2,654	2,554	2,717	14,403	64,010	95,254	86,338	-	-

- The total amount owed to Kannaland Municipality amounted to **R95 million during the end of the First Quarter**.
- **R64 million or 67%** of the total outstanding debtors are older than one year.
- **R86 million or 91%** 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 Municipality is the ability to collect service charges for water, refuse and sewerage in areas where electricity is not supplied by the municipality. Pre-paid electricity remains the most effective form of credit control.

Section 6 – Creditors' analysis

WC041 Kannaland - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter											
Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	7,524	5,409	-	-	25,560	-	-	-	38,493	-
Bulk Water	0200	50	-	-	-	-	-	-	-	50	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	60	-	-	-	-	-	-	-	60	-
Trade Creditors	0700	1,212	425	432	1,015	7,221	-	-	-	10,306	-
Auditor General	0800	931	57	54	315	7,231	-	-	-	8,588	-
Other	0900	146	104	84	2	6,642	-	-	-	6,978	-
Total By Customer Type	1000	9,922	5,995	570	1,333	46,654	-	-	-	64,474	-

- The total outstanding creditors as at the end of the **First Quarter** amounts to **R 64 474**.
- The biggest outstanding creditors are Eskom (**R38 493 million**), the Auditor-General of South Africa (**R8 588 million**). Combined, the before mentioned, represents **73%** of all outstanding creditors.

The outstanding trade creditors continue to have a negative influence on service delivery and the ability to fully comply with 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, due to 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	 DBSA Development Bank of Southern Africa VAT Registration No: 4260126711
---	--

Interest Capitalisation	31.08.2022	31.08.2022	0.00	-1,695.93	1,695.93	0.00	159,506.80	159,506.80
Repayment Due	31.08.2022	31.08.2022	-58,304.07	0.00	-1,695.93	-60,000.00	99,506.80	99,506.80
Interest Accrual	30.09.2022	30.09.2022	0.00	1,022.33	0.00	1,022.33	100,529.13	99,506.80
Interest Capitalisation	30.09.2022	30.09.2022	0.00	-1,022.33	1,022.33	0.00	100,529.13	100,529.13
Repayment Due	30.09.2022	30.09.2022	-58,977.67	0.00	-1,022.33	-60,000.00	40,529.13	40,529.13

- The total outstanding long-term debt of Kannaland Municipality amounts to **R41 thousand** at the end of **Quarter 1** ending **30 September 2022**.
- A monthly instalment of **R60 thousand** at an interest rate of **12.5%** per annum is being paid and this debt will be settled in full in October 2022.

Section 8 – Allocation and grant receipts and expenditure

Transfers and Grant Receipts 2022/ 2023							
	Original Budget	Roll-over	Adjustment Budget	Total Received	Total Spent	Unspent	ROLLOVERS
National Government Grants							
Financial Management Grant (FMG)	R2,932,000,00			R2,932,000,00	R64,000,00	R2,868,000,00	
Integrated National Electrification (INEP)							R558,043,43
Equitable Share	R33,259,000,00			R12,791,000,00	R12,971,000,00		
Municipal Infrastructure Grant (Operational)	554,150,00			R554,150,00	R182,680,00	R371,470,00	
Municipal Infrastructure Grant (Capital)	R10,528,850,00			R2,412,850,00		R2,412,850,00	R178,273,77
Water Service Infrastructure Grant						R0,00	R4,667,823,66
EPWP Incentive Grant	R1,031,000,00			R258,000,00	R92,400,00	R165,600,00	
Provincial Government							
	Original Budget	Roll-over (Approved)	Adjustment Budget	Total Received	Total Spent	Unspent	ROLLOVERS
Human Settlements							
Libraries (Conditional Grant)							R33,203,21
MRF (Municipal Replacement Fund)	R3,281,000,00			R1,094,000,00	R648,407,00	R445,593,00	R334,204,16
Local Government Employee Support Grant							R126,236,40
CDW Grant	R113,000,00			R0,00	R0,00	R113,000,00	R73,524,21
Provincial Government Roads							
Drought Relief							
Capacity Bursary Grant							R250,000,00
Departmental Agencies							
	Original Budget	Roll-over (Approved)	Adjustment Budget	Total Received	Total Spent	Unspent	REJECTED ROLLOVERS
Public Sector Seta	R145,000,00			R17,625,20			

The following indicates expenditure on each respective grant received (Operational) and (Capital) for Quarter 1 of 2022/23 -

Received:

- Equitable Share amounts to **R12.971 million**
- Financial Management Grant amounts to **R2.932 million**
- Expanded Public Works Programme amounts to **R258 thousand**
- Municipal Infrastructure Grant amounts to **R2.9 million**
-

Expenditure:

- Financial Management Grant amounts to **R64 thousand**.
- Municipal Infrastructure Grant (MIG) amounts R 0 capital expenditure and **MIG PMU** amounts to **R183 thousand**.
- Expanded Public Works Programme amounts to **R 92 thousand**

Provincial Treasury

Received:

- Library Grant amounts to **R1.094 million**

Expenditure:

- Libraries Grant amounts to **R649 thousand**

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	2021/22		Budget Year 2022/23						
		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		2,560	3,046	3,046	289	856	761	94	12%	3,046
Pension and UIF Contributions		26	-	-	3	9	-	9	#DIV/0!	-
Medical Aid Contributions		124	-	-	5	14	-	14	#DIV/0!	-
Motor Vehicle Allowance		131	-	-	5	21	-	21	#DIV/0!	-
Cellphone Allowance		307	311	311	26	78	78	-	-	311
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		3,148	3,357	3,357	327	977	839	138	16%	3,357
% increase	4		6,6%	6,6%						6,6%
Senior Managers of the Municipality										
Basic Salaries and Wages		1,854	4,994	4,994	83	522	1,249	(726)	-58%	4,994
Pension and UIF Contributions		1	9	9	0	1	2	(2)	-76%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		130	-	-	12	36	-	36	#DIV/0!	-
Cellphone Allowance		37	115	115	3	8	29	(21)	-74%	115
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		12	210	210	4	34	52	(18)	-35%	210
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,033	5,328	5,328	102	600	1,332	(732)	-55%	5,328
% increase	4		162,0%	162,0%						162,0%
Other Municipal Staff										
Basic Salaries and Wages		45,593	49,327	49,327	3,841	11,910	12,332	(421)	-3%	49,327
Pension and UIF Contributions		6,740	8,520	8,520	600	1,812	2,130	(318)	-15%	8,520
Medical Aid Contributions		2,434	2,899	2,899	168	522	725	(203)	-28%	2,899
Overtime		4,001	4,442	4,442	510	1,417	1,110	307	28%	4,442
Performance Bonus		1,564	652	652	-	-	163	(163)	-100%	652
Motor Vehicle Allowance		2,393	2,391	2,391	179	562	598	(36)	-6%	2,391
Cellphone Allowance		165	172	172	13	41	43	(2)	-5%	172
Housing Allowances		315	349	349	25	73	87	(14)	-16%	349
Other benefits and allowances		4,420	4,639	4,639	391	1,165	1,160	5	0%	4,639
Payments in lieu of leave		(243)	1,520	1,520	7	7	380	(373)	-98%	1,520
Long service awards		249	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1,934	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		69,564	74,911	74,911	5,735	17,509	18,727	(1,218)	-7%	74,911
% increase	4		7,7%	7,7%						7,7%
Total Parent Municipality		74,745	83,595	83,595	6,164	19,087	20,899	(1,811)	-9%	83,595
Unpaid salary, allowances & benefits in arrears:										
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		1	-	-	0	0	-	0	#DIV/0!	-
TOTAL SALARY, ALLOWANCES & BENEFITS		74,746	83,595	83,595	6,164	19,087	20,899	(1,811)	-9%	83,595
% increase	4		11,8%	11,8%						11,8%
TOTAL MANAGERS AND STAFF		71,597	80,239	80,239	5,836	18,110	20,059	(1,950)	-10%	80,239

Section 10 – Material variances to the SDBIP

FINAL REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2020/21 includes the following

KPA's to be discussed in more detail in Appendix A.

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 1 of the MFMA defines the SDBIP as:

“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

(a) projections for each month of-

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter”.

The performance of Kannaland Municipality in terms of the top-layer SDBIP will be included as an Appendix to this document. The before-mentioned section dealt the financial implementation of the SDBIP.

Section 11– Capital programme performance

EXPENDITURE STATUS 2022/2023 FY (September 2022)								
No.	Grant	Project No	Project Name	Adjustment Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG	285450	Ladismith: Upgrade Water Treatment Works	R 2,440,804,29		R 2,440,804,29	0%	Contractor Appointed
2	MIG	160843	Ladismith: New Waste Water Treatment Works	R 1,074,463,12		R 1,074,463,12	0%	Contractor Appointed
3	MIG	220290	Zoar: New Sport Field Lighting	R 1,193,282,84		R 1,193,282,84	0%	Contractor Appointed
4	MIG	220290	Zoar: New Sport Field Lighting (AFA - Additional Fund Application; project 220290)	R 787,212,75		R 787,212,75	0%	Contractor Appointed
5	MIG		Van Wyksdorp: Upgrade Water treatment Works	R 1,000,000,00		R 1,000,000,00	0%	Consultant Appointed
6	MIG		Van Wyksdorp: Upgrade Sewerage Works	R 1,033,087,00		R 1,033,087,00	0%	Retention
7	MIG		Zoar: Upgrade sewer Works	R 3,000,000,00		R 3,000,000,00	0%	
8	MIG	PMU/041	PMU 2022/23	R 554,150,00	R 182,680,08	R 371,469,92	33%	Not Registered
						R -		
		TOTALS		R 11,083,000,00	R 182,680,08	R 10,900,319,92	1,6%	EXPENDITURE FOR 2022/2023 FY
No.	Grant	Project No	Project Name	Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	EPWP		Temporary Workers appointed	R 1,031,000,00	R 92,400,00	R 938,600,00	9%	
		TOTALS		R 1,031,000,00	R 92,400,00	R 938,600,00	9%	EXPENDITURE FOR 2022/2023 FY

Section 13 – Quality certification

I, **Keith Jordaan**, the Acting Accounting Officer of **Kannaland Municipality WC041**, hereby certify that the quarterly budget statement for **Quarter 1**, ending **30 September 2022**, has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Keith Jordaan

Signature:

Date:

APPENDIX A: SDBIP_Q1



KANNALAND

MUNISIPALITEIT | MUNICIPALITY

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2022/2023

(QUARTER 1: 01 JULY 2022 – 30 SEPTEMBER 2022 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

Contents

No.	Content details	Page no
1.	Acting Municipal Manager's Quality Certificate	3
2.	Executive Mayor's Certificate of approval	4
3.	Implementation, Monitoring and Review – One Year	5
4.	2022/2023 Final revised top layer Service Delivery and Budget Implementation Plan	6
5.	2022/2023 Future Performance Interventions	6
6.	Conclusion	7
	ANNEXURES	
	<ul style="list-style-type: none">Detailed capital works programme	10
	<ul style="list-style-type: none">Monthly projections of revenue	11
	<ul style="list-style-type: none">Monthly projection of expenditure	12
7.	<ul style="list-style-type: none">2022/2023 Service delivery targets and performance indicators (SDBIP quarter 1 performance results)	13

1. MUNICIPAL MANAGER’S QUALITY CERTIFICATE

I, Mr Keith Jordaan, the Acting Municipal Manager of the Kannaland Municipality, submits the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for Quarter 1 of the 2022/23 financial year for approval by the Executive Mayor. This TL SDBIP 2022/23 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.

.....
KEITH JORDAAN
ACTING MUNICIPAL MANAGER

Date:

2. EXECUTIVE MAYOR’S CERTIFICATE OF APPROVAL

I, Jeffrey Donson, in my capacity as the Executive Mayor of the Kannaland Municipality, hereby approves the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) First Quarterly Assessment Report for the 2022/23 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.

.....

**JEFFREY DONSON
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) 2022/2023

- 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

5. 2022/2023 FUTURE PERFORMANCE MANAGEMENT INTERVENTIONS

The undermentioned future interventions are envisaged for 2022/2023 to further and progressively improve performance management in the Kannaland Municipality;

- ✓ Appointment and induction of the Performance Audit Committee;
- ✓ Procurement of an Automated Performance Management System;
- ✓ Review of the Kannaland Municipality Performance Management Policy Framework (KMPMPF);
- ✓ Implementation of and monitoring implementation of the KMPMPF;
- ✓ Cascading of Performance Management to line managers;
- ✓ Finalisation of job descriptions and job evaluation;
- ✓ Introducing a staff wellness programme;
- ✓ Introducing staff induction training;
- ✓ Consequence management for poor work performance;
- ✓ Improving performance communication and participation in departmental reporting and management of performance;
- ✓ Instilling a culture of performance in the organisation;
- ✓ Establishing clear performance standards through the introduction of Client Services Charter;
- ✓ Progressive alignment of the Kannaland Municipality Operational Plan to the SDBIP;
- ✓ Encouraging career development and advancement through the introduction of personal development plans and workplace skills plans;
- ✓ Assigning responsibilities to individuals in relation to performance management;
- ✓ Improving staff morale.
- ✓ Reviving MPAC;
- ✓ Appointing an Internal Auditor.

6. CONCLUSION

Kannaland Municipality is an under-performing municipality plagued by the Covid-19 pandemic, political and administrative instability, infighting among political leaders, non-functional oversight committee, lack of financial resources, little or no accountability and a non-existence of consequence management, capacity constraints and a high vacancy rate with constant court cases holding the municipality ransom. Invoking the S139, the implementation of a recovery plan and the appointment of a n administrator previously did little to improve performance in this embattled municipality.

The following actions were recommended to improve performance at Kannaland Municipality during 2021/2022 financial year and considerable and steady progress has been made to turn the situation around. with the support and assistance received from SALGA. Steady progress has been made to implement the recommendations listed below.:

1. That the ongoing court action reach finality and a verdict be passed as this is affecting staff morale and instilling a culture of non-performance;

The Western Cape High Court ruled on 7 October 2021 that the prolonged administration be declared unlawful.

2. That future disputes be dealt with in terms of the Inter-governmental Relations Framework Act;

Kannaland Municipality participated actively on all district and provincial IGR forums.

3. That a Kannaland performance management policy be adopted by Council;

Kannaland Performance Management Policy Framework was adopted on 31 August 2021 and is reviewed annually.

4. That critical vacancies be filled to avoid catastrophic risks;

Critical vacancies are being filled slowly and this is due to budget constraints.

5. That performance management be cascaded to departmental level;

SALGA engagements have been held and SALGA is assisting with the cascading process. An automated PMS is currently in the process of procurement.

6. That a culture of performance be instilled throughout the organization and that the Municipal Manager be tasked to ensure this happens;

Various Staff Strategic interventions were held in an attempt to motivate staff to improve performance. Disciplinary hearings are being fast tracked in attempt to implement consequence management and a disciplinary committee is being established.

7. That workshops and staff induction sessions be held with all staff on the performance management policy;

Workshops are ongoing and this has been implemented with the assistance of SALGA engagements.

8. That consequence management for non-performance be implemented;

Kannaland Municipality Human Resources unit has been actively implementing the disciplinary code and taking action in correcting organizational behavior. Job descriptions are also being finalized and a new organizational staff structure is to be adopted by Council during 2022 to implement the new five-year IDP.

9. That job descriptions be updated and tasked;

In progress.

10. That the Manager: IDP and PMS report to Council each month on progress made in relation to the implementation of the Performance Management Policy.

Monthly reports have been submitted initially and this has now been translated into legislated quarterly reporting due to the fact that there has been an improvement in the performance management function.

11. That the Performance Management Policy which is modelled upon that of Mossel Bay Municipality be implemented incrementally through a formalized Peer review and mentoring programme initiated by SALGA;

Support received from Mossel Bay municipality is ongoing.

12. That consequence management be applied where under-performance is recurring.

Human Resources unit is actively pursuing discipline in the organization.

13. That a SALGA Internal Audit Support Peer Mentorship arrangement be formalized between Kannaland Municipality Mossel Bay Municipality as part of a performance turn-around strategy.

This has been concluded with Mossel Bay municipality with much success. A memorandum of understanding has been entered into with SALGA as part of their support plan being implemented in the municipality.

14. That an automated Performance Management System be procured.

Kannaland Municipality Supply Chain unit is in the process of procuring and Automated PMS for Kannaland Municipality.

Kannaland Municipality has made steady and consistent improvement in performance management during 2021/2022 and the future interventions listed in point 5 above shall further steer Kannaland Municipality towards excellence.

Project Status 2022-23 FY (SEPTEMBER 2022)
EXPENDITURE STATUS 2022/2023 FY (September 2022)

No.	Grant	Project No	Project Name	Adjustment Budget	Expenditure	Still to spend	% Spend	Status/Progress/Comments
1	MIG	285450	Ladismith: Upgrade Water Treatment Works	R 2,440,804,29		R 2,440,804,29	0%	Contractor Appointed
2	MIG	160843	Ladismith: New Waste Water Treatment Works	R 1,074,463,12		R 1,074,463,12	0%	Contractor Appointed
3	MIG	220290	Zoar: New Sport Field Lighting	R 1,193,282,84		R 1,193,282,84	0%	Contractor Appointed
4	MIG	220290	Zoar: New Sport Field Lighting (AFA - Additional Fund Application; project 220290)	R 787,212,75		R 787,212,75	0%	Contractor Appointed
5	MIG		Van Wyksdorp: Upgrade Water treatment Works	R 1,000,000,00		R 1,000,000,00	0%	Consultant Appointed
6	MIG		Van Wyksdorp: Upgrade Sewerage Works	R 1,033,087,00		R 1,033,087,00	0%	Retention
7	MIG		Zoar: Upgrade sewer Works	R 3,000,000,00		R 3,000,000,00	0%	
8	MIG	PMU/041	PMU 2022/23	R 554,150,00	R 182,680,08	R 371,469,92	33%	Not Registered
						R -		
		TOTALS		R 11,083,000,00	R 182,680,08	R 10,900,319,92	1,6%	EXPENDITURE FOR 2022/2023 FY

Total Capital 2022/2023

	2022	2023	2024
Grant Name	Allocation	Allocation	Allocation
Municipal Infrastructure Grant	R10 529 000	R10 805 000	R11 100 750
Water Service Infrastructure Grant		R11 000 000	R 21 940 000
Integrated National Electrification Programme		R3 000 000	R3 135 000
Internal Funding	R2 390 000		
Total Capital Grants	R12 919 000	R24 805 000	R36 175 750

MONTHLY PROJECTIONS OF REVENUE 2022/2023

ANNEXURE II

WC041 Kannaland - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source													1		
Property rates	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	1 697	20 366	21 859	23 169
Service charges - electricity revenue	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	73 434	80 372	86 802
Service charges - water revenue	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	16 087	18 220	19 681
Service charges - sanitation revenue	476	476	476	476	476	476	476	476	476	476	476	476	5 715	6 643	7 668
Service charges - refuse revenue	437	437	437	437	437	437	437	437	437	437	437	437	5 241	6 312	7 292
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	34	34	34	34	34	34	34	34	34	34	34	34	407	408	408
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	305	305	305	305	305	305	305	305	305	305	305	305	3 664	4 059	4 402
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	626	626	626	626	626	626	626	626	626	626	626	626	7 507	9 007	9 757
Licences and permits	30	30	30	30	30	30	30	30	30	30	30	30	364	420	527
Agency services	100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 260	1 336
Transfers and Subsidies - Operational	14 682	825	825	825	825	11 911	825	825	9 141	825	825	825	43 164	52 076	63 234
Other revenue	92	92	92	92	92	92	92	92	92	92	92	92	1 105	1 160	1 230
Cash Receipts by Source	25 940	12 083	12 083	12 083	12 083	23 169	12 083	12 083	20 399	12 083	12 083	12 083	178 255	201 795	225 506
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	877	877	877	877	877	877	877	877	877	877	877	877	10 529	24 805	36 176
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	26 817	12 960	12 960	12 960	12 960	24 046	12 960	12 960	21 276	12 960	12 960	12 961	188 784	226 601	261 682
Cash Payments by Type															
Employee related costs	(7 993)	(7 993)	(7 993)	(7 993)	(7 993)	(7 993)	(7 993)	(7 993)	(7 993)	(7 993)	(7 993)	(7 993)	(95 918)	(97 616)	(101 765)
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	(4 835)	(4 835)	(4 835)	(4 835)	(4 835)	(4 835)	(4 835)	(4 835)	(4 835)	(4 835)	(4 835)	(4 835)	(58 024)	(62 536)	(65 975)
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(423)	(5 071)	(5 126)	(5 357)
Contracted services	(1 192)	(1 192)	(1 192)	(1 192)	(1 192)	(1 192)	(1 192)	(1 192)	(1 192)	(1 192)	(1 192)	(1 192)	(14 299)	(22 079)	(31 584)
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	(1 625)	(1 625)	(1 625)	(1 625)	(1 625)	(1 625)	(1 625)	(1 625)	(1 625)	(1 625)	(1 625)	(2 185)	(20 059)	(20 811)	(21 723)
Cash Payments by Type	(16 068)	(16 068)	(16 068)	(16 068)	(16 068)	(16 068)	(16 068)	(16 068)	(16 068)	(16 068)	(16 068)	(16 628)	(193 371)	(208 167)	(226 405)
Other Cash Flows/Payments by Type															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	(2 441)	(2 441)	-	-
Repayment of borrowing	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(648)	(648)	(648)
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	(16 122)	(16 122)	(16 122)	(16 122)	(16 122)	(16 122)	(16 122)	(16 122)	(16 122)	(16 122)	(16 122)	(19 122)	(196 460)	(208 815)	(227 053)
NET INCREASE/(DECREASE) IN CASH HELD	10 696	(3 161)	(3 161)	(3 161)	(3 161)	7 925	(3 161)	(3 161)	5 155	(3 161)	(3 161)	(6 162)	(7 676)	17 785	34 630
Cash/cash equivalents at the monthly year begin:	48 805	59 501	56 339	53 178	50 017	46 856	54 781	51 619	48 458	53 613	50 452	47 291	48 805	41 129	58 914
Cash/cash equivalents at the monthly year end:	59 501	56 339	53 178	50 017	46 856	54 781	51 619	48 458	53 613	50 452	47 291	41 129	41 129	58 914	93 543

MONTHLY PROJECTION OF EXPENDITURE

ANNEXURE III

WC041 Kannaland - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source																
Property rates		-	-	-	-	-	-	-	-	-	-	-	24 836	24 836	25 929	27 095
Service charges - electricity revenue		5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	5 875	70 503	76 752	82 892
Service charges - water revenue		1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	1 793	2 118	21 841	23 151	24 540
Service charges - sanitation revenue		732	732	732	732	732	732	732	732	732	732	732	1 172	9 219	9 772	10 358
Service charges - refuse revenue		743	743	743	743	743	743	743	743	743	743	743	743	8 918	9 451	10 017
Rental of facilities and equipment		51	51	51	51	51	51	51	51	51	51	51	51	607	608	608
Interest earned - external investments		57	57	57	57	57	57	57	57	57	57	57	57	680	714	757
Interest earned - outstanding debtors		414	414	414	414	414	414	414	414	414	414	414	414	4 968	5 167	5 348
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		501	501	501	501	501	501	501	501	501	501	501	501	6 007	7 207	7 807
Licences and permits		30	30	30	30	30	30	30	30	30	30	30	30	364	420	527
Agency services		100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 260	1 336
Transfers and subsidies		14 100	5 218	174	12	1 635	11 698	12	12	10 267	12	12	12	43 164	52 076	63 234
Other revenue		40	40	40	40	40	40	40	40	40	40	40	40	475	499	528
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		24 435	15 553	10 509	10 347	11 969	22 033	10 347	10 347	20 601	10 347	10 347	35 949	192 782	213 005	235 047
Expenditure By Type																
Employee related costs		6 686	6 686	6 686	6 686	6 686	6 686	6 686	6 686	6 686	6 686	6 686	6 687	80 239	81 955	85 272
Remuneration of councillors		280	280	280	280	280	280	280	280	280	280	280	280	3 357	3 504	3 662
Debt impairment		1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	1 966	23 594	21 815	20 442
Depreciation & asset impairment		1 102	1 102	1 102	1 102	1 102	1 102	1 102	1 102	1 102	1 102	1 102	1 102	13 222	13 804	14 425
Finance charges		173	173	173	173	173	173	173	173	173	173	173	173	2 072	2 160	2 254
Bulk purchases		4 835	4 835	4 835	4 835	4 835	4 835	4 835	4 835	4 835	4 835	4 835	4 835	58 024	62 536	65 975
Other materials		423	423	423	423	423	423	423	423	423	423	423	423	5 071	5 127	5 357
Contracted services		1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	13 749	21 526	31 028
Transfers and subsidies		38	38	38	38	38	38	38	38	38	38	38	38	450	334	349
Other expenditure		1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 579	18 939	18 837	19 671
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		18 226	18 226	18 226	18 226	18 226	18 226	18 226	18 226	18 226	18 226	18 226	18 228	218 716	231 597	248 435
Surplus/(Deficit)		6 209	(2 673)	(7 717)	(7 879)	(6 257)	3 807	(7 879)	(7 879)	2 375	(7 879)	(7 879)	17 720	(25 934)	(18 592)	(13 388)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		4 387	-	-	-	3 510	-	-	-	2 632	-	-	-	10 529	24 805	36 176
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		10 596	(2 673)	(7 717)	(7 879)	(2 746)	3 807	(7 879)	(7 879)	5 007	(7 879)	(7 879)	17 720	(15 405)	6 213	22 788
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	10 596	(2 673)	(7 717)	(7 879)	(2 746)	3 807	(7 879)	(7 879)	5 007	(7 879)	(7 879)	17 720	(15 405)	6 213	22 788

KANNALAND MUNICIPALITY

SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022-2023

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	PERFORMANCE ASSESSMENT (STATUS)	MANAGEMENT COMMENT
IDP Reference	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Outcome	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	7 An inclusive district economy	Innovation and Culture	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Complete 98% of all MIG infrastructure to the stage where were issued with Practical Completion certificates by 30 June 2023	Percentage (%) of the MIG grant spent i.t.o. budget allocations	18%	1.5%	KPI NOT MET	Delays in registration of new MIG projects and application of rollover funds
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 PMU infrastructure projects (MIG, WSIG, (Drought relief) to the stage where were issued with Practical Completion certificates by 30 June 2023	Percentage (%) of the MSIG, WSIG, Drought Relief grant spent i.t.o. budget allocations completed projects that was issued with Practical completion certificates	-	-	KPI NOT MEASURED	
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	Infrastructure Services	Complete 95% of all Electricity infrastructure projects (INEP, EEDM) to the stage where were issued with Practical Completion certificates by 30 June 2023	% of INEP, EEDM completed and issued with Practical Completion certificates	-	-	KPI NOT MEASURED	
KPI.4	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 2023	Number of libraries completed (listed as a phased project)	-	-	KPI NOT MEASURED	
KPI.5	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% accumulated over the financial year until 30 June 2023	Percentage (%) of electricity losses calculated in distribution network on a twelve-month rolling period as kWh sold/kWh purchased	12%	15.24%	KPI NOT MET	Outdated infrastructure
KPI.6	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%	50%	KPI NO MET	TECHNICAL SERVICES IN PROCESS OF PROCURING WATER TESTING KIT FOR MORE REGULAR WATER TESTING

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	PERFORMANCE ASSESSMENT (STATUS)	MANAGEMENT COMMENT
IDP Reference	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Outcome	Department	Indicator	Unit of measurement				
KPI.7	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 2023	% of water losses in distribution networks in all of KwaZulu-Natal towns	Less than 30%	38%	KPI NOT MET	Large number of water meters out of order. Needs to be replaced
NKPI 1	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 that receive piped water connected to the municipal water infrastructure network as at 30 June 2023	Number of formal residential properties which are billed for water services as at 30 June 2023	4935	4675	KPI NOT MET	Target to be adjusted during adjustment budget
NKPI 2	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	Provision of electricity to formal residential account holders connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering. Number of formal residential properties connected to the municipal electrical infrastructure network (excluding Eskom areas) as at 30 June 2023	Number of formal residential properties which are billed for electricity/have pre-paid electricity (excluding Eskom areas) as at 30 June 2023	3820	225 3305	KPI NOT MET	Target to be adjusted during adjustment budget
NKPI 3	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	Provision of sanitation/sewerage services to formal residential account holders which are connected to the municipal waste water/sanitation/sewerage network and billed for services as at 30 June 2023	Number of formal residential properties which are billed for sewerage services in accordance with the SAMRAS financial system as at 30 June 2023	4465	5048	KPI MET	
NKPI 4	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 at least once per week and billed for the service as at 30 June 2023.	Number of formal residential properties which are billed for refuse removal services as at 30 June 2023.	4805	4553	KPI NOT MET	Target to be adjusted during adjustment budget
NKPI 5	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	Provision of electricity to informal residential account holders in the designated informal areas which are connected to the municipal electrical infrastructure network for prepaid electrical metering	Number of residential pre-paid meters registered on the Syntell/ Utilities World Financial system in the designated informal areas	150	187	KPI MET	
NKPI 6	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 2023.	Number of Households with access to free basic services (as per Indigent Register)	2340	2047	KPI NOT MET	INDIGENT REGISTRATION DOOR TO DOOR HOUSE DRIVE AND COMMUNICATION

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	PERFORMANCE ASSESSMENT (STATUS)	MANAGEMENT COMMENT
IDP Reference	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Outcome	Department	Indicator	Unit of measurement				
NKPI 7	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating servicedelivery for maximumimpact	Outcome 8: Sustainable humansettlements and improved quality of household live.	FinancialServices	Provision of free basic electricity to indigent account holders connected to the municipal electrical infrastructure network	Number of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	2100	1519	KPI NOT MET	INDIGENT REGISTRATION DOOR TO DOOR HOUSE DRIVE AND COMMUNICATION
NKPI 8	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating servicedelivery for maximumimpact	Outcome 8: Sustainable humansettlements and improved quality of household live.	FinancialServices	Provision of free basic sanitation services to indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets)	Number of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	2100	2047	KPI NOT MET	INDIGENT REGISTRATION DOOR TO DOOR HOUSE DRIVE AND COMMUNICATION
NKPI 9	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	10. Integrating servicedelivery for maximumimpact	Outcome 8: Sustainable humansettlements and improved quality of household live.	FinancialServices	Provision of clean piped water to indigent account holders which are connected to the municipal water infrastructure network	Number of indigent accountholders receiving free basic water.	2100	2047	KPI NOT MET	INDIGENT REGISTRATION DOOR TO DOOR HOUSE DRIVE AND COMMUNICATION
KPI.8	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	Community Services	Review of the disaster management plan by March 2023	Number of plans reviewed and submitted to council quarterly	-	-	KPI NOT MEASURED	
KPI 9	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	Community Services	Review Integrated Waste Management Implementation plan by 30 June 2023	Number of IWMIP reviewed	-	-	KPI NOT MEASURED	

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	PERFORMANCE ASSESSMENT (STATUS)	MANAGEMENT COMMENT
IDP Reference	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Outcome	Department	Indicator	Unit of measurement				
NKPI.10	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	229	KPI MET WELL	
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, effective and efficient local government system	Office of the Municipal Manager	Ensuring performance by the timeous development and signing of the Section 57 performance agreements in adherence to the Performance Framework	Percentage (%) of signed performance agreements of Section 57 managers within 14 days of approval of the SDBIP or appointment in the case of vacancies	100%	33.3%	KPI NOT MET	Two vacancies exist namely position of Municipal Manager and Chief Financial Officer which needs to be advertised. A critical vacancy of Executive Director: Technical Services also needs to be incorporated on the new organizational staff structure and advertised.
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	Corporate Services	(Minimum number of General Council meetings to be held per annum)	(Number of meetings convened)	1	1	KPI MET	
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	Corporate Services	(Minimum number of Mayoral Committee meetings to be held per annum.)	Number of Mayoral Committee meetings convened per annum	1	0	KPI NOT MET	KPI to be removed from SDBIP during adjustment of SDBIP in January 2023. Kannaland Municipality does not have a mayoral committee system.
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 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Conduct an Annual Strategic risk Assessment	Number of risk assessments conducted through the reviewed risk register compiled.	-	-	KPI NOT MEASURED	
KPI.14	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 MEASURED	
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 6: Efficient, competitive and responsive economic infrastructure network	Corporate Services	Number of reviewed policies updated on the Council policy register.	Number of policy registers indicating outdated policies submitted to council	-	-	KPI NOT MEASURED	
KPI.16	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 2023	Number of ICT frameworks adopted	-	-	KPI NOT MEASURED	
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	Review a LED strategy for the Kannaland Municipality by June 2023	Number of strategies approved	-	-	KPI NOT MEASURED	

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	PERFORMANCE ASSESSMENT (STATUS)	MANAGEMENT COMMENT
IDP Reference	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Outcome	Department	Indicator	Unit of measurement				
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	Review tourism master plan strategy for the Kannaland Municipality by June 2023	Number of strategies approved	-	-	KPI NOT MEASURED	
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	Annual review of Performance management policy by September 2023	Number of policies approved	1	0	KPI NOT MET	Performance policy was reviewed. An item was prepared and submitted to corporate administration timeously. Council did not meet during August or September to adopt the Performance Management Policy Framework. The item and policy has been resubmitted for council to adopt during October 2022.
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, 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 MEASURED	
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, 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 MEASURED	
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, 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 MEASURED	
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, effective and efficient local government system	Office of the Municipal Manager	Prepare and submit a section 46 report to the Auditor-General by end August 2022	Number of section 46 reports submitted	1	1	KPI MET	
KPI.24	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	Number of audit and performance committee meetings held.	Number of meetings convened	-	-	KPI NOT MEASURED	
KPI 25	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 Municipal Manager/	Risk based audit plan approved by Audit Committee	No of risk based audit plans approved by audit committee	-	-	KPI NOT MEASURED	
KPI.26	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	Quarterly Ward Committee meetings with consolidated quarterly reports to council until 30 June 2023	Number of ward committee meetings convened	4	4	KPI MET	
KPI.29	KPA 5: To Promote efficient and effective Governance with high levels of	6. Good Governance	12. Building the best-run regional government in the	Outcome 9: A responsive and, accountable, effective and efficient local government	Financial Services	100% Reporting compliance by submitting s71, s72 and	% of reporting on all compliance documents	100%	100%	KPI MET	

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	PERFORMANCE ASSESSMENT (STATUS)	MANAGEMENT COMMENT
IDP Reference	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Outcome	Department	Indicator	Unit of measurement				
	stakeholder participation		world	system		s52d reports within legislated timeframes 30 June 2023.					
KPI 30	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	Community Services	Promote library services to community through outreach and awareness	No of community outreach engagements conducted in each of the four libraries in Kannalanda	-	-	KPI NOT MEASURED	
KPI.31	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 to be not more than 20%	-	-	KPI NOT MEASURED	
KPI.32	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 a municipality's approved employment equity plan	Number of people employed as per employment equity	-	-	KPI NOT MEASURED	
KPI.33	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, effective and efficient local government system	Technical Services	Spend 65% of the municipality's budget on implementing its workplaceskills plan.	% budget spend on wsp	-	-	KPI NOT MEASURED	
KPI.34	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	10. Integrating servicedelivery for maximum impact	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Financial Services	Budget for 2023/2024 financial year approved by Council by 31 May 2023.	Number of budgets approved	-	-	KPI NOT MEASURED	
KPI.35	KPA 7: To Strive towards a financially sustainable municipality	5 Financial Viability	10. Integrating servicedelivery for maximum impact	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Financial Services	Achieve 80% year to date collection rate of revenue billed by 30 June 2023 (Total revenue collected / total billed)x100	YTD percentage on debtors payment rate	-	-	KPI NOT MEASURED	
NKPI.11	KPA 7: To Strive towards a 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 MEASURED	

IDP REF	IDP KPA	District Output	PSP: VIP (Very Inspired Priorities)	National Output	Department	Indicator description	How indicator is measured	Q1 TARGET	Q1 ACTUAL	PERFORMANCE ASSESSMENT (STATUS)	MANAGEMENT COMMENT
IDP Reference	KPA	District Objective	Provincial Outcome (Very inspired priorities)	National Outcome	Department	Indicator	Unit of measurement				
NKPI.12	KPA 7: To Strive towards a financially sustainable municipality	5 Viability Financial	7. Mainstreaming sustainability and optimising resource-use efficiency	Outcome 5: A skilled and capable workforce to support inclusive growth	Financial Services	Financial Viability measured in terms of debt coverage ratio for the financial year	Debt coverage ratio calculated as follows: (Total revenue received – Total grants)/debt service payments due within the year)	-	-	KPI NOT MEASURED	
KPI.36	KPA 7: To Strive towards a financially sustainable municipality	5 Viability Financial	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	3	KPI MET	
KPI.37	KPA 7: To Strive towards a financially sustainable municipality	5 Viability Financial	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 2023.	Number of completed annual financial statements to be submitted to the Auditor-General	1	1	KPI MET	
KPI.38	KPA 7: To Strive towards a financially sustainable municipality	5 Viability Financial	12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Financial Services	Submit an adjustment budget to Council for approval by 28 February 2023	Number of adjustment budget approved	-	-	KPI NOT MEASURED	

JEFFREY DONSON
EXECUTIVE MAYOR

	Not yet measured	25
	Not met	14
	Almost met	0
	KPI met	8
	KPI met well	0
	KPI met extremely well	1

NOTE:

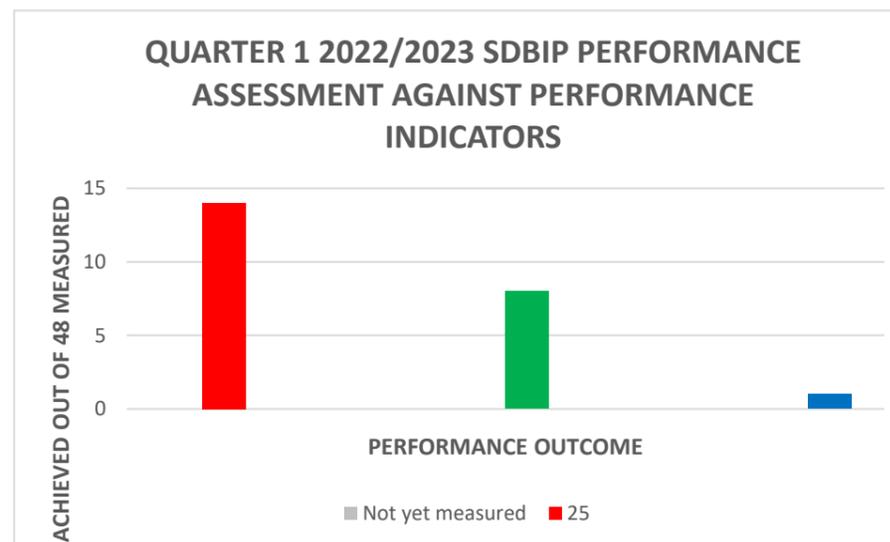
Total no of KPI'S amounts to 48

A total of 9 KPIs were met (8 KPIs met and 1 KPI met extremely well)

14 KPIs not met

25 KPIs not measured during quarter 1.

9 of 23 KPIs measured were met amounting to 39,1%



APPENDIX C: Cost Containment Measures

ANNEXURE D: Total Cost Savings Disclosure in the In-Year and Annual Report						Quarter 1
Measures	Cost Containment In -Year Report					
	Budget	Q1	Q2	Q3	Q4	Savings / (Exceed)
	R'000	R'000	R'000	R'000	R'000	R'000
Use of consultants	R 7 722 000.00	R 1 120 804.51	R -	R -	R -	R 6 601 195.49
Vehicles used for political office-bearers	R -	R -	R -	R -	R -	R -
Travel and subsistence	R 622 640.00	R 139 072.36	R -	R -	R -	R 483 567.64
Domestic accommodation	R 545 200.00	R 55 760.03	R -	R -	R -	R 489 439.97
Sponsorships, events and catering	R 149 000.00	R 37 301.61	R -	R -	R -	R 111 698.39
Communication	R 1 020 800.00	R 30 067.67	R -	R -	R -	R 990 732.33
Other related expenditure items	R 12 875 653.00	R 2 684 189.71	R -	R -	R -	R 10 191 463.29
Total	R22 935 293.00	R4 067 195.89	R -	R -	R -	R 18 868 097.11

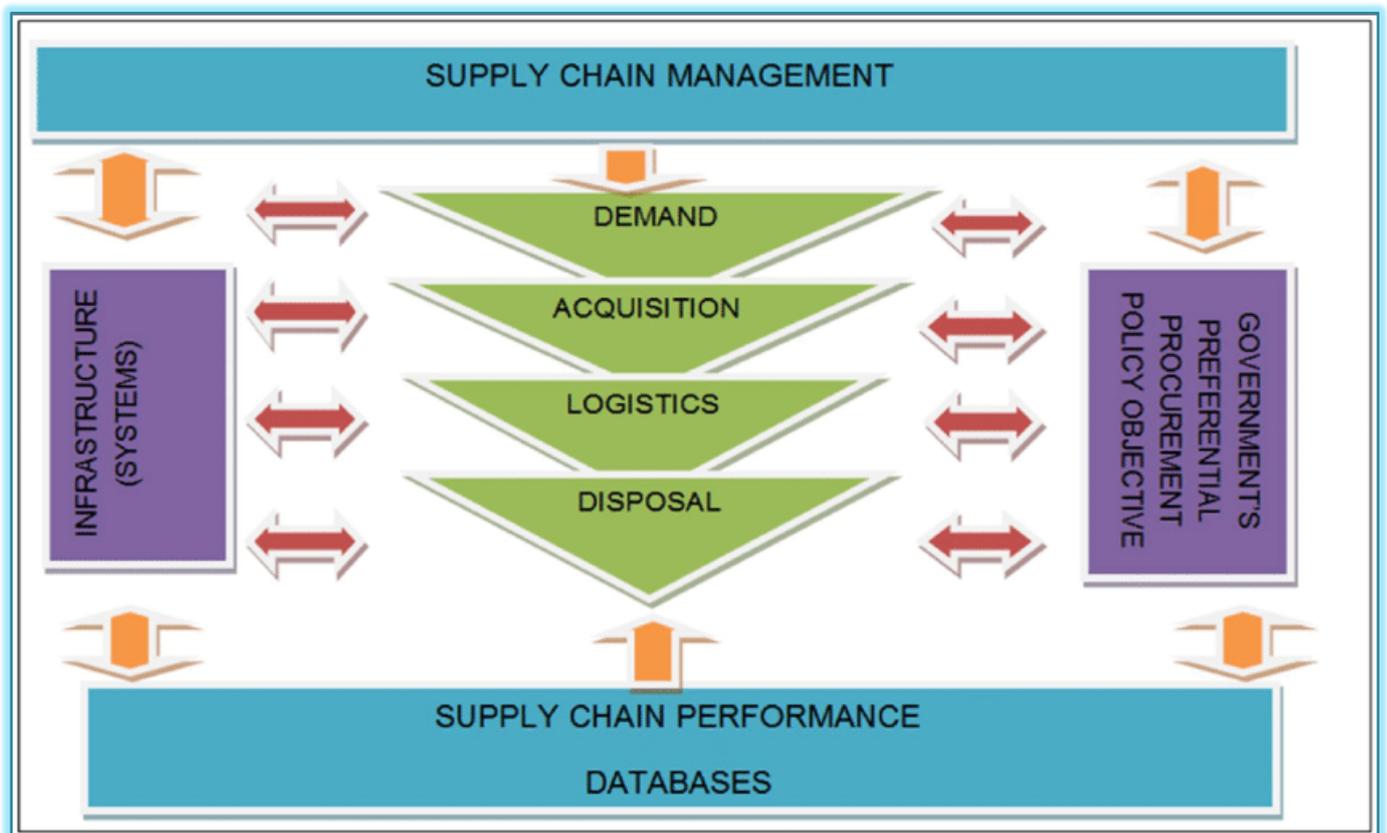
Cost Containment Annual Report			
Cost Containment Measure	Budget	Total Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	R 7 722 000.00	R 1 120 804.51	R 6 601 195.49
Vehicles used for political office-bearers	R -	R -	R -
Travel and subsistence	R 622 640.00	R 139 072.36	R 483 567.64
Domestic accommodation	R 545 200.00	R 55 760.03	R 489 439.97
Sponsorships, events and catering	R 149 000.00	R 37 301.61	R 111 698.39
Communication	R 1 020 800.00	R 30 067.67	R 990 732.33
Other related expenditure items	R 12 875 653.00	R 2 684 189.71	R 10 191 463.29
Total	R 22 935 293.00	R 4 067 195.89	R 18 868 097.11

APPENDIX D: Implementation of the SCM Policy



KANNALAND
MUNICIPALITEIT | MUNICIPALITY

Supply Chain Management Policy Implementation Report First Quarter 2022/23



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

Contents

1.	INTRODUCTION	3
2.	BACKGROUND	3
3.	SCM POLICY & PROCEDURES	4
3.1	<i>Adoption of a SCM Policy by Council</i>	4
3.2	<i>SCM Procedures</i>	4
3.3	<i>Delegations</i>	4
3.4	<i>Infrastructure Procurement</i>	4
4.	FUNCTIONING OF THE SCM UNIT	4
4.1	<i>SCM Structure:</i>	4
4.2	<i>Declaration of Interest:</i>	5
4.3	<i>Code of Conduct for SCM Practitioners:</i>	5
4.4	<i>Training of SCM Personnel:</i>	5
4.	FUNCTIONING OF BID COMMITTEES.....	5
5.	REPORTING	6
5.1	Total Bids Awarded	6
a)	Value of all Awards	7
b)	Deviations – Clause 36(1)(a).....	7
c)	Minor Breaches.....	8
d)	Objections, Complaints and Appeals.....	8
e)	Incidences of Non-compliance and Irregular Expenditure	9
f)	Awards above R2000 to spouses, child, parent of a person in service of the state.....	9
6.	FINANCIAL IMPLICATIONS	9
7.	STAFF IMPLICATIONS	9
8.	COMMENTS FROM OTHER DEPARTMENTS, DIVISIONS AND ADMINISTRATIONS.....	9
9.	ANNEXURES	9
	APPENDIX A	11
	APPENDIX B	12
	APPENDIX C	15

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.

3.3 Delegations

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

The above will be address 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 to date.

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.

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:

	2022/23 1ST Quarter	2022/23 YTD	2022/2021
Bids Processed	4		
Bids processed - Average per Quarter			
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 347 018.50	R 347 018.50	R

A schedule of these awards for the 1st Quarter of 2022/23 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 2022/23:

	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 347 018.50	R 0	R	R 347 018.50

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 2022/23 year to date is compared to the 2021/2022 financial year as per the following schedule:

SCM Policy	Description	2022/23 1 st Quarter	2022/23 to date	2021/2022
Clause 36(1)(a)(i)	Emergency	10	15	0
Clause 36(1)(a)(ii)	Sole Provider	5	6	0
Clause 36(1)(a)(iii)	Special works of Art	0	0	0
Clause 36(1)(a)(iv)	Animals for zoos	0	0	0
Clause 36(1)(a)(v)	Impractical Impossible	5	9	0
Total		20	20	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 2022/23, 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 1 042 300.75	R0.00	R 0	R 1 042 300.75

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 2022/2023 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 2022/23 **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 1st Quarter of 2022/2023.

APPENDIX A

<u>FORMAL QUOTATION NO.</u>	<u>NAME OF SUPPLIER</u>	<u>APPOINTED</u>	<u>ADDRESS OF SUPPLIER</u>	<u>NAME OF TENDER</u>	<u>AMOUNT</u>
06/2022	CITYSAVE 518 TRADING	2022/2023	215 GRAHAM ROAD DEAL PARTY GQEBERHA	SUPPLY AND DELIVERY OF BLACK REFUSE BAGS	R175 950.00
08/2022	YOURTRADE 207 CC T/A CBL HARDEWARE	2022/2023	50 VAN RIEBEECK STREET LADISMITH 6655	SUPPLY AND DELIVERY OF BUILDING MATERIAL	R56 931.00
09/2022	LSD DISTRIBUTION (PTY) LTD	2022/2023	P.O BOX 10629 FOURWAYS 2055	SUPPLY OF ZIMBRA COLLABORATION SUITE-PROFESSIONAL EDITION	R45 137.50
11/2022	METSI CHEM IKAPA (PTY) LTD	2022/2023	1 EXTENSION ROAD GEORGE 6529	SUPPLY AND DELIVERY OF SODIUM HYPOCHLORIDE	R69 000.00
					R347 018.50

APPENDIX B

DEVIATION REGISTER JULY 2022- SEPTEMBER 2022

MANAGEMENT: ART 36- SCM REGULATIONS

NOMMER/NUMBER	DATUM/DATE	DEPARTEMENT/DEPARTMENT	VERSKAFFER/SUPPLIER	BEDRAG/AMOUNT	REDE/REASON
<u>Jul-22</u>					
8/114/R	26/07/2022	COUNCIL	DIERGAARDT MARC ANTHONY	R 76 800.00	INDEPENDENT INVESTIGATOR: KANNALAND MUNICIPALITY/HENDRIK BARNARD. EXCEPTIONAL CASE AND IT IS IMPRACTICAL OR IMPOSSIBLE TO FOLLOW THE OFFICIAL PROCUREMENT PROCESSES.
8/114/R	29/07/2022	FINANCE	KONICA MINOLTA SOUTH AFRICA	R 12 057.46	THE AGREEMENTS WITH THE SERVICES PROVIDERS TO PROVIDE, INSTALL AND MAINTAIN THE CURRENT MEDIUM VOLUME MULTIFUNCTION COPIERS AT THE MUNICIPALITY ON A RENTAL BASIS HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY STARTING THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A 36 MONTHS CONTRACTS.
				R 88 857.46	

MANAGEMENT: ART 36- SCM REGULATIONS

NOMMER/NUMBER	DATUM/DATE	DEPARTEMENT/DEPARTMENT	VERSKAFFER/SUPPLIER	BEDRAG/AMOUNT	REDE/REASON
Aug-22					
8/1/4/R	03/08/2022	MUNICIPAL MANAGER	ICT WIZE GROUP (PTY) LTD	R 28 319.00	ICT WOULD HAVE GONE OUT ON TENDER BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF ICT THE BUDGET AND TREASURY OFFICES. CURRENTLY KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFORE THE APPOINTMENT OF ICT WYSE GROUP HAS THE ABILITY TO HELP KANNALAND TO HELP KANNALAND WITH THE ROUTING OF THE NETWORK FROM CALITZDORP AND ZOAR TO LADISMITH.
8/1/4/R	03/08/2022	MUNICIPAL MANAGER	SOLVEM	R 8 650.99	ICT WOULD HAVE GONE OUT ON TENDER BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF THE BUDGET AND TREASURY OFFICES. KANNALAND MANAGEMENT TOGETHER WITH ICT MADE A DECISION TO APPOINT SOLVEM ON A YEAR TO YEAR BASIS. THEREFORE THE APPOINTMENT OF SOLVEM NEEDS TO BE DONE ACCORDINGLY.
8/1/4/R	04/08/2022	FINANCE	SA POST OFFICE	R 43 996.55	SAPO IS CURRENTLY THE SOLE SERVICE PROVIDER FOR THE POSTING OF THE MUNICIPALITY'S MONTHLY SERVICE ACCOUNTS. IN THE EVENT THAT THE SERVICE ACCOUNTS ARE NOT DELIVERED TO THE CONSUMERS, THE MUNICIPALITY CANNOT GENERATE REVENUE FOR SERVICE DELIVERED.
8/1/4/R	03/08/2022	FINANCE	KONICA MINOLTA	R 30 023.16	THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CURRENT SERVICES PROVIDERS UP UNTIL THE PROCUREMENT AND TENDER PROCESS FOR A SERVICE PROVIDER TO BE APPOINTED IN 36 MONTHS CONTRACT HAS BEEN FINALIZED.
8/1/4/R	03/08/2022	FINANCE	KONICA MINOLTA	R 8 125.11	THE MUNICIPALITY HAS NO OTHER CHOICE BUT TO APPOINT THE CURRENT SERVICES PROVIDERS UP UNTIL THE PROCUREMENT AND TENDER PROCESS FOR A SERVICE PROVIDER TO BE APPOINTED IN 36 MONTHS CONTRACT HAS BEEN FINALIZED.
8/1/4/R	12/08/2022	MUNICIPAL MANAGER	DIERGAARDT MARC ANTHONY	R 24 380.00	KANNALAND MUNICIPALITY HEREBY APPOINT DIERGAARDT MARC TO CONDUCT, AND DRAFT A COMPREHENSIVE REPORT IN THE MATTER BETWEEN KANNALAND MUNICIPALITY/ HENDRIK BARNARD.
8/1/4/R	23/08/2022	TECHNICAL DEPARTMENT	BIOCURE CC	R 23 000.00	SEWERAGE SPILLS DUE TO BLOCKED DRAINS, BROKEN PUMPS AND AGING INFRASTRUCTURE, CREATES BAD ODOURS WHICH RESULTS IN VARIOUS COMPLAINTS FROM THE AFFECTED COMMUNITIES. BIOCURE IS A SOLE PROVIDER OF SUPER-F 888 NF, THE PRODUCT FOR NEUTRALISING THESE TYPE OF ODOURS.
8/1/4/R	29/08/2022	MUNICIPAL MANAGER	DIERGAARDT MARC ANTHONY	R 65 680.00	KANNALAND MUNICIPALITY HEREBY APPOINT DIERGAARDT MARC TO CONDUCT, AND DRAFT A COMPREHENSIVE REPORT IN THE MATTER BETWEEN KANNALAND MUNICIPALITY/ HENDRIK BARNARD.
8/1/4/R	31/08/2022	FINANCE	TELKOM SA LIMITED	R 34 577.82	THE ORIGINAL AGREEMENTS WITH THE SERVICE PROVIDER TELECOMMUNICATION SERVICES HAS LAPSED AND THUS RESULTED IN THE MUNICIPALITY HAVING TO START THE PROCUREMENT PROCESS FOR THE APPOINTMENT OF A NEW SERVICE PROVIDER ON A LONG TERM. THE MUNICIPALITY DURING THE PREVIOUS AND CURRENT FINANCIAL YEAR STARTED ENGAGEMENT WITH THE BUSINESS SIDE OF TELKOM, BUT COULD NOT FINALIZE THE PROCESS DUE TO LACK OF CONTINUITY IN NEGOTIATIONS AND PERSONNEL.
8/1/4/R	10/08/2022	FINANCE	LJBM BRAAF TRUST	R 32 717.69	KANNALAND MUNICIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR N TE KORT AAN KANTOOR SPASIE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT DIE PERSONEEL AANGESTEL MOES WORD OM DIE MUNICIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNICIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	10/08/2022	FINANCE	LJBM BRAAF TRUST	R 32 870.27	KANNALAND MUNICIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR N TE KORT AAN KANTOOR SPASIE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT DIE PERSONEEL AANGESTEL MOES WORD OM DIE MUNICIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNICIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
				R 332 340.59	

DEVIATION REGISTER JULY 2022- SEPTEMBER 2022

MANAGEMENT: ART 36- SCM REGULATIONS

<u>NOMMER/NUMBER</u>	<u>DATUM/DATE</u>	<u>DEPARTEMENT/DEPARTMENT</u>	<u>VERSKAFFER/SUPPLIER</u>	<u>BEDRAG/AMOUNT</u>	<u>REDE/REASON</u>
Sep-22					
8/1/4/R	01/09/2022	ICT WIZE GROUP (PTY) LTD	ICT WIZE GROUP (PTY) LTD	R 28 319.00	ICT WOULD HAVE GONE OUT ON TENDER BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF ICT THE BUDGET AND TREASURY OFFICES. CURRENTLY KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFORE THE APPOINTMENT OF ICT WYSE GROUP HAS THE ABILITY TO HELP KANNALAND TO HELP KANNALAND WITH THE ROUTING OF THE NETWORK FROM CALITZDORP AND ZOAR TO LADISMITH.
8/1/4/R	09/09/2022	MACGREGOR ERASMUS ATTORNEYS	MACGREGOR ERASMUS ATTORNEYS	R 480 278.00	ICOSA LODGED AN URGENT APPLICATION AFTER THE NEWLY ELECTED COUNCILLORS CONSISTING OF ANC, KIP AND DA. THE FOREMENTION PARTIES SUCCESSFULLY TABLED AND MOVED A MOTION OF NO CONFIDENCE IN THE THAN EXECUTIVE MAYOR, DEPUTY AND GARDEN ROUTE DISTRICT REPRESENTATIVE.
8/1/4/R	09/09/2022	LJBM BRAAF TRUST	LJBM BRAAF TRUST	R 35 223.55	KANNALAND MUNISIPALITEIT ONDERVIND DIE AFGELOPE PAAR JAAR N TE KORT AAN KANTOOR SPASIE. HIERDIE BEHOEFTE HET ONTSTAAN AS GEVOLG VAN DIE FEIT DAT DIE PERSONEEL AANGESTEL MOES WORD OM DIE MUNISIPALITEIT IN STAAT TE STEL OM SY DAAGLIKSE FUNKSIES DOELTREFFEND UIT TE VOER. GEDURENDE 2013-2015, HET DIE MUNISIPALITEIT REEDS VIR HIERDIE DOEL KANTORE BY MNR ELLIS (MOUNTAIN VIEW B&B) GEHUUR.
8/1/4/R	13/09/2022	WINDEED SYSTEMS	WINDEED SYSTEMS	R 734.38	KANNALAND NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS. THESE RECORDS ARE OBTAINABLE VIA THE WINDEED ELECTRONIC SYSTEM.
8/1/4/R	13/09/2022	WINDEED SYSTEMS	WINDEED SYSTEMS	R 3 198.27	KANNALAND NEEDS TO UPDATE THEIR DEBTOR RECORDS OF PROPERTIES SOLD TO ENSURE THAT PROPERTY RATES INVOICES ARE DELIVERED TO THE CORRECT OWNERS. THESE RECORDS ARE OBTAINABLE VIA THE WINDEED ELECTRONIC SYSTEM.
8/1/4/R	07/09/2022	SA POST OFFICE	SA POST OFFICE	R 45 030.50	SAPO IS CURRENTLY THE SOLE SERVICE PROVIDER FOR THE POSTING OF THE MUNICIPALITY'S MONTHLY SERVICE ACCOUNTS. IN THE EVENT THAT THE SERVICE ACCOUNTS ARE NOT DELIVERED TO THE CONSUMERS, THE MUNICIPALITY CANNOT GENERATE REVENUE FOR SERVICE DELIVERED.
8/1/4/R	30/09/2022	ICT WIZE GROUP (PTY) LTD	ICT WIZE GROUP (PTY) LTD	R 28 319.00	ICT WOULD HAVE GONE OUT ON TENDER BUT THE PREVIOUS DIRECTOR FINANCE FORGOT TO FORWARD THE INPUTS OF ICT THE BUDGET AND TREASURY OFFICES. CURRENTLY KANNALAND MUNICIPALITY HAS NO APPOINTED NETWORK ADMINISTRATOR. THEREFORE THE APPOINTMENT OF ICT WYSE GROUP HAS THE ABILITY TO HELP KANNALAND TO HELP KANNALAND WITH THE ROUTING OF THE NETWORK FROM CALITZDORP AND ZOAR TO LADISMITH.
				R 621 102.70	
TOTAL DEVIATIONS TO BE REPORTED _Q1_ 2022/23				R 1 042 300.75	

APPENDIX C

There was no disputes, objections, queries, complaints and appeals received

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 2022 to September 2022	Q1	1 408 380	R 1.96	2 753 582	15.2%	20.2%	14.2%
SDBIP	Q1	-3%	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	% Loss
July 2022 to September 2022	Q1	199 224	38.0%	40.3%	44.5%	22.4%	61.6%	
SDBIP	Q1	-8%	Quarterly Target Missed		30%			

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



27-Oct-22	Activity	Activity Detail	Status	Due Date	Date Achieved	Comments / Reasons / remedial action	Alternative Date
Improved Monthly Collection Rate	Meter verification, TID & data collection project	Start processes for meter verification, TID & data collection project - Specs for tender	Target Missed	14-Jun-22		The revenue department is busy with the drafting of the specifications. Delays were caused by feedback and AFS & Y/E processes. Needs consultation with the technical dept and no Elec manager.	31-Oct-22
	Meter verification, TID & data collection project	Tender to be awarded and project commencement	Target Missed	12-Aug-22		Specifications delayed.	31-Oct-22
	Meter verification, TID & data collection project	Phase I - To be specified during specs evaluation/assessment	Not Due	31-Oct-22			
	Meter verification, TID & data collection project	Phase II - To be specified during specs evaluation/assessment	Not Due	31-Dec-22			
	Meter verification, TID & data collection project	Phase III - To be specified during specs evaluation/assessment	Not Due	31-Mar-23			
	Tender for issuing of summonses to be awarded	Referred back to evaluation for clarity on pricing	Target Missed	31-Jul-22		Specifications to be amended Tender to be readvertised	31-Oct-22
	Bulk SMS's - Credit Control / Check with SAMRAS credit control module	SMS's can be done internally (part of FMG support Plan)	Target achieved	31-Aug-22		SMS's now Departmentally managed	31-Oct-22
	SAMRAS - Credit Control Module activate and support	Dependent availability of SAMRAS (part of FMG support Plan)	Target Missed	30-Sep-22		To be discussed with SOLVEM - delay year end and audit	
	Implement auxiliary services	Needs debtor cleansing before can be truly effective	Not Due	31-Oct-22			
	Exception reporting - Improved	System in place to ensure technical department address issues escalated	Target Missed	01-Aug-22		In progress	31-Oct-22
	Action against biggest Debtors	Dependent on summons processes (can start with notices to be issued & addressing disputes)	Target Missed	31-Aug-22		IN progress Notices rest out departmentally Tender to be readvertise	31-Oct-22
	Strengthen internal capacity	Appointment Customer Care Clerk	Target achieved	01-Jun-22		Clerk appointed	
	Strengthen internal capacity	Appointment Accountant - Debtors	Target Missed	01-Aug-22		Position advertised - applications received not satisfactory -	30-Nov-22
	Improved Accuracy in Billing	Adding additional pay-points / Indigent registration	VWD - (tools of trade to be issued)	Target Missed	01-Jul-22		Equipment obtained - Process in progress
Adding additional - Indigent registration (temporarily - Maxi Hall)		Zoar (tools of trade to be issued)	Target achieved	01-Jul-22		Library being used	31-Oct-22
Adding additional - Indigent registration (temporarily - Bergsig Library)		Czd (tools of trade to be issued)	Target Missed	01-Jul-22		Equipment obtained - Process in progress	31-Oct-22
Reconciliations		Rates / billing recon - quarterly (being done to ensure billing completeness) -Addressing Reconciliation differences (in place)	Target achieved	01-Jul-22			
Water & Electricity Meters to be recorded correctly on the system		Uniformity in capturing and data cleansing through verification project - SOP's to be put in place and actual corrections to correlate with verification process	Not Due	31-Dec-22			
Stakeholder Communication	System in place to communicate and follow progress on replacement and installing of meters. Connecting of new services to a property. (Role clarification building control, technical & billing)	Target Missed	31-Aug-22			31-Oct-22	
Stakeholder Communication	Communication campaign - methods of payment, accounts to be emailed, accounts available online - communicate to the public	Target Missed	30-Sep-22		Not possible - Communication Officer on special leave	30-Nov-22	
Management of Bulk Services	Calibrate and monitor bulk meters (Control meters and annual calibration part of technical maintenance plan)	Not Due	31-Dec-22				

27-Oct-22	Activity	Activity Detail	Status	Due Date	Date Achieved	Comments / Reasons / remedial action	Alternative Date
Other Revenue	Rental Contracts	Ensure that there are rental contracts for all properties on the rent-register	Target Missed	31-Aug-22		Not possible - responsible employee on special leave	31-Dec-22
	Rental Income	Enhance rental income for municipal properties like community facilities & equipment	Not Due	31-Dec-22			
	Rental Income	Rental income all municipal properties and market related where applicable	Not Due	31-Dec-22			
	Traffic Department	Procurement process- vendor to be appointed for speed cameras	Target Missed	30-Sep-22		In progress - revised tender specifications finalized	30-Nov-22
	Traffic Department	Address traffic department leadership and structuring - Head of department to be appointed	Not Due	31-Dec-22			
	Traffic Department	Address traffic department revenue shortfall - increased spot fines, licenses, roadworthy etc. - address inefficiencies - report progress	Target Missed	30-Sep-22		In progress - Director Corporate Services communicated with	
	Traffic Department	Arrange session with business sector - trucking, earthmoving etc. bringing business back to Kannaland (more than a 100 trucks in Lds alone)	Target Missed	01-Jul-22		Chief Traffic Officer resigned	30-Oct-22
Cost Containment Measures	Human Resources	Implement a performance management system (consequence management + improvement discipline)	Not Due	31-Oct-22			
	Human Resources	HR policies to be reviewed and aligned with the cost containment measures + workshopped	Target Missed	31-Jul-22			31-Oct-22
	Human Resources	Phased in approach to cost cutting measures - address allowances, standby, overtime etc.	Not Due	31-Dec-22		Overtime addressed / S&T addressed / standby in progress	30-Nov-22
	Human Resources	Completeness HR records (leave, sick leave and employee Masterfile information)	Target Missed	31-Aug-22			31-Oct-22
	Human Resources	Compliance with Staff regulations and address structure inefficiencies + organogram payroll recon. Appointments to be prioritised and "need" justified	Not Due	31-Dec-22		In progress	
	Contract Management	Approve a Contract Management Policy & Checklist for vendor performance management and need analysis before appointing	Target Missed	01-Jul-22		Delayed as a result of personnel shortages	31-Oct-22
Liability Management	Creditors	Compliance with section 65 of the MFMA. Recognition of expenditure when incurred. Sub-system to be used and reconciled	Target Missed	31-Aug-22		In progress - instruction issued	
	Budgeting	Weekly cash flow monitoring	Achieved	31-May-22	31-May-22		
	Budgeting	Establish Budget Steering Committee (budget implementation & grant management monitoring)	Target Missed	31-Jul-22		Terms of reference completed- To be referred to Council	30-Nov-22
	Liabilities	Clearing and dealing with old grants on grant register	Target Missed	31-Aug-22		Waiting for 2021/2022 audit to be finalized	30-Nov-22
	Liabilities	Improved grant & retention management - address PMU inefficiencies and administrative responsibilities clarified	Target Missed	31-Jul-22		Delayed as a result of personnel shortages	31-Oct-22
Other Measures	Water & Electricity Losses	Isolating high loss and fix (water) / exception reporting & monitoring of use	Target Missed	31-Jul-22		Partly achieved - Zoar water meter replaced	31-Oct-22
	Water & Electricity Losses	Pre-Paid water meters first indigent households as policy dictate - linked to verification project	Not Due	31-Dec-22			
	Water & Electricity Losses	Identify and consolidate Eskom service points (reduce monthly account)	Not Due	31-Dec-22			
	Asset Management	Improved fleet management - Policy implementation, monitoring of fuel use & monthly reporting	Target achieved	31-Jul-22		Fuel consumption being monitored	
	Asset Management	Identify uneconomical assets and manage / decide future use options or dispose	Target Missed	31-Aug-22		Process in progress	30-Nov-22
	Asset Management	Identify indicators of impairment - assess / evaluate cause - adjust and / or take preventive actions (continuous process) - put maintenance plans in place	Target Missed	31-Aug-22			
	Asset Management	Develop a R&M plan / strategy	Not Due	31-Oct-22			
	Employee Related Costs	Fill critical vacancies - "justifiable needs assessment" first. Revenue generating / protecting in nature - prioritise	Not Due	31-Dec-22			
	Employee Related Costs	Expense to be managed and restore ratio to maximum of 35-38% of expenditure budget and if unfunded expressed as in terms of revenue	Not Due	31-Dec-22			