

# **BLUE CRANE ROUTE** **MUNICIPALITY (EC102)**



## **2019/2020 Report** **Quarter One (1)** **(Sec 52(d))**

This report is compiled as per guidelines of Chapter 7, Section 52(d) of the MFMA No.56 of 2003, and Section 31(1) of the Government Gazette No 32141 of 17 April 2009, and the Municipal Systems Act No.32 of 2000

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# **1. PURPOSE AND BACKGROUND OF THE QUARTERLY BUDGET & PERFORMANCE ASSESSMENT - 2019/2020 FINANCIAL YEAR**

The purpose of this quarterly budget & performance assessment report is to assess the Municipality's financial performance against the budget and service delivery targets set up for the period 1 July 2019 to 30 September 2019 of the 2019/20 financial year.

The following guidelines and regulations necessitates that specific financial information be reported on in the format prescribed, hence this report to meet legislative compliance.

- 1.1 **The Municipal Finance Management Act 56 of 2003, sec 52(d) requires the Mayor of a municipality to submit a report to council on the implementation of the budget and the financial state of the municipality as follows:**

*"52. (d) must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality."*

- 1.2 **The Local Government: Finance Management Act 56 of 2003: Municipal budget and reporting regulations, section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:**

*"31. (1) The mayor's quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be –*

- (a) in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and*
- (b) consistent with the monthly budget statement for September, December, March and June as applicable; and*
- (c) submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council."*

- 1.3 **The Municipal Systems Act 32 of 2000 requires the municipality to report on in the quarterly and annual performance of the municipality.**

This report will entail the draft financial results and the challenges ahead.

# **PART 1 – IN-YEAR REPORT**

## **2. MAYOR'S REPORT**

### **2.1. Overview of the Budget vs Actuals for the 1<sup>st</sup> Quarter**

#### **Operational Budget**

The total Revenue for the quarter ended at 30 September 2019, was R83.4m at 31% which is 6% more than the budget, but this is because the Municipality received their Equitable share for 5 months. The total capital grants utilised for the first quarter is only at 10%.

Property Rates is already at 103% but that is because most of the rates is already raised as income as it is payable in advance. The possibility also exist that adjustments may be needed for the Game Farms rates levied, if mistakes were made by the Valuer with their valuations.

Water Revenue is 5% less than budgeted but should increase with the summer season and the full implementation of all new water meters.

The total operating expenditure is R71.5million and exactly at 25% at the end of September 2019. Although the Eskom Bulk purchases is 7% more than the budget, savings in other categories (Finance charges and Contract Services) the expenditure budget is still under control. However, strict budget control must be put in place to ensure no overspending as there is no budget surplus.

The Eskom Bulk purchases is a concern but the Account should decrease in the next 9 months to be in the budget limit. Council should however monitor this expense each month to ensure no losses as this is the biggest expense item and can get out of control. Furthermore the Electricity department should put measures in place to confirm the readings of Eskom is correctly taken each month as questioned by the AG each year.

#### **The Capital Budget**

The total capital expenditure at the end of quarter 1 showed an amount of R4.2million against the total budget of R29million which is 15%.

The Capital budget need to be adjusted if the approval for the Roll Over of R23.4million is received from National Treasury.

## 2.2. Financial problems or risks facing the municipality

Although this Municipality showed a cash surplus of R25.9million at the end of quarter 1, it must be kept in mind that the Roll over grant of WSIG of R23.4million is included in this cash and was important for Treasury to see that the Municipality still have the cash for this roll over. However, if all unspent grants at 30 September 2019 is taken into account, an immediate shortfall of R6.9million is experiencing.

The reason for the nett cash shortfall if all grants are taken into account is as follows:

VAT on grants not yet utilised because of underspending:	R3.95 million
Under collection of billing (Payrate is at 82%, budgeted for 92%)	<u>R5.00 million</u>
	<b><u>R8.95 million</u></b>

The projected cash flow as per attached "Cash flow statement" shows a possible negative cash flow balance at 30 June 2020 of R1.3million and therefore the following measures must be put in place to ensure a positive cash flow for this year end:

- 1) That the roll over of the WSIG grant is approved by National Treasury.
- 2) To ensure strict credit control measures are in place and services are cut when necessary to achieve a higher debtors payrate, around 92%.
- 3) To enforce cost containment measures as per National Treasury Regulations.
- 4) To make sure that newly appointed staff is funded on the budget through proper savings.

## 2.3. Other relevant information

### 2.3.1. Revenue

Refer to Table C4- Financial Performance

It must be noted that the revenue of the consumer's services and rates is the accrued revenue as raised through the billing accounts and not what is actually received.

### 2.3.2. Operating Expenditure

Refer to Table C4 – Financial Performance

### 2.3.3. Capital Expenditure

Refer to Table C5 – Capital Expenditure

Refer to Table C7 - Cash Flow & Table SC9

  
B.A. MANXOWENI  
MAYOR/SPEAKER

23-10-2019  
DATE

### 3. RESOLUTION

This is the resolution that will be presented to Council when the first quarter report is tabled:

Recommendation:

- a) **THAT** the Council takes note of the contents of the Section 52(d) – First Quarter Report (period July to September 2019).
- b) **THAT** the Council takes note of the contents of the First Quarter Performance Report (period July to September 2019).
- c) **THAT** the Council approves the two (2) Quarterly reports mentioned in point (a) and point (b) above.
- d) **THAT** it be noted that two (2) above quarter reports ending 30 September 2019 will be submitted to National and Provincial Treasury and put on the BCRM website.



## 4. EXECUTIVE SUMMARY

The expenditure contained in this report has been implemented in line with the approved 2019/20 Revised Budget and Service Delivery Budget Implementation Plan (SDBIP).

The Operating budget is being spent in-line with cash flow projections at a macro level and improved budgeting mechanisms are being introduced to ensure better accountability.

EC102 Blue Crane Route - Table C1 Monthly Budget Statement Summary - M03 September

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	18 027	18 027	551	18 642	4 507	14 136	314%	18 027
Service charges	-	148 405	148 405	12 421	36 115	37 101	(987)	-3%	148 405
Investment revenue	-	850	850	180	413	212	201	94%	850
Transfers and subsidies	-	60 969	60 969	858	23 663	15 242	8 421	55%	60 969
Other own revenue	-	7 618	7 618	418	2 036	1 905	131	7%	7 618
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>235 869</b>	<b>235 869</b>	<b>14 427</b>	<b>80 869</b>	<b>58 967</b>	<b>21 902</b>	<b>37%</b>	<b>235 869</b>
Employee costs	-	83 150	83 150	6 422	19 400	20 524	(1 124)	-5%	83 150
Remuneration of Councillors	-	4 254	4 254	316	982	1 063	(82)	-8%	4 254
Depreciation & asset impairment	-	42 179	42 179	10 545	10 545	10 545	0	0%	42 179
Finance charges	-	5 019	5 019	-	-	1 255	(1 255)	-100%	5 019
Materials and bulk purchases	-	101 972	101 972	20 193	31 622	25 493	6 129	24%	101 972
Transfers and subsidies	-	884	884	-	841	221	620	281%	884
Other expenditure	-	45 375	45 375	5 465	8 205	11 343	(3 138)	-28%	45 375
<b>Total Expenditure</b>	-	<b>282 832</b>	<b>282 832</b>	<b>42 941</b>	<b>71 594</b>	<b>70 444</b>	<b>1 151</b>	<b>2%</b>	<b>282 832</b>
<b>Surplus/(Deficit)</b>	-	<b>(46 963)</b>	<b>(46 963)</b>	<b>(28 514)</b>	<b>9 274</b>	<b>(11 476)</b>	<b>20 751</b>	<b>-181%</b>	<b>(46 963)</b>
Transfers and subsidies - capital (monetary alloc	-	27 014	27 014	2 577	2 577	7 149	(4 572)	-64%	27 014
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>(19 949)</b>	<b>(19 949)</b>	<b>(25 937)</b>	<b>11 852</b>	<b>(4 327)</b>	<b>16 179</b>	<b>-374%</b>	<b>(19 949)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>(19 949)</b>	<b>(19 949)</b>	<b>(25 937)</b>	<b>11 852</b>	<b>(4 327)</b>	<b>16 179</b>	<b>-374%</b>	<b>(19 949)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>27 674</b>	<b>27 674</b>	<b>4 023</b>	<b>4 282</b>	<b>7 314</b>	<b>(3 032)</b>	<b>-41%</b>	<b>27 674</b>
Capital transfers recognised	-	27 064	27 064	4 041	4 105	7 162	(3 057)	-43%	27 064
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	610	610	(18)	178	152	25	17%	610
<b>Total sources of capital funds</b>	-	<b>27 674</b>	<b>27 674</b>	<b>4 023</b>	<b>4 282</b>	<b>7 314</b>	<b>(3 032)</b>	<b>-41%</b>	<b>27 674</b>
<b>Financial position</b>									
Total current assets	-	36 200	36 200	-	78 828	-	-	-	36 200
Total non current assets	-	651 276	651 276	-	644 316	-	-	-	651 276
Total current liabilities	-	31 848	31 848	-	45 378	-	-	-	31 848
Total non current liabilities	-	49 000	49 000	-	49 312	-	-	-	49 000
Community wealth/Equity	-	606 628	606 628	-	628 454	-	-	-	606 628
<b>Cash flows</b>									
Net cash from (used) operating	-	35 053	35 053	(6 363)	3 830	8 763	4 933	56%	35 053
Net cash from (used) investing	-	(27 670)	(27 670)	(2 267)	(5 525)	(6 919)	(1 394)	20%	(54 290)
Net cash from (used) financing	-	(3 950)	(3 950)	13	45	(1 000)	(1 045)	104%	(3 950)
<b>Cash/cash equivalents at the month/year end</b>	-	<b>4 433</b>	<b>4 433</b>	<b>-</b>	<b>25 971</b>	<b>1 845</b>	<b>(24 126)</b>	<b>-1308%</b>	<b>4 433</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By income Source	33 898	2 760	1 881	1 744	1 478	1 348	7 808	43 917	94 833
<b>Creditors Age Analysis</b>									
Total Creditors	-	552	32	-	-	-	-	924	1 508

**Table C2: Monthly Budget Statement - Financial Performance (standard classification)**

This table reflects the operating budget (financial performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist with the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

**EC102 Blue Crane Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September**

Description	Ref	Budget Year 2019/20								
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		-	60 522	60 522	1 646	43 285	15 131	28 154	186%	60 522
Executive and council		-	20 812	20 812	-	22 300	5 203	17 097	329%	20 812
Finance and administration		-	39 711	39 711	1 646	20 985	9 928	11 057	111%	39 711
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	3 496	3 496	77	111	1 164	(1 053)	-90%	3 496
Community and social services		-	2 522	2 522	9	33	630	(598)	-95%	2 522
Sport and recreation		-	130	130	3	8	32	(25)	-76%	130
Public safety		-	50	50	66	69	303	(234)	-77%	50
Housing		-	-	-	-	-	-	-	-	-
Health		-	794	794	0	2	199	(197)	-99%	794
<b>Economic and environmental services</b>		-	2 992	2 992	330	1 047	854	193	23%	2 992
Planning and development		-	-	-	-	-	106	(106)	-100%	-
Road transport		-	2 992	2 992	330	1 047	748	299	40%	2 992
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	195 873	195 873	14 951	39 003	48 968	(9 965)	-20%	195 873
Energy sources		-	126 997	126 997	10 258	29 540	31 749	(2 209)	-7%	126 997
Water management		-	40 517	40 517	3 675	6 024	10 129	(4 105)	-41%	40 517
Waste water management		-	13 609	13 609	399	1 426	3 402	(1 976)	-58%	13 609
Waste management		-	14 751	14 751	619	2 013	3 688	(1 675)	-45%	14 751
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	-	<b>262 883</b>	<b>262 883</b>	<b>17 004</b>	<b>83 446</b>	<b>66 117</b>	<b>17 329</b>	<b>26%</b>	<b>262 883</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		-	72 957	72 957	7 123	15 283	18 239	(2 976)	-16%	72 957
Executive and council		-	10 705	10 705	827	2 393	2 676	(283)	-11%	10 705
Finance and administration		-	60 540	60 540	6 181	12 532	15 135	(2 603)	-17%	60 540
Internal audit		-	1 712	1 712	115	338	428	(90)	-21%	1 712
<b>Community and public safety</b>		-	12 828	12 828	951	2 652	3 207	(555)	-17%	12 828
Community and social services		-	8 013	8 013	570	1 710	2 003	(294)	-15%	8 013
Sport and recreation		-	1 276	1 276	66	196	319	(123)	-38%	1 276
Public safety		-	2 804	2 804	266	610	701	(91)	-13%	2 804
Housing		-	-	-	-	-	-	-	-	-
Health		-	735	735	50	136	184	(47)	-26%	735
<b>Economic and environmental services</b>		-	21 731	21 731	2 937	5 164	5 169	(6)	0%	21 731
Planning and development		-	2 193	2 193	144	479	548	(70)	-13%	2 193
Road transport		-	19 538	19 538	2 793	4 685	4 621	64	1%	19 538
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	175 316	175 316	31 930	48 516	43 828	4 688	11%	175 316
Energy sources		-	120 767	120 767	23 057	36 107	30 191	5 916	20%	120 767
Water management		-	23 561	23 561	3 951	5 408	5 890	(483)	-8%	23 561
Waste water management		-	12 155	12 155	2 535	3 047	3 039	8	0%	12 155
Waste management		-	18 833	18 833	2 387	3 954	4 708	(755)	-16%	18 833
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	-	<b>282 832</b>	<b>282 832</b>	<b>42 941</b>	<b>71 594</b>	<b>70 444</b>	<b>1 151</b>	<b>2%</b>	<b>282 832</b>
<b>Surplus/ (Deficit) for the year</b>		-	<b>(19 949)</b>	<b>(19 949)</b>	<b>(25 937)</b>	<b>11 852</b>	<b>(4 327)</b>	<b>16 179</b>	<b>-374%</b>	<b>(19 949)</b>



**Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)**

The operating expenditure budget is approved by Council on the municipal vote level.

The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Mayoral Executive; Municipal Council; Accounting Officer; Budget & Treasury; Technical Services; Community, Safety & Social Services and Corporate Services;

**EC102 Blue Crane Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03**

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - MAYORAL EXECUTIVE	1	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	20 812	20 812	-	22 300	5 203	17 097	328.6%	20 812
Vote 3 - ACCOUNTING OFFICER		-	-	-	-	-	106	(106)	-100.0%	-
Vote 4 - BUDGET & TREASURY		-	24 642	24 642	1 404	20 548	6 160	14 388	233.6%	24 642
Vote 5 - TECHNICAL SERVICES		-	196 087	196 087	14 744	37 980	49 374	(11 394)	-23.1%	196 087
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		-	19 774	19 774	857	2 618	5 234	(2 616)	-50.0%	19 774
Vote 7 - CORPORATE SERVICES		-	159	159	-	-	40	(40)	-100.0%	159
<b>Total Revenue by Vote</b>	<b>2</b>	<b>-</b>	<b>261 473</b>	<b>261 473</b>	<b>17 004</b>	<b>83 446</b>	<b>66 117</b>	<b>17 329</b>	<b>26.2%</b>	<b>261 473</b>
<b>Expenditure by Vote</b>										
Vote 1 - MAYORAL EXECUTIVE	1	-	433	433	36	99	108	(9)	-9.6%	433
Vote 2 - MUNICIPAL COUNCIL		-	5 620	5 620	405	1 243	1 405	(162)	-11.6%	5 620
Vote 3 - ACCOUNTING OFFICER		-	8 557	8 557	645	1 869	2 139	(271)	-12.6%	8 557
Vote 4 - BUDGET & TREASURY		-	35 348	35 348	3 589	6 863	8 837	(1 974)	-22.3%	35 348
Vote 5 - TECHNICAL SERVICES		-	185 903	185 903	33 944	52 008	46 564	5 444	11.7%	185 903
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		-	37 690	37 690	3 822	7 960	9 422	(1 462)	-15.5%	37 690
Vote 7 - CORPORATE SERVICES		-	7 873	7 873	499	1 553	1 968	(415)	-21.1%	7 873
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>-</b>	<b>281 423</b>	<b>281 423</b>	<b>42 941</b>	<b>71 594</b>	<b>70 444</b>	<b>1 151</b>	<b>1.6%</b>	<b>281 423</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>-</b>	<b>(19 949)</b>	<b>(19 949)</b>	<b>(25 937)</b>	<b>11 852</b>	<b>(4 327)</b>	<b>16 179</b>	<b>-373.9%</b>	<b>(19 949)</b>

The major components of the Municipality's financial performance, as reflected in Tables C4 to C7, will be discussed in this section.

#### 4.1. Overview of Operating Revenue and Expenditure performance for the period July 2019 to September 2019 (Table C4)

The Table below is reflecting an analysis of the operating Revenue and Expenditure performance compared to the approved operating 2019/2020 Budget.

EC102 Blue Crane Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

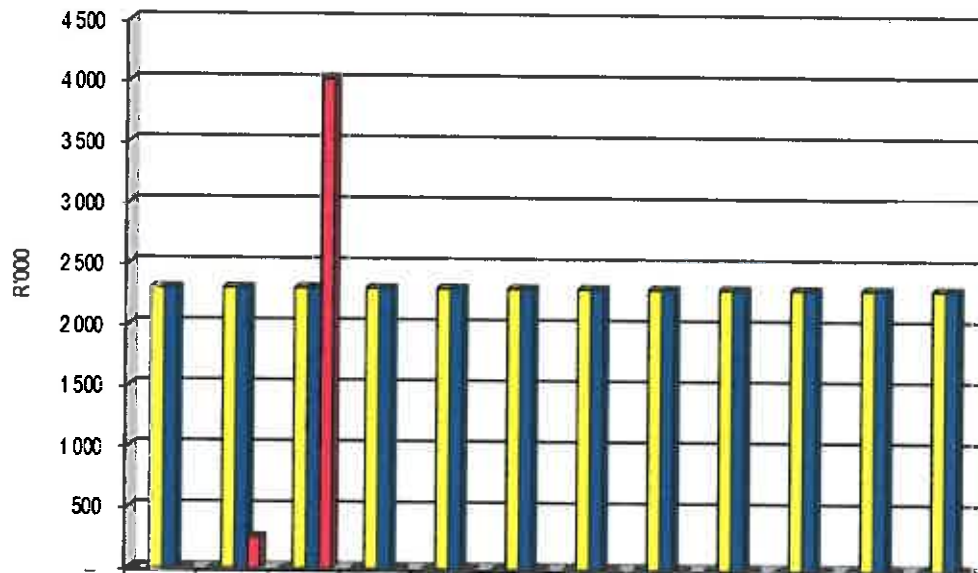
Description	Ref	2018/19	Budget Year 2019/20								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates			18 027	18 027	551	18 642	4 507	14 136	314%	18 027	
Service charges - electricity revenue			119 382	119 382	10 394	29 530	29 846	(316)	-1%	119 382	
Service charges - water revenue			15 694	15 694	1 009	3 146	3 923	(777)	-20%	15 694	
Service charges - sanitation revenue			5 433	5 433	399	1 426	1 358	68	5%	5 433	
Service charges - refuse revenue			7 897	7 897	619	2 013	1 974	39	2%	7 897	
Rental of facilities and equipment			390	390	29	117	98	20	20%	390	
Interest earned - external investments			850	850	180	413	212	201	94%	850	
Interest earned - outstanding debtors			4 198	4 198	307	1 165	1 049	115	11%	4 198	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			423	423	(120)	55	106	(51)	-48%	423	
Licences and permits			480	480	38	152	120	32	27%	480	
Agency services			850	850	107	298	212	86	40%	850	
Transfers and subsidies			60 969	60 969	858	23 663	15 242	8 421	55%	60 969	
Other revenue			1 277	1 277	57	248	319	(71)	-22%	1 277	
Gains on disposal of PPE			-	-	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>-</b>	<b>235 869</b>	<b>235 869</b>	<b>14 427</b>	<b>80 869</b>	<b>58 967</b>	<b>21 902</b>	<b>37%</b>	<b>235 869</b>
<b>Expenditure By Type</b>											
Employee related costs			83 150	83 150	6 422	19 400	20 524	(1 124)	-5%	83 150	
Remuneration of councillors			4 254	4 254	316	982	1 063	(82)	-8%	4 254	
Debt impairment			11 104	11 104	2 776	2 776	2 776	(0)	0%	11 104	
Depreciation & asset impairment			42 179	42 179	10 545	10 545	10 545	0	0%	42 179	
Finance charges			5 019	5 019	-	-	1 255	(1 255)	-100%	5 019	
Bulk purchases			97 294	97 294	19 640	30 779	24 324	6 456	27%	97 294	
Other materials			4 678	4 678	553	842	1 169	(327)	-28%	4 678	
Contracted services			8 453	8 453	739	991	2 113	(1 122)	-53%	8 453	
Transfers and subsidies			884	884	-	841	221	620	281%	884	
Other expenditure			25 817	25 817	1 950	4 438	6 453	(2 016)	-31%	25 817	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>			<b>-</b>	<b>282 832</b>	<b>282 832</b>	<b>42 941</b>	<b>71 594</b>	<b>70 444</b>	<b>1 151</b>	<b>2%</b>	<b>282 832</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (in-kind - all)			-	(46 963)	(46 963)	(28 514)	9 274	(11 476)	20 751	(0)	(46 963)
(National / Provincial and District)			27 014	27 014	2 577	2 577	7 149	(4 572)	(0)	27 014	
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>-</b>	<b>(19 949)</b>	<b>(19 949)</b>	<b>(25 937)</b>	<b>11 852</b>	<b>(4 327)</b>			<b>(19 949)</b>
Taxation			-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after taxation</b>			<b>-</b>	<b>(19 949)</b>	<b>(19 949)</b>	<b>(25 937)</b>	<b>11 852</b>	<b>(4 327)</b>			<b>(19 949)</b>
Attributable to minorities			-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>			<b>-</b>	<b>(19 949)</b>	<b>(19 949)</b>	<b>(25 937)</b>	<b>11 852</b>	<b>(4 327)</b>			<b>(19 949)</b>
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	
<b>Surplus/ (Deficit) for the year</b>			<b>-</b>	<b>(19 949)</b>	<b>(19 949)</b>	<b>(25 937)</b>	<b>11 852</b>	<b>(4 327)</b>			<b>(19 949)</b>

## 4.2. Capital Budget Performance (Table C5)

EC102 Blue Crane Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	Budget Year 2019/20								
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - MAYORAL EXECUTIVE		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	20 000	20 000	3 987	3 987	5 000	(1 013)	-20%	20 000
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	20 000	20 000	3 987	3 987	5 000	(1 013)	-20%	20 000
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - MAYORAL EXECUTIVE		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL COUNCIL		-	-	-	-	-	-	-	-	-
Vote 3 - ACCOUNTING OFFICER		-	40	40	(28)	-	116	(116)	-100%	40
Vote 4 - BUDGET & TREASURY		-	50	50	-	49	12	37	296%	50
Vote 5 - TECHNICAL SERVICES		-	7 504	7 504	5	171	1 876	(1 705)	-91%	7 504
Vote 6 - COMMUNITY SAFETY & SOCIAL SERVICES		-	40	40	58	59	300	(241)	-80%	40
Vote 7 - CORPORATE SERVICES		-	40	40	-	15	10	5	54%	40
<b>Total Capital single-year expenditure</b>	4	-	7 674	7 674	35	295	2 314	(2 020)	-87%	7 674
<b>Total Capital Expenditure</b>		-	27 674	27 674	4 023	4 282	7 314	(3 032)	-41%	27 674
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	13 734	13 734	1 721	1 828	3 433	(1 606)	-47%	13 734
Executive and council		-	40	40	(28)	-	10	(10)	-100%	40
Finance and administration		-	13 694	13 694	1 749	1 828	3 423	(1 596)	-47%	13 694
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	40	40	58	59	300	(241)	-80%	40
Community and social services		-	40	40	4	6	10	(4)	-42%	40
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	53	53	290	(237)	-82%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	40	40	-	-	116	(116)	-100%	40
Planning and development		-	-	-	-	-	106	(106)	-100%	-
Road transport		-	40	40	-	-	10	(10)	-100%	40
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	13 860	13 860	2 244	2 395	3 465	(1 070)	-31%	13 860
Energy sources		-	800	800	-	151	200	(49)	-24%	800
Water management		-	13 030	13 030	2 244	2 244	3 257	(1 013)	-31%	13 030
Waste water management		-	30	30	-	-	8	(8)	-100%	30
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	-	27 674	27 674	4 023	4 282	7 314	(3 032)	-41%	27 674
<b>Funded by:</b>										
National Government		-	27 064	27 064	3 987	4 051	6 766	(2 715)	-40%	27 064
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	53	53	396	(343)	-87%	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	27 064	27 064	4 041	4 105	7 162	(3 057)	-43%	27 064
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	610	610	(18)	178	152	25	17%	610
<b>Total Capital Funding</b>		-	27 674	27 674	4 023	4 282	7 314	(3 032)	-41%	27 674

**Chart C1 2019/20 Capital Expenditure Monthly Trend: actual v target**



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018/19	-	-	-	-	-	-	-	-	-	-	-	-
Original Budget	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306
Adjusted Budget	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306	2 306
Monthly actual	-	259	4 023	-	-	-	-	-	-	-	-	-

#### 4.3. Analysis of the Municipality's Statement of Financial Performance (Table C6)

EC102 Blue Crane Route - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2018/19	Budget Year 2019/20				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
<b>R thousands</b>	1						
<b>ASSETS</b>							
<b>Current assets</b>							
Cash			1 500	1 500	255	1 500	
Call investment deposits					18 324	-	
Consumer debtors			27 500	27 500	52 241	27 500	
Other debtors			6 000	6 000	6 699	6 000	
Current portion of long-term receivables			-	-	3	-	
Inventory			1 200	1 200	1 305	1 200	
<b>Total current assets</b>			-	36 200	36 200	78 828	36 200
<b>Non current assets</b>							
Long-term receivables							
Investments							
Investment property			25 323	25 323	25 259	25 323	
Investments in Associate							
Property, plant and equipment			625 495	625 495	618 593	625 495	
Biological							
Intangible					7		
Other non-current assets			458	458	458	458	
<b>Total non current assets</b>			-	651 276	651 276	644 316	651 276
<b>TOTAL ASSETS</b>			-	687 476	687 476	723 145	687 476
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft					-		
Borrowing			648	648	4 866	648	
Consumer deposits			2 700	2 700	2 674	2 700	
Trade and other payables			28 500	28 500	36 106	28 500	
Provisions					1 733	-	
<b>Total current liabilities</b>			-	31 848	31 848	45 378	31 848
<b>Non current liabilities</b>							
Borrowing					1 044		
Provisions			49 000	49 000	48 268	49 000	
<b>Total non current liabilities</b>			-	49 000	49 000	49 312	49 000
<b>TOTAL LIABILITIES</b>			-	80 848	80 848	94 690	80 848
<b>NET ASSETS</b>	2		-	606 628	606 628	628 454	606 628
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)			606 628	606 628	628 454	606 628	
Reserves							
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		-	606 628	606 628	628 454	606 628



#### 4.4. Analysis of the Municipality's Cash Flow Statement (Table C7)

EC102 Blue Crane Route - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2018/19	Budget Year 2019/20								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates			16 585	16 585	2 212	5 229	4 146	1 083	26%	16 585	
Service charges			140 381	140 381	10 578	28 565	35 095	(6 530)	-19%	140 381	
Other revenue			10 468	10 468	3 339	9 409	2 617	6 792	260%	10 468	
Government - operating			60 969	60 969	-	24 888	15 242	9 646	63%	60 969	
Government - capital			27 014	27 014	-	7 892	6 754	1 139	17%	27 014	
Interest			4 628	4 628	180	413	1 157	(744)	-64%	4 628	
Dividends			-	-	-	-	-	-	-	-	
<b>Payments</b>											
Suppliers and employees			(223 647)	(223 647)	(22 672)	(72 567)	(55 912)	16 655	-30%	(223 647)	
Finance charges			(461)	(461)	-	-	(115)	(115)	100%	(461)	
Transfers and Grants			(884)	(884)	-	-	(221)	(221)	100%	(884)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>-</b>	<b>35 053</b>	<b>35 053</b>	<b>(6 363)</b>	<b>3 830</b>	<b>8 763</b>	<b>4 933</b>	<b>56%</b>	<b>35 053</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			-	-	-	-	-	-	-	-	
Decrease (increase) in non-current debtors			4	4	-	-	-	-	-	4	
Decrease (increase) other non-current receivables			-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	
<b>Payments</b>											
Capital assets			(27 674)	(27 674)	(2 267)	(5 525)	(6 919)	(1 394)	20%	(54 294)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>-</b>	<b>(27 670)</b>	<b>(27 670)</b>	<b>(2 267)</b>	<b>(5 525)</b>	<b>(6 919)</b>	<b>(1 394)</b>	<b>20%</b>	<b>(54 290)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-	-	-	-	-	-	-	-	
Borrowing long term/refinancing			-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits			50	50	13	45	-	45	#DIV/0!	50	
<b>Payments</b>											
Repayment of borrowing			(4 000)	(4 000)	-	-	(1 000)	(1 000)	100%	(4 000)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>-</b>	<b>(3 950)</b>	<b>(3 950)</b>	<b>13</b>	<b>45</b>	<b>(1 000)</b>	<b>(1 045)</b>	<b>104%</b>	<b>(3 950)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			<b>-</b>	<b>3 433</b>	<b>3 433</b>	<b>(8 616)</b>	<b>(1 650)</b>	<b>845</b>			<b>(23 187)</b>
Cash/cash equivalents at beginning:			1 000	1 000	-	27 621	1 000	-	-	-	27 621
Cash/cash equivalents at month/year end:			-	4 433	4 433	-	25 971	1 845	-	-	4 433



EC-102 Blue Crane Route - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

Ref	Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework			
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
		Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
1	<b>Cash Receipts By Source</b>																
	Property rates	564	2 453	2 212	2 000	1 000	500	500	1 400	370	350	12 949	17 954	19 446			
	Service charges - electricity revenue	7 483	7 923	9 232	9 500	9 800	8 600	12 000	10 000	9 000	9 000	110 738	118 724	124 899			
	Service charges - water revenue	607	519	616	650	750	700	750	600	650	700	7 842	15 304	16 222			
	Service charges - sanitation revenue	318	284	285	280	420	320	330	360	280	340	3 847	5 298	5 616			
	Service charges - refuse	440	412	445	420	680	380	500	450	420	480	5 447	7 701	8 163			
	Rental of facilities and equipment	44	44	29	35	37	37	51	39	33	17	389	390	390			
	Interest earned - external investments	26	207	180	50	50	50	80	150	80	80	1 163	850	850			
	Interest earned - outstanding debtors	300	320	325	300	300	300	300	300	300	300	3 645	4 004	4 339			
	Dividends received	15	160		20	20	25	20	113	20	20	513	448	474			
	Fines, penalties and forfeits	52	60	40	40	40	40	40	40	40	40	512	509	540			
	Licences and permits	106	85	107	90	90	90	90	90	90	90	1 108	893	937			
	Agency services	22 300	2 588				18 049					60 985	63 336	67 014			
	Transfer receipts - operating	4 301	583	2 837	950	500	500	500	500	500	500	12 672	4 893	5 411			
	Other revenue	36 557	15 639	16 309	14 335	13 687	29 591	15 161	13 053	29 792	11 927	221 812	240 304	254 301			
	<b>Cash Receipts by Source</b>																
	<b>Other Cash Flows by Source</b>																
	Transfer receipts - capital	5 882	2 000				10 561			9 061		27 514	27 339	30 907			
	Contributions & Contributed assets																
	Proceeds on disposal of PPE																
	Short term loans																
	Borrowing long term/refinancing																
	Increase in consumer deposits																
	Receipt of non-current debtors	15	17	13	14	14	13	10	15	17	17	173	50	50			
	Receipt of non-current receivables																
	Change in non-current investments																
	<b>Total Cash Receipts by Source</b>	42 464	17 655	16 322	14 349	13 701	40 164	15 171	13 068	38 869	11 944	249 499	267 693	285 258			
	<b>Cash Payments by Type</b>																
	Employee related costs	6 542	6 436	6 422	6 650	10 000	6 650	6 650	6 650	6 650	6 650	82 600	88 721	94 843			
	Remuneration of councillors	333	333	316	333	333	333	450	355	355	355	4 205	4 539	4 852			
	Interest paid					250	50					465	142	73			

EC-102 Blue Crane Route - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

R thousands	Ref	Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework						
			July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22				
			Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
	1	Bulk purchases - Electricity	15 438	12 808	11 904	8 000	6 500	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 500	97 150	103 513	108 896	
		Bulk purchases - Water & Sewer		2	20	50	50	50	50	50	50	50	50	50	50	50	50	472	1 629	1 727	
		Other materials	129	160	553	400	400	400	400	400	400	400	400	400	400	400	400	4 442	4 912	5 157	
		Contracted services	17	234	739	500	500	500	500	500	500	500	500	500	500	500	1 000	7 991	9 264	9 664	
		Grants and subsidies paid - other municipalities		841													-	841	943	1 008	
		Grants and subsidies paid - other	4 272	2 349	2 717	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	27 338	27 573	29 572	
		General expenses	26 732	23 163	22 672	17 933	20 033	16 483	15 955	15 955	15 955	16 455	16 575	17 000	225 505	241 256	255 792				
		Cash Payments by Type																			
		Other Cash Flows/Payments by Type																			
		Capital assets		3 258	2 267	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	48 545	28 119	31 817	
		Repayment of borrowing																4 400	648	-	
		Other Cash Flows/Payments																-	-	-	
		Total Cash Payments by Type	26 732	26 421	24 939	22 713	26 313	21 863	20 735	20 735	20 735	21 235	23 005	22 430	278 450	270 023	287 609				
		NET INCREASE/(DECREASE) IN CASH HELD	15 733	(8 766)	(8 616)	(8 364)	(12 612)	18 301	(7 667)	18 134	(7 261)	(11 187)	(10 486)	(2 330)	(28 951)	(2 330)	(2 351)				
		Cash/cash equivalents at the month/year beginning:	27 621	43 353	34 587	25 971	17 606	4 995	17 136	9 469	27 603	27 603	20 343	9 156	27 621	(1 331)	(3 661)				
		Cash/cash equivalents at the month/year end:	43 353	34 587	25 971	17 606	4 995	23 296	9 469	27 603	20 343	9 156	(1 331)	(3 661)	(1 331)	(3 661)	(6 012)				

#### 4.5. Evaluation of Conditional Grant Expenditure

The municipality is the recipient of various conditional grants that are allocated in the Division of Revenue Act (DoRA) with the relevant amounts and conditions attached.

#### 4.6. Summary of any financial problems or risks facing the municipality

The cash flow for the 2019/20 financial year showed a negative projected balance and therefore Management must be very strict and disciplined with their budget control so that no actual negative financial situation may surprise the Municipality during the next 9 months as the debtors payrate is decreasing during the last quarter.

##### Personnel challenges within the finance department

Since the start of the 2019/20 financial year, the finance department was almost brought to a halt.

The SCM manager where absent due to a family bereavement for almost the entire quarter. One of our SCM practitioners was also absent for a long period of time.

The Income and Expenditure manager also resigned in August 2019. This situation currently is creating a situation of serious lack of controls that need to be implemented (review processes of billing and expenditure vouchers etc are compromised). This post put until now has not been advertised for recruitment processes.

The following posts are vacant for more than 4 months:

- 1 X Meter reader – Pearston
- 1 x Credit negotiator

None implementation of Council's recruitment and selection processes are risking and compromising financial controls, financial sustainability and compliance with key legislation.

Under very difficult circumstances, the remaining financial staff were able to manage the 2018/19 external audit processes very well. No significant findings were raised to date by the AG, except for Performance information.

##### Legal matters seriously risking the financial sustainability of the Municipality

Currently two matters are currently being dealt with by management, namely Provision for Contributions towards SAMWU Provident Fund and Farmers not wanting to pay Property rates in terms of the new property rates policy, valuation roll and rates approved by Council.

###### 1) *SAMWU Provident Fund*

Since 31 Jul 2007 until 30 Jun 2013, the municipality incorrectly calculated the contributions towards the SAMWU Provident Fund of 146 employees.

This resulted in the following short payments to the fund for the above-mentioned period:

<u>Description</u>	<u>Amount</u>
Employer Contribution	R 2,686,022.57
Employee Contribution	R 1,118,246.51

Since July 2013 the correct amounts were calculated and paid over the fund. Various of decisions were held to refund the fund, but due to financial and budget shortfalls, these amounts could not be refunded.

Per lasted Legal opinion, the Municipality is liable for the above plus interest on these amounts. The municipality does not have these funds available to pay. This is one of highest financial risks the municipality is currently facing.

## *2) GAME FARMS – PROPERTY VALUATIONS AND RATES POLICY*

The date of implementing the new general valuation (GV) roll was on 1 July 2019.

The last GV was implement 7 years ago. The MEC (local Government) granted a two-year extension in line with the Municipal Property Rates Act. Budget constraints were the reason for not appointing earlier.

The municipality appointed Suid Kaap Valuers on 4 July 2018 through a competitive bidding process.

The municipality had various of public participation meetings within all wards and specifically with all farmers. The Mayor and this administrative team introduced the team of Suid Kaap Valuers to the community. The methodology that they will use to valuate were discussed by the valuers. For each step of the process, the municipality went back to all stakeholders, including the game farm owners informing them about the status of this project.

The municipality advertised, send emails and distributed newspapers for the pubic to participate in the valuation, amendment of our Property Rates policy as well as the rate per category property owner for the 2019/20 financial year.

Special meetings were held with farmers, for them to take part. The turnout was very poor.

In general, they never made use of the objection processes to the GV that was communicated with stakeholders.

They also did not partake in discussions where the draft Rates Policy and rates payable were discussed.

The municipality changed the Property rates policy when it comes to game farms. Meaning that game farm owners are now classified as business and are rated accordingly.

They don't qualify for bona fide agriculture farming rebates of 93% anymore.

For some reason they blame the municipality for not informing them about all the processes implemented and that there is no difference between a game farm and a bona fide agricultural farm.

A Special meeting was held with game farmers on Friday, 16 August 2019 to address the listen to their concerns (Find attached a copy of the presentation).

Find attached letters received from a local Lawyers firm (A&R Attorneys) dated 23 Augustus 2019 and 3 September 2019. This firm represents 21 effected farmers. These letters list their demands. In short, they are stating that the entire process was erroneous. They are now demanding to pay the same rates as last year, plus 6%.

Because the last GV was implemented 7 years ago, plus the fact that the game farmers enjoyed the benefits of 93% rebates over the last couple of years (only meant for bona fide farmers), the municipality had lost a lot of income that were supposed to be levied and paid to the municipality.

The effect of this, is the abnormal increase in rates payable for the current financial year (2019/20) by game farmers. Management will give a breakdown of the financial implications of revenue from game farms at the Council meeting.

Compared to neighbouring municipalities, BCRM are not implementing something out of the ordinaire. Kouga Municipality also levy Game farm owners on business rates.

If you also compare similar valued game farm properties within the two municipalities, the rates payable are quite similar.

Management liaised with Council's legal representatives on this matter (RG Buchanan SC, through Smith Tabata).

Please find attached our Senior Council's opinion on the matter. In short, the municipality were in its rights to have implemented the new GV in the manner which it did. Based on the face value of the information provided, procedurally no errors could be found by Senior Council.

They further recommend that:

On the basis of the information presently available it does not seem to Senior Council that a proper case has been made out by A&R Attorneys (on behalf of the game farmers) to justify a belated challenge to the relevant rates policy of BCRM.

It is under these circumstances that Senior Council suggested an application for declaratory relief in order to obtain a relatively speedy outcome. The cost of such an application can be in the region of +- R300,000.00. If successful, 60% of these costs can be recovered.

### Supply Chain Management

Although the staff issues within the SCM unit are crippling the functioning of SCM practices, the municipality finalised the following tenders within the first quarter of this financial year:

- Tender for Protective Clothing
- Security Tender: 3-year appointment
- Tender for purchasing and fitting of tyres
- Panel of Consulting Engineers: Civil 3-year appointment
- Panel of Consulting Engineers: Electrical 3-year appointment
- Purchasing of electrical Equipment

The following tenders are currently in process of advertisement, and will be finalised within the second quarter of the 2019/20 book year:

- Banking services tender – 5-year appointment
- Prepaid vending systems – 3-year appointment
- Debt collection agency – 3-year appointment

Based on a special management meeting held on Wednesday, 16 October 2019, it became evident that the functioning of the SCM unit as well as that of our bid committee systems are in disarray.

The following interventions will take effect from Monday, 21 October 2019 to restore order within the Supply Chain Management environment.

#### APPOINTMENT OF MEMBERS TO BID COMMITTEES

- A) Mr John Conway (Chief Fire Officer) to be appointed as permanent Chairperson of the Bid Specification Committee (BSC)
- B) Adv Mandisi Planga (Director Community Services) to be appointed as permanent Chairperson of the Bid Evaluation Committee (BEC)
- C) Mr Denzil Rooi (Chief Traffic) to be appointed as permanent member of the Bid Adjudication Committee (BAC)
- D) Mr Nigel Delo (Director Financial Services / CFO) to remain as Chairperson of BAC

#### RESPONSIBILITIES OF CHAIRPERSONS

*The chairperson shall:*

- A) Assist in drafting the agenda of the meeting;
- B) Assist in scheduling of meetings as per procurement plan;
- C) Report to the Municipal Manager, Relevant Director as well as the CFO if bid members and/ or SCM staff do not co-operate with agreed procedures and practices;
- D) Maintain order during a meeting and ensure that business is conducted in an orderly manner;
- E) Before opening a meeting, ensure that a quorum is present;
- F) Protect the rights of every member;
- G) Ensure all members have opportunity to speak on any matter before the committee;



- H) Deal with items in sequence of the agenda;
- I) Ensure that only one member holds the floor at any one time;
- J) Provide guidance by directing the meeting, but shall not dominate;
- K) Conduct meetings in a formal manner; and
- L) Formulate clearly the decisions to be minuted and sign and approve the minutes after they have been verified by the committee as a true and correct record of the meeting.

*The above will be maintained for a period 6 months, where after an assessment will be made to establish if we will continue with this practice. Possible rotation plan to be considered after 6 months in order to ensure that skills are transferred to other staff members*

#### OTHER CORRECTIVE INTERVENTIONS

- a) Three-year Procurement plan to be finalised. - CFO to drive
- b) Standing operation Procedures to be developed, including the functioning of bid committees. – CFO to drive, with the assistance of other directorates
- c) Finalising the appointment of the Accountant: SCM. - CFO as well as the Director Corporate Services to drive
- d) A proper record management system to be implemented. - CFO to drive and report
- e) Proper minute taking to be implemented. - Chairpersons and SCM practitioners to start addressing this matter
- f) Skills gap analysis to be conducted inline with National Treasury's Minimum Competency regulations. - CFO as well as the Director Corporate Services to drive
- g) Implementing the SAMRAS SCM module (including contract, deviation, irregular and fruitless and wasteful expenditure registers. – CFO with the assistance of the ITC manager
- h) Centralising all SCM procurement activities within the SCM unit. – CFO to drive, with the assistance of other directorates
- i) Declaration in interests to be updated for all Bid Committee members as well as SCM practitioners. - CFO to drive, with the assistance of other directorates
- j) Council's SCM policy to be reviewed to incorporate the above. - CFO to drive, with the assistance of other directorates

The above interventions do have the buy-in of the entire management team.

All staff members not co-operating with management, will be faced with consequences in terms of Council's disciplinary policies, procedures and practices.

The municipality still need assistance from National Treasury to resolve the following matters:

- 1) to finalise the intergovernmental dispute with SANParks;
- 2) to intervene i.t.o. the service provider (Bytes Universal Systems / SAMRAS that does not supply a fully mSCOA reporting financial system;
- 3) to approve the Roll over grant as applied for.



**N.B. DELO**  
**DIRECTOR: FINANCE / CFO**

23.10.2019  
DATE

## **5. IN-YEAR BUDGET STATEMENT TABLES**

The Tables C1 to C7 and SC9 is reflects in the above section 4. **EXECUTIVE SUMMARY.**

# PART 2 – SUPPORTING DOCUMENTATION

## 6. SUPPORTING DOCUMENTATION

### 6.1. Debtors' Analysis – Table SC3

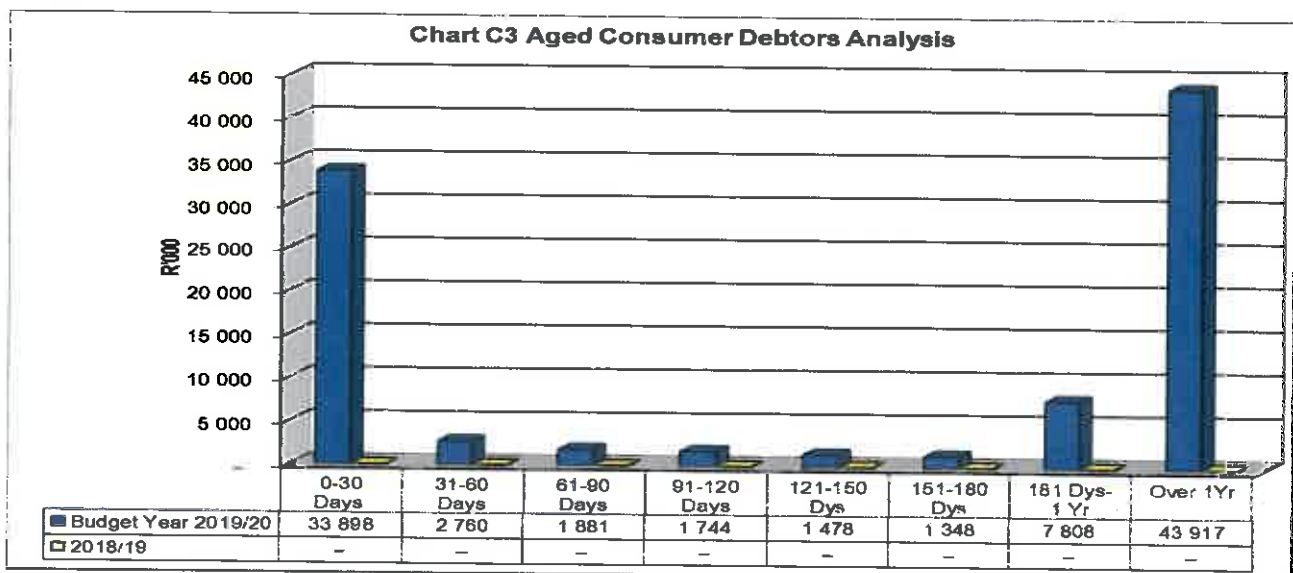
EC102 Blue Crane Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2019/20									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													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	2 743	767	412	533	356	346	2 352	8 606	16 115	12 193		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 268	1 020	869	647	550	471	2 440	4 616	24 880	8 723		
Receivables from Non-exchange Transactions - Property Rates	1400	13 897	71	72	47	71	42	245	5 946	20 391	6 351		
Receivables from Exchange Transactions - Waste Water Management	1500	1 157	360	197	191	171	167	804	4 873	7 921	6 207		
Receivables from Exchange Transactions - Waste Management	1600	1 526	480	270	261	253	246	1 334	6 620	10 991	8 714		
Receivables from Exchange Transactions - Property Rental Debtors	1700	8	2	1	1	1	1	5	74	93	82		
Interest on Arrear Debtor Accounts	1810	565	45	43	52	61	65	533	12 145	13 509	12 856		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	(266)	15	17	11	15	10	94	1 037	934	1 168		
<b>Total By Income Source</b>	<b>2000</b>	<b>33 898</b>	<b>2 760</b>	<b>1 881</b>	<b>1 744</b>	<b>1 478</b>	<b>1 348</b>	<b>7 808</b>	<b>43 917</b>	<b>94 833</b>	<b>56 295</b>	-	-
<b>2018/19 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	4 292	308	211	158	6	6	23	4 673	9 678	4 867		
Commercial	2300	2 813	98	67	84	83	61	270	1 436	4 912	1 934		
Households	2400	10 918	2 032	1 253	1 252	1 097	1 062	6 020	33 775	57 399	43 196		
Other	2500	15 874	323	350	249	293	229	1 495	4 032	22 845	6 298		
<b>Total By Customer Group</b>	<b>2600</b>	<b>33 898</b>	<b>2 760</b>	<b>1 881</b>	<b>1 744</b>	<b>1 478</b>	<b>1 348</b>	<b>7 808</b>	<b>43 917</b>	<b>94 833</b>	<b>56 295</b>	-	-

The outstanding Debtors as at 30 September 2019 was R94,8m (VAT incl)

That the following ratio's for Debtors be noted:

- Collection rate: 91% for service charges and Rates only at 28% (budget 92%)
- Nett Debtor days: 230 days (norm 30days)

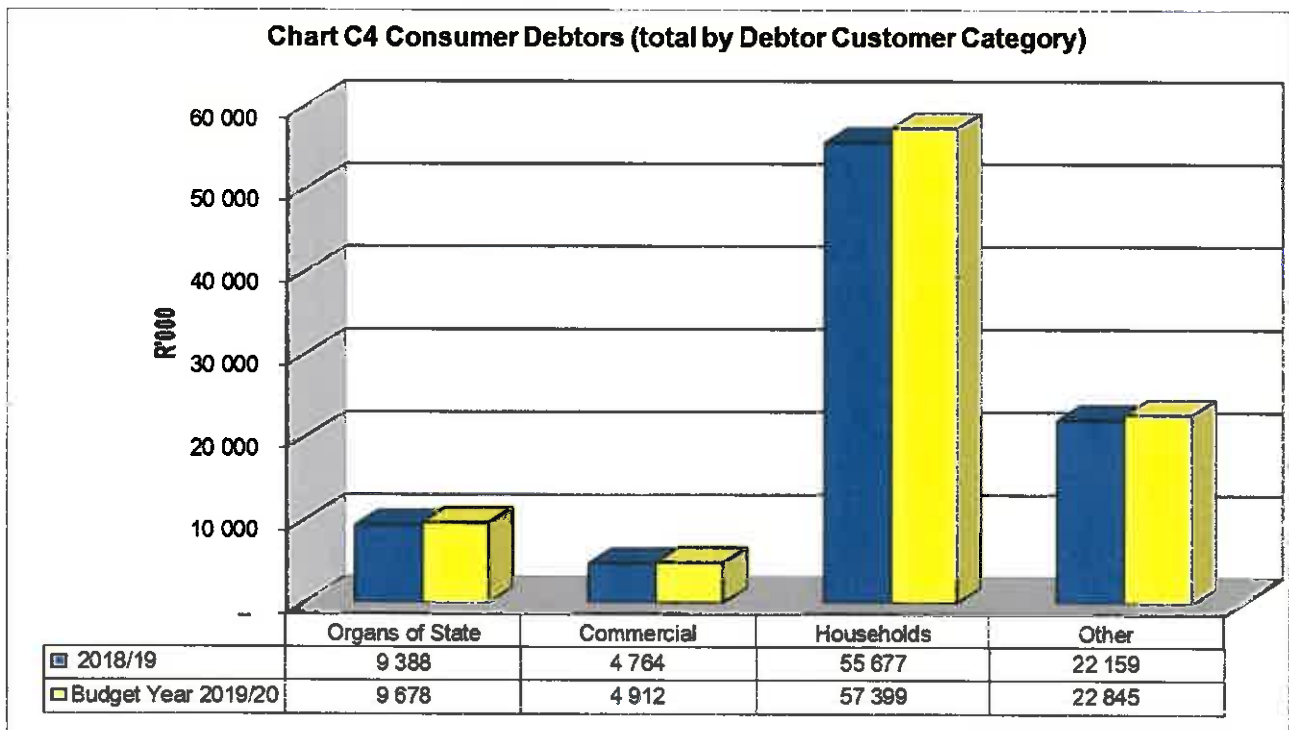


## 6.2. Creditors' Analysis - Table SC4

EC102 Blue Crane Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2019/20									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		
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	552	32	-	-	-	-	-	924	1 508	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>-</b>	<b>552</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>924</b>	<b>1 508</b>	<b>-</b>

The Creditors is not complete as the Municipality is still in process to implement the full creditors system and do monthly reconciliations.



## 6.3. Investment Portfolio Analysis - Table SC5

EC102 Blue Crane Route - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & Investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
<b>Municipality</b>														
ABSA - 2053829335			Security Bond							8	-	-		8
NEDBANK - 1263036023			Money Market							3	-	-		3
NEDBANK - 18312491			Fixed Dep							5	-	-		5
NEDBANK - 1263034756			Money Market							82	-	-		82
FNB - 6258597005			Call Account							18 145	82	-		18 227
										-	-	-		-
<b>Municipality sub-total</b>										<b>18 242</b>				<b>18 324</b>
<b>Entities</b>														
														-
														-
														-
														-
														-
<b>Entities sub-total</b>										-				-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2									<b>18 242</b>				<b>18 324</b>

The Investment Register reflects the investment amount and the interest received. At 30 September 2019 the total investments and call accounts balances was at R18,3m.

## 6.4. Allocation and Grant Receipts and Expenditure – Tables SC6; SC7(1) and SC7(2)

EC102 Blue Crane Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		-	57 880	57 880	5 257	14 682	14 470	212	1.5%	57 880
Local Government Equitable Share			53 519	53 519	4 460	13 380	13 380	0	0.0%	53 519
Finance Management			2 235	2 235	449	570	559	11	1.9%	2 235
EPWP Incentive			1 410	1 410	169	554	353	201	57.1%	1 410
Municipal Infrastructure Grant			716	716	179	179	179	(0)	0.0%	716
Other transfers and grants [insert description]										
Provincial Government:		-	2 300	2 300	-	-	575	(575)	-100.0%	2 300
Sport and Recreation			2 300	2 300			575	(575)	-100.0%	2 300
Other transfers and grants [insert description]										
District Municipality:		-	789	789	-	-	197	(197)	-100.0%	789
Environmental Health			789	789			197	(197)	-100.0%	789
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		<b>-</b>	<b>60 969</b>	<b>60 969</b>	<b>5 257</b>	<b>14 682</b>	<b>15 242</b>	<b>(560)</b>	<b>-3.7%</b>	<b>60 969</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	27 014	27 014	2 577	2 577	6 754	(4 176)	-61.8%	27 014
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]			410	410	-	-	103	(103)	-100.0%	410
Municipal Infrastructure Grant			13 604	13 604	16	16	3 401	(3 385)	-99.5%	13 604
WSIG			13 000	13 000	2 561	2 561	3 250	(689)	-21.2%	13 000
Other capital transfers [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	29	61	-	61	#DIV/0!	-
Fire Disaster Grant					29	61		61	#DIV/0!	
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		<b>-</b>	<b>27 014</b>	<b>27 014</b>	<b>2 607</b>	<b>2 638</b>	<b>6 754</b>	<b>(4 115)</b>	<b>-60.9%</b>	<b>27 014</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>-</b>	<b>87 983</b>	<b>87 983</b>	<b>7 864</b>	<b>17 321</b>	<b>21 996</b>	<b>(4 675)</b>	<b>-21.3%</b>	<b>87 983</b>

The total capital grants received for the first quarter, is an amount of R7,1million and only an amount of R4m was utilised which is 56%.

The Roll over application is not yet approved.



EC102 Blue Crane Route - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M03 Septem

Description	Ref	Budget Year 2019/20				
		Approved Rollover 2018/19	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<b>EXPENDITURE</b>						
<b>Operating expenditure of Approved Roll-overs</b>						
<b>National Government:</b>						
Local Government Equitable Share		-	-	-	-	
Finance Management						
EPWP Incentive						
Municipal Infrastructure Grant [Schedule 5B]						
Other transfers and grants [insert description]						
<b>Provincial Government:</b>						
Sport and Recreation		-	-	-	-	
Other transfers and grants [insert description]						
<b>District Municipality:</b>						
Environmental Health		-	-	-	-	
<b>Other grant providers:</b>						
[insert description]		-	-	-	-	
<b>Total operating expenditure of Approved Roll-overs</b>						
		-	-	-	-	
<b>Capital expenditure of Approved Roll-overs</b>						
<b>National Government:</b>						
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	
Other capital transfers [insert description]						
<b>Provincial Government:</b>						
		-	-	-	-	
<b>District Municipality:</b>						
		-	-	-	-	
<b>Other grant providers:</b>						
		-	-	-	-	
<b>Total capital expenditure of Approved Roll-overs</b>						
		-	-	-	-	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>						
		-	-	-	-	

## 6.5. Councillor and Board Members Allowances and Employees Benefits - Table SC8

EC102 Blue Crane Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages								-		
Pension and UIF Contributions			228	228	19	58	57	1	1%	228
Medical Aid Contributions			41	41	3	10	10	(1)	-6%	41
Motor Vehicle Allowance			836	836	65	196	209	(13)	-6%	836
Cellphone Allowance			520	520	41	122	130	(8)	-6%	520
Housing Allowances			-	-	-	-	-	-		-
Other benefits and allowances			2 628	2 628	188	596	657	(61)	-9%	2 628
<b>Sub Total - Councillors</b>			<b>4 254</b>	<b>4 254</b>	<b>316</b>	<b>982</b>	<b>1 063</b>	<b>(82)</b>	<b>-8%</b>	<b>4 254</b>
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages			4 538	4 538	364	1 092	1 133	(41)	-4%	4 538
Pension and UIF Contributions			166	166	23	70	42	29	69%	166
Medical Aid Contributions			63	63	4	13	17	(3)	-20%	63
Overtime			-	-	-	-	-	-		-
Performance Bonus			279	279	-	-	70	(70)	-100%	279
Motor Vehicle Allowance			434	434	43	129	109	21	19%	434
Cellphone Allowance			-	-	-	-	-	-		-
Housing Allowances			-	-	-	-	-	-		-
Other benefits and allowances			548	548	25	74	137	(63)	-46%	548
Payments in lieu of leave			-	-	-	-	-	-		-
Long service awards			-	-	-	-	-	-		-
Post-retirement benefit obligations			-	-	-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>			<b>6 029</b>	<b>6 029</b>	<b>460</b>	<b>1 379</b>	<b>1 507</b>	<b>(128)</b>	<b>-8%</b>	<b>6 029</b>
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			53 834	53 834	4 409	13 350	13 195	155	1%	53 834
Pension and UIF Contributions			9 691	9 691	789	2 377	2 423	(46)	-2%	9 691
Medical Aid Contributions			2 123	2 123	185	563	531	33	6%	2 123
Overtime			4 047	4 047	267	801	1 012	(211)	-21%	4 047
Performance Bonus			4 098	4 098	64	81	1 024	(944)	-92%	4 098
Motor Vehicle Allowance			726	726	49	148	182	(34)	-19%	726
Cellphone Allowance			-	-	-	-	-	-		-
Housing Allowances			898	898	75	213	224	(11)	-5%	898
Other benefits and allowances			1 749	1 749	123	347	437	(91)	-21%	1 749
Payments in lieu of leave			799	799	-	-	200	(200)	-100%	799
Long service awards			532	532	-	-	133	(133)	-100%	532
Post-retirement benefit obligations			(416)	(416)	-	141	(104)	245	-235%	(416)
<b>Sub Total - Other Municipal Staff</b>			<b>78 080</b>	<b>78 080</b>	<b>5 962</b>	<b>18 021</b>	<b>19 256</b>	<b>(1 236)</b>	<b>-6%</b>	<b>78 080</b>
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Parent Municipality</b>			<b>88 363</b>	<b>88 363</b>	<b>6 738</b>	<b>20 382</b>	<b>21 827</b>	<b>(1 445)</b>	<b>-7%</b>	<b>88 363</b>

EC102 Blue Crane Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

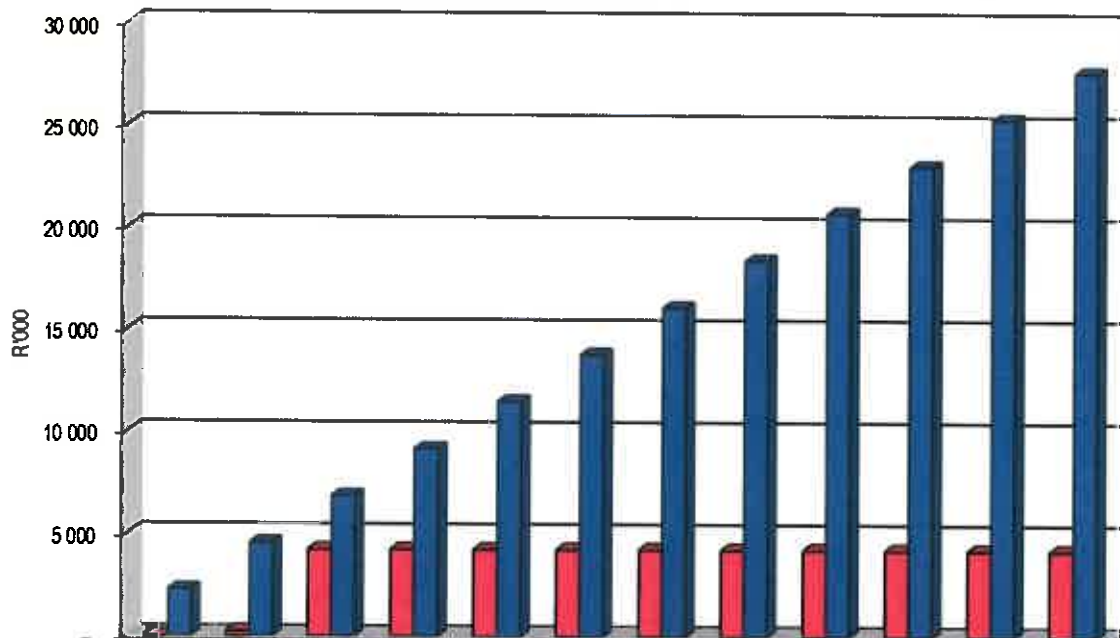
Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Board Members of Entities</b>										
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								-		
Board Fees								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
<b>Sub Total - Board Members of Entities</b>	2	-	-	-	-	-	-	-		-
<b>% increase</b>	4									
<b>Senior Managers of Entities</b>										
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								-		
<b>Sub Total - Senior Managers of Entities</b>	2	-	-	-	-	-	-	-		-
<b>% increase</b>	4									
<b>Other Staff of Entities</b>										
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								-		
<b>Sub Total - Other Staff of Entities</b>	4	-	-	-	-	-	-	-		-
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-		-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	88 363	88 363	6 738	20 382	21 827	(1 445)	-7%	88 363
<b>% increase</b>	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>TOTAL MANAGERS AND STAFF</b>		-	84 109	84 109	6 422	19 400	20 764	(1 364)	-7%	84 109

## 6.6. Capital Programme Performance – Table SC12

EC102 Blue Crane Route - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July		2 306	2 306	–	–	2 306	2 306	100.0%	0%
August		2 306	2 306	259	259	4 612	4 353	94.4%	1%
September		2 306	2 306	4 023	4 282	6 919	2 636	38.1%	15%
October		2 306	2 306		4 282	9 225	4 942	53.6%	15%
November		2 306	2 306		4 282	11 531	7 248	62.9%	15%
December		2 306	2 306		4 282	13 837	9 555	69.1%	15%
January		2 306	2 306		4 282	16 143	11 861	73.5%	15%
February		2 306	2 306		4 282	18 449	14 167	76.8%	15%
March		2 306	2 306		4 282	20 756	16 473	79.4%	15%
April		2 306	2 306		4 282	23 062	18 779	81.4%	0
May		2 306	2 306		4 282	25 368	21 085	83.1%	0
June		2 306	2 306		4 282	27 674	23 392	84.5%	0
<b>Total Capital expenditure</b>	<b>-</b>	<b>27 674</b>	<b>27 674</b>	<b>4 282</b>					

Chart C2 2019/20 Capital Expenditure: YTD actual v YTD target



## 6.7. Other Supporting Documents – Table SC13(a); SC13(b); SC13(c); SC13(d) and SC13(e)

The undermentioned Supporting Tables reflects under **Annexure ‘A’**:

- **Table SC13(a)** - Capital Expenditure on new Assets by Asset Class; and
- **Table SC13(b)** - Capital Expenditure on Renewal of Existing Assets by Asset Class; and
- **Table SC13(c)** - Expenditure on Repairs and Maintenance by Asset Class; and
- **Table SC13(d)** - Depreciation by Asset Class; and
- **Table SC13(e)** - Capital expenditure on upgrading of existing assets by asset class

## 7. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) PERFORMANCE

The review of the SDBIP performance is attached as **Annexure “B”**, whilst the Budget Performance assessment is as per above sections as per the guidelines of Chapter 7, Section 71; 52(d); 54 and 168(1) of the MFMA No.56 of 2003, and Section 35; 33 and 31(1) of the Government Gazette No 32141 of 17 April 2009.

The Auditor General has concluded their audit on the 2017/18 financial year and has provided the municipality with an unqualified opinion. The Audit for the 2018/19 financial year is still in process and the outcome will only be known at 30 November 2019.

## 8. QUALITY CERTIFICATE

I, **THABISO KLAAS**, the **MUNICIPAL MANAGER** of **BLUE CRANE ROUTE MUNICIPALITY (EC102)**, hereby certify that –

the monthly budget statement

quarterly report on the implementation of the budget and financial state affairs of the municipality

quarterly performance assessment

for the month of **SEPTEMBER 2019** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.



**THABISO KLAAS**  
**MUNICIPAL MANAGER**

23-10-2019

**DATE**



Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class

EC102 Blue Crane Route - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	22 024	22 024	3 993	4 158	5 902	1 744	29.5%	22 024
Roads infrastructure		-	-	-	-	14	-	(14)	#DIV/0!	-
Roads		-	-	-	-	14	-	(14)	#DIV/0!	-
Storm water Infrastructure		-	70	70	-	-	18	18	100.0%	70
Drainage Collection		-	70	70	-	-	18	18	100.0%	70
Electrical Infrastructure		-	350	350	-	151	88	(64)	-72.9%	350
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	350	350	-	151	88	(64)	-72.9%	350
HV Switching Station		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	21 604	21 604	3 993	3 993	5 797	1 804	31.1%	21 604
Water Treatment Works		-	21 604	21 604	2 244	2 244	5 401	3 157	58.4%	21 604
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	1 749	1 749	396	(1 353)	-341.6%	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	26	53	-	(53)	#DIV/0!	-
Community Facilities		-	-	-	26	53	-	(53)	#DIV/0!	-
Fire/Ambulance Stations		-	-	-	26	53	-	(53)	#DIV/0!	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	170	170	4	71	43	(28)	-66.3%	170
Furniture and Office Equipment		-	170	170	4	71	43	(28)	-66.3%	170
<b>Machinery and Equipment</b>		-	480	480	-	-	120	120	100.0%	480
Machinery and Equipment		-	480	480	-	-	120	120	100.0%	480
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	-	22 674	22 674	4 023	4 282	6 064	1 782	29.4%	22 674

**Table SC13b: Monthly Budget Statement – Capital expenditure on existing assets by asset class**

EC102 Blue Crane Route - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	5 000	5 000	-	-	1 250	1 250	100.0%	5 000
Roads Infrastructure		-	5 000	5 000	-	-	1 250	1 250	100.0%	5 000
Roads			5 000	5 000			1 250	1 250	100.0%	5 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	1	-	5 000	5 000	-	-	1 250	1 250	100.0%	5 000

**Table SC13c: Monthly Budget Statement – Expenditure on repairs and maintenance by asset class**

EC102 Blue Crane Route - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	516	516	87	199	129	(70)	-54.5%	100
Roads Infrastructure		-	40	40	7	15	10	(5)	-46.6%	-
Roads			40	40	7	15	10	(5)	-46.6%	-
Storm water infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	100	100	11	38	25	(13)	-52.4%	100
Power Plants			100	100	11	38	25	(13)	-52.4%	100
Water Supply Infrastructure		-	376	376	70	147	94	(53)	-55.9%	-
Water Treatment Works			376	376	70	147	94	(53)	-55.9%	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	500	500	15	113	125	12	9.5%	500
Computer Equipment			500	500	15	113	125	12	9.5%	500
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	1 082	1 082	77	272	271	(1)	-0.4%	1 082
Transport Assets			1 082	1 082	77	272	271	(1)	-0.4%	1 082
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	-	2 098	2 098	179	584	525	(60)	-11.4%	1 682

**Table SC13d: Monthly Budget Statement – Depreciation by asset class**

EC102 Blue Crane Route - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	15 938	15 938	1 328	3 984	3 984	-		15 938
Roads Infrastructure		-	-	-	-	-	-	-		-
Storm water Infrastructure		-	-	-	-	-	-	-		-
Electrical Infrastructure		-	9 397	9 397	783	2 349	2 349	-		9 397
<i>Power Plants</i>										
<i>HV Substations</i>			9 397	9 397	783	2 349	2 349	-		9 397
Water Supply Infrastructure		-	6 541	6 541	545	1 635	1 635	-		6 541
<i>Water Treatment Works</i>			6 541	6 541	545	1 635	1 635	-		6 541
Sanitation Infrastructure		-	-	-	-	-	-	-		-
Solid Waste Infrastructure		-	-	-	-	-	-	-		-
Rail Infrastructure		-	-	-	-	-	-	-		-
Coastal Infrastructure		-	-	-	-	-	-	-		-
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
<b>Community Assets</b>		-	-	-	-	-	-	-		-
Community Facilities		-	-	-	-	-	-	-		-
Sport and Recreation Facilities		-	-	-	-	-	-	-		-
<b>Heritage assets</b>		-	-	-	-	-	-	-		-
<b>Investment properties</b>		-	-	-	-	-	-	-		-
Revenue Generating		-	-	-	-	-	-	-		-
Non-revenue Generating		-	-	-	-	-	-	-		-
<b>Other assets</b>		-	3 795	3 795	316	949	949	-		3 795
Operational Buildings		-	3 795	3 795	316	949	949	-		3 795
<i>Municipal Offices</i>			3 795	3 795	316	949	949	-		3 795
Housing		-	-	-	-	-	-	-		-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-		-
<b>Intangible Assets</b>		-	-	-	-	-	-	-		-
Licences and Rights		-	-	-	-	-	-	-		-
<b>Computer Equipment</b>		-	3 122	3 122	260	781	781	-		3 122
Computer Equipment			3 122	3 122	260	781	781	-		3 122
<b>Furniture and Office Equipment</b>		-	7 591	7 591	633	1 898	1 898	-		7 591
Furniture and Office Equipment			7 591	7 591	633	1 898	1 898	-		7 591
<b>Machinery and Equipment</b>		-	7 534	7 534	628	1 883	1 883	-		7 534
Machinery and Equipment			7 534	7 534	628	1 883	1 883	-		7 534
<b>Transport Assets</b>		-	4 200	4 200	350	1 050	1 050	-		4 200
Transport Assets			4 200	4 200	350	1 050	1 050	-		4 200
<b>Land</b>		-	-	-	-	-	-	-		-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-		-
<b>Total Depreciation</b>	1	-	42 179	42 179	3 515	10 545	10 545	-		42 179

**Table SC13e: Monthly Budget Statement – Capital expenditure on upgrading of existing assets by asset class**

EC102 Blue Crane Route - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M03 September

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	-	-	-	-	-	-	-	-	-

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN  
(SDBIP) PERFORMANCE**



**BLUE CRANE ROUTE LOCAL MUNICIPALITY**



**FIRST QUARTER PERFORMANCE REPORT:**

**JULY -SEPT 2019**

**2019/2020 FY**

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## 1. BACKGROUND AND ASSESSMENT PROCESS

Section 28 (1) of the municipal performance regulations read in conjunction with section 40 and 41(1)(i) and 41 (2) of the *Municipal Systems Act, 2 of 2000*, prescribes the following schedule of performance reviews for the section 56 managers (municipal manager and managers directly accountable to the municipal manager) in relation to the signed performance agreement in view of monitoring of organisational performance:

- First quarter – July – September (*informal*)
- Second quarter – October – December
- Third quarter – January – March (*informal*)
- Fourth quarter – April – June

The municipality did not conduct any performance reviews for quarter 1, departmental reports and performance evidence files were reviewed by the PMS and Internal Audit Office.

**The following departments were assessed.**

	Department	Person Responsible	Comment
1.	Office of the Municipal Manager	M Planga Acting Municipal Manager	Reviewed (incomplete information submitted) 2 indicators not reported on
2.	Financial Services	N Delo: Chief Financial Officer	Reviewed
3.	Corporate Services	M Blou: Acting Director Corporate Services	Reviewed
4.	Technical Services	A Gaji: Director Technical Services	Reviewed
5	Community Services	M Planga: Director Community Services	Reviewed

## 2. ORGANISATIONAL PERFORMANCE ASSESSMENT REPORT

Detailed performance for quarter 1 (one) is attached.

### 3. OVERALL ORGANISATION PERFORMANCE FOR QUARTER 1

Departments	Total Targets - Q1	Total Achieved	Not Achieved
Corporate Services	8	5	3
Technical Service	8	1	7
Community Services	8	8	0
Financial Services	2	2	0
Office of the Municipal Manager	9	3	4
LED	1	1	0
Overall municipal performance as per Q1	36	20	14

KPI 50-53 were not reported on for the quarter

### 4. COMMENTS BY PMS OFFICE

1. Directors to review the reports and POE submitted to the PMS office.
2. Directors to adhere to timeframes set for submission.
3. Departments to submit the evidence as stipulated in the SDBIP and report the actual performance/implementation (not target met or target not met) as guided by the reporting template.
4. Directors to ensure that the issues which were raised during the review process are addressed when reporting for the next quarter.
5. Directors to provide reasons for deviation and corrective action for non-performance with time lines.
6. Directors to ensure that all submitted minutes and reports are signed.

Prepared by:

\_\_\_\_\_  
S HANABE

\_\_\_\_\_  
DATE

IDP/PMS MANAGER

APPROVED BY:

\_\_\_\_\_  
B MANXOWENI

\_\_\_\_\_  
M PLANGA

MAYOR/SPEAKER

ACTING MUNICIPAL MANAGER

**BCRM SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2019/20 FINANCIAL YEAR**

**KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

Priority Area	Strategic Plan Objectives	Strategy	Indicator	Activity / Project	Measurement Source	Budget & Source	Vote No.	Basins	Of Deliverable / Output Target	Actual Performance	Reason for variation	Crucative milestones	Annual Target	Condition	No of NPV
<b>Records Management</b>	To establish a fully functional and legally compliant records management system by 2022	By developing Records Management Policy that complies with legislation with legislation	Number of Records Management Policies developed and submitted to council for approval	Develop Records Management Policy	Records Management Policy developed	OPEX	N/A part of staff duties	0	Draft Records Management Policy Developed	Draft Policy	Target not met		1 Records Management Policies developed and submitted to council for approval	Director Corporate Services	1
<b>Human Resource Services</b>	To ensure uninterrupted supply of competent Human Resources	By reviewing HR policies	No of HR Policies Reviewed and submitted to Council for approval (Retention and attraction Policy, Termination Policy)	Review Retention & Termination HR Policies	Retention & Termination HR Policies Reviewed	OPEX	N/A part of staff duties	Retention & Termination HR Policies	Draft Retention and Attraction Policy Submitted to Council for approval	Minutes, Attendance Register	Draft Talent Acquisition / Retention Policy and Exit Management Policy emailed to all for inputs	Target met	2 HR Policies Reviewed	Director Corporate Services	2
<b>Human Resource Development</b>	To promote employment equity and ensure competent workforce by 2022	By establishing Human Resource Development training committee and Employment Equity committee	No of Human Resource Development training committees established	Establish Human Resource Development training committee	Human Resource Development training committee established	OPEX	N/A part of staff duties	0	1 HR Development Training Committee established	Minutes, Attendance Register	Target not met	Establishment meeting on 10/10/2019	1 Human Resource Development training committee established	Director Corporate Services	3
			No of Employment Equity committees established.	Establish Employment Equity committee established	Employment Equity committee established	OPEX	N/A part of staff duties	0	1 Employment Equity committee established.	Minutes, Attendance Register	Target not met	Establishment meeting on 10/10/2019	1 Employment Equity committee established	Director Corporate Services	4

<b>Employee Relations</b>	To promote sound employee relations by 2022	By promoting awareness and building capacity on identified areas	No of roadshows on awareness and capacity building conducted in directorates	Conduct roadshows on Awareness and capacity building	Quarterly reports	OPEX	N/A part of staff duties	5 roadshows on Awareness and capacity building roadshow conducted in Directorates	1 roadshows on awareness and capacity building conducted in directorates	Attendance Register	Target met	4 roadshows on Awareness and capacity building roadshow conducted in Directorates	Director Corporate Services	5
<b>Complaints management</b>	To ensure functional and effective customer care management	By developing an institutional complaints management system	No of Institutional complaints management system established	Establish Institutional complaints management system	Quarterly reports	No Budget		Customer Care Policy and Complaint Register	Register of complaints compiled	Bi-monthly reports	Target met	1 Institutional complaints management system established	Director Corporate Services	6
<b>Occupational Health and Safety</b>	To ensure health and safety of employees in the workplace and compliance with OHS Act by 2022	By implementing OHS policy	No of OHS structures established	Establish Structure	Functional structures in place	OPEX	N/A part of staff duties	Draft OHS Policy and OHS Act	SHE Representatives elected and trained	Training Manual and Attendance Registers and List of Names of appointed SHE Reprs	Target met	1 OHS structure established	Director Corporate Services	7
<b>Information and Communication Technology</b>	To ensure Effective ICT Governance and Controls by 2022	By developing an ICT Strategy	No of ICT Strategies developed	Develop ICT Strategy	IDP (Identified IT related needs), ICT Structure, Public Services Corporate Governance Framework	Existing Budget		ICT Policies and PS Corporate Governance Framework	IT Challenges assessed and identified	Reports of Conducted IT assessments	Target met	1 ICT Strategy developed	Director Corporate Services	8



Strategy	Indicator	Activity / Project	Measurement Source and Frequency	Budget & Source	Votes No	Baseline	Q1 Deliverable Target	Q1 Evidence	Actual Performance	Reason for Variation	Corrective measure	Annual Target	Custodian	No of KPI
By upgrading bulk water supply in Cookhouse	Distance in km of 315mm diameter pipeline to be installed	Upgrading of Cookhouse bulk water supply	Quarterly progress reports	MIG - R7m	50101000061	Existing ineffective 150mm diameter bulk water pipeline	0.5 km of 315mm diameter pipeline to be installed	Quarterly reports, with photos and progress of km.	Target not met -0km of 315mm diameter pipeline installed. Appointment of a contractor, inception meeting, site establishment	Contractor appointment was delayed, due to prolonged procurement processes.	Contractor will expedite progress once construction commences on site. Programme will be closely monitored to ensure targets are met.	1.5km of 315mm diameter pipeline to be installed	Director Technical Services	9
By constructing the water Treatment plant in Pearston	% progress on site of Pearston Water Treatment Works	Construction of Pearston WTW, site establishment, earth works, excavations, structures, access roads, fencing, electricity connection	Quarterly progress reports	WSIG - R13m	50102150201	none	10% progress on site of Pearston Water Treatment Works	Quarterly reports, with photos and % progress on site	Target met -45% progress achieved	n/a	n/a	60% progress on site of Pearston Water Treatment Works	Director Technical Services	10
By submitting business plans to source funding for water and sanitation services	Number of business plans submitted	Submit business plans	Business plan	OPEX	N/A part of staff duties	Treatment works operating beyond its design capacity	n/a	n/a	n/a	n/a	n/a	7 business plans submitted	Director Technical Services	11
By refurbishing of old distribution lines	Number of transmission poles replaced	Replace transmission poles	Quarterly progress reports	OPEX	Part of Maintenance budget	20 existing rotten poles	2 transmission poles replaced	Quarterly report with progress of number of poles replaced	Target not met - 0 number of poles planted.	Crane Truck that was faulty for almost 8 weeks.	Fix crane truck and reschedule work and will be fast tracked in Q2.	20 transmission poles replaced	Director Technical Services	12
By electrifying low cost houses in Cookhouse, Somerset East and Pearston	Number of houses electrified	Electrical service connection on outstanding households	Quarterly progress reports	INEP - R410000	50101000391	150 semi detached electrified houses	10 houses electrified	Quarterly report with progress on number of houses electrified	Target not met -0 number of houses electrified	Awaiting bid committees and Accounting Officer for the appointment of service provider to supply material	More resources (human resource, tools of trade and time) will be assigned on the project to fast track it.	75 houses electrified	Director Technical Services	13

By upgrading Sportsfield in Aeroville	% progress on site construction of Aeroville Sportfield	Upgrading Sportsfield in Aeroville - site establishment, earth works, excavations, ablation block, fields, fencing.	Quarterly reports	MIG - R1.6m	50101000641	Unusable Sportsfield	n/a	na	n/a	n/a	n/a	50% progress on site construction of Aeroville Sportfield	Director Technical Services	14
By strengthening functionality of EPWP steering committee	Number of EPWP steering committee meetings held	Strengthen functionality of EPWP steering committee	Quarterly reports / Minutes and Registers	OPEX	N/A part of staff duties	Terms of Reference	One meeting held per quarter	Attendance register and minutes of the meeting	Target not met	Meeting did not take place due to unavailability of stakeholders, as they were busy with council engagements.	Two meetings will sit in the second quarter	4 EPWP steering committee meetings held	Director Technical Services	15
By paving of internal streets	Number of metres of internal streets paved ( Cookhouse, Pearston and Somerset East )	Paving of internal streets	Quarterly reports	MIG - R1000000	50101000571	Dilapidated gravel roads	50m of internal streets paved in Pearston	Quarterly progress report with photos and meters (m) done.	Target not met - Appointment of the panel of Consulting Engineers to act as an implementing agent in the project was done on the 25th September 2019.	Delay in appointment of panel of Consulting Engineers due to procurement processes	Implementing agent will expedite progress once construction commences on site. Programme will be closely monitored to ensure targets are met.	800m of internal streets paved ( Cookhouse, Pearston and Somerset East )	Director Technical Services	16
By paving of internal streets in Cookhouse	Number of metres of internal streets paved in Cookhouse	Paving of internal streets	Quarterly reports	MIG - R1250000	50101000591	Dilapidated gravel roads	50m of internal streets paved in Cookhouse	Quarterly progress report with photos and meters (m) done.	Target not met - Appointment of the panel of Consulting Engineers to act as an implementing agent in the project was done on the 25th September 2019.	Delay in appointment of panel of Consulting Engineers due to procurement processes	Implementing agent will expedite progress once construction commences on site. Programme will be closely monitored to ensure targets are met.	900m of internal streets paved in Cookhouse	Director Technical Services	17

By paving of internal streets in Somerset East	Number of kilometres of internal streets paved in Somerset East	Paving of internal streets	Quarterly reports	MIG - R1400000	50101000581	Dilapidated gravel roads	0.1km of internal streets paved in Somerset East	Quarterly progress report with photos and kilometres (km) done.	Target not met. Appointment of the panel of Consulting Engineers to act as an implementing agent in the project was done on the 25th September 2019.	Delay in appointment of panel of Consulting Engineers due to procurement processes	Implementing agent will expedite progress once construction commences on site. Programme will be closely monitored to ensure targets are met.	1.1km of internal streets paved in Somerset East	Director Technical Services	18
By upgrading Stormwater in Mahali Street, Belgravia Road, 8 <sup>th</sup> avenue, Koffie Street, Pauliet, Peirus Street and Mackay Street	Number of kilometres of stormwater pipes installed	Installation of pipes	Quarterly reports	MIG - R1354000	50101000371	Ineffective stormwater drainage system	n/a	n/a	n/a	n/a	n/a	0.5km of stormwater pipes installed	Director Technical Services	19

PERFORMANCE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2018/19 FINANCIAL YEAR  
 10.1 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (COMMUNITY SERVICES)

Priority Area	Strategic Plan Objective	Strategy	Initiatives	Activity / Project	Measurement Base	Output & Service	Units / m	Baseline	2018/19 Colloquial Target	2019/20 Colloquial Target	Actual Performance	Reason for variance	Concise Reason	Annual Target	Responsible	2018/19
Solid waste management	To ensure a well maintained clean environment and healthy environment by campaigns in all 3 towns beyond	By conducting environmental awareness campaigns in all 3 towns	Number of environmental awareness campaigns conducted	Conduct awareness campaigns	Quarterly Report submitted to Community Services Portfolio Committees, dated photos, attendance register & Programme Report	OPEX	N/A part of staff duties	8 environmental awareness campaigns conducted	2 environmental awareness campaigns conducted	Quarterly Report, dated photos, attendance register & Programme Report	Target met - 2 environmental awareness campaigns conducted	n/a	n/a	8 Environmental awareness campaigns conducted	Director Community Services	20
				Develop business plan	Business plan	OPEX	N/A part of staff duties	0 N/A	0 N/A	n/a	N/A	n/a	1 business plans to source funding developed	n/a	n/a	1 business plans to source funding developed
Water quality	To improve drinking water quality to improve human health by 2022	By conducting water quality monitoring and education programmes in the community	No of school based water quality education awareness programmes conducted	Conduct school based water quality education awareness programme	Quarterly Reports	OPEX	N/A part of staff duties	0 1 school based water quality education awareness programmes conducted	0 1 school based water quality education awareness programmes conducted	Quarterly Report, dated photos, attendance register & Programme Report	Target met - 1 school based water quality education awareness programmes conducted	n/a	n/a	4 school based water quality education awareness programmes conducted	Director Community Services	22
				Drinking water sampling	Quarterly Reports	OPEX - Env Health subsidy	10067201060000	94 water samples submitted for chemical and 4 bacteriological analysis	24 water samples taken for chemical and 1 bacteriological analysis	Quarterly Reports	Target met - 31 water samples taken for chemical and 1 bacteriological analysis	n/a	94 water samples submitted for chemical and 4 bacteriological analysis	n/a	n/a	94 water samples submitted for chemical and 4 bacteriological analysis
Traffic Services	To ensure that all road users comply with the laws by 2022 and beyond to ensure a safe environment	By conducting law enforcement and education programmes with the schools in BCRM	Number of school leavers programme conducted	Conduct School leavers' Programmes	Quarterly Reports	OPEX	N/A part of staff duties	4 school leavers programmes conducted	One school leaver programme conducted	Quarterly Report, dated photos, attendance register & Programme Report	Target met - One school leaver programme conducted	n/a	n/a	3 school leavers programme conducted	Director Community Services	24



Priority Area	Strategic Plan Objective	Goal / Key Result	Activity / Project	Instrument / Resource	Responsible	Start / End	Key Milestones	Key Deliverables	Key Performance Indicators	Responsible / Oversight	Compliance / Regulatory	Annual Target	Current Status	No of K-1
Supply Chain Management	To ensure compliance with MFMA and SCM regulations & Policies by 2022		By monitoring compliance with SCM check lists	Reports	FMG	New Accountant	2017/2018 Irregular Expenditure Amount to the amount of R 12 m	N/A	N/A	N/A	N/A	10% reduction of irregular expenditure	Director Financial Services	36
GRAP compliant Asset register	To ensure that the municipality has no material errors on the Asset Register by 2022		By developing, adopting, implementing and monitoring of a credible, realistic and implementable asset management plan	Reports	N/A	N/A	2017/2018 GRAP compliant Asset Register	N/A	N/A	N/A	N/A	Maximum 1.6% of error allowed on the total value of assets disclosed in AFS	Director Financial Services	37
Cashflow Turnaround	To ensure that the municipality is financially viable to sustain short, medium and long-term obligations to be able to provide services to the community in a sustained manner by 2022.		By reviewing, adopting, implementing and monitoring a credible revenue enhancement plan	Reports	N/A	N/A	Liquidity Ratio based on 2017/2018 AFS - 1: 0,84	≥ 1: 0,85	Target Met	N/A	N/A	6% increase in liquidity ratio	Director Financial Services	38
Financial Accounting & Reporting	To ensure optimal use of the mSCOA financial system to improve the operations of the municipality by generating accurate, valid, complete and cost-effective financial and performance information by 2022.		By ensuring accurate mSCOA reports through ongoing SOFIRUS support and interventions	Monthly reports	FMG	New Accountant	SAWRAS support contract Web based system that does extract some reports but inaccurate	Green outcome on mSCOA reports submitted to Treasury	Target Met	N/A	N/A	Green outcome on mSCOA reports submitted to Treasury	Director Financial Services	40





BCRM SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2018/20 FINANCIAL YEAR

KPA 3 : LOCAL ECONOMIC DEVELOPMENT

Priority Area	Strategic Plan Objective	Strategy	Indicator	Activity	Measurement Source	Budget Source	Vota No.	Baseline	Q1 Deliverable Target 30 SEPTEMBER 2019	Q1 Evidence	Actual Performance	Reason for variation	Corrective measure	Annual Target	Custodian	No of KPI	
Local Economic Development	To ensure promotion local economic development and job creation by 2022 and beyond	By developing the LED strategy	% progress in the development of LED Strategy	Development of LED Strategy	Quarterly report	OPEX	N/A part of staff duties	N/A	N/A	N/A	N/A	N/A	N/A	100% progress in the development of LED Strategy	Municipal Manager	30	
			Number of LED forum established	LED forum established	Quarterly report	OPEX	N/A part of staff duties	n/a	N/A	N/A	N/A	N/A	N/A	N/A	1 LED forum established	Municipal Manager	31
SMMME Development and Business Advisory Services	To facilitate the mainstreaming of Small, Medium and Micro Enterprises (SMMMe's) business into the formal economy in BCRM by 2022 and beyond	By providing meaningful business development support to SMMMe's	Number of BCRM chamber of businesses established	BCRM Chamber of businesses established		OPEX	N/A part of staff duties	n/a	N/A	N/A	N/A	N/A	N/A	1 BCRM chamber of businesses established	Municipal Manager	32	
			Number of business support initiatives implemented	Implement Business support initiatives	Quarterly report	OPEX	N/A part of staff duties	n/a	N/A	N/A	N/A	N/A	N/A	N/A	4 business support initiatives implemented	Municipal Manager	33
			Number of SMMMe's supported	SMMME Support	Quarterly report	OPEX	N/A part of staff duties	n/a	N/A	N/A	N/A	N/A	N/A	N/A	20 SMMMe's supported	Municipal Manager	34
Job Creation	To strive for reduction on household poverty through labour intensive construction methods in 2022 and beyond	By creating jobs	Number of jobs created through grant funding	Create jobs through grant funding	Quarterly progress reports	EPWP GRANT: R1,000,000	20170609024671	94 jobs created through EPWP	10 jobs created through grant funding	Progress Report	Target met- 76 work opportunities	N/A	N/A	76 jobs created through grant funding	Director Technical Services ,CFO	35	

**BCRM SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2019/20 FINANCIAL YEAR**

**KPA 2 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

Priority Area	Strategic Plan Objective	Strategy	Indicator	Activity / Project	Measurement Source	Budget & Source	Vote No.	Baseline	QT Deliverable Target 30 SEPTEMBER 2019	Q1 Evidence	Actual Performance	Reason for variation	Corrective measure	Annual Target	Custodian	No of KPI
Internal Controls	To ensure effective Audit, Risk management and Corporate governance function that will result in improved compliance and clean administration by 2022	By institutionalizing the AIP and ensure implementation at all levels	% annual reduction in reportable audit issues	Audit Outcome improvement	Audit report	N/A		24 findings (100%)	n/a	n/a	n/a	n/a	n/a	50% annual reduction in reportable audit issues	Municipal Manager	42
			Number of Audit Committee meetings organized						2 Audit Committee meetings organized	Attendance Register Minutes of Audit Committee meeting	Target met. 2 Audit Committee meetings organized	n/a	n/a	4 Audit Committee meetings organized	Municipal Manager	43
			Number of MPAC meetings organized						1 MPAC meeting organized	Attendance Register Minutes of MPAC meeting	Target not met.	4 MPAC meeting organized	Municipal Manager	44		
			Number of reports on progress against approved IAP submitted to AC	Internal Audit Execution	Internal				0	1 reports on progress against approved IAP submitted to AC	Minutes of the AC meeting and progress report	Target met -1 reports on progress against approved IAP submitted to AC	4 reports on progress against approved IAP submitted to AC	Municipal Manager	45	

Fraud and Anti-Corruption	To ensure effective implementation of the Fraud and Anti-corruption Policy by 2022	By reviewing and institutionalization of the Fraud and Anti-corruption policy	No of Fraud prevention policies reviewed	Review Fraud prevention policy							Fraud prevention policy	n/a	n/a	n/a	n/a	1 Fraud prevention policy reviewed	Municipal Manager	46
Performance Management	To ensure that the municipality is responsive to the needs of the community as well as the to strengthen a culture of performance management by 2022	By reviewing PMS policy	No of PMS policies reviewed	Review PMS policy							PMS policy	n/a	n/a	n/a	n/a	1 PMS policy reviewed	Municipal Manager	47
Public Participation	To ensure effective, efficient and compliant public participation by 2022 and beyond	By facilitating the implementation of the approved performance management system	No of performance assessment of senior management conducted.	PMS Implementation	Internal funds						0 1 performance assessment of senior management conducted.	Performance Report	Target not met.			4 performance assessment of senior management conducted.	Municipal Manager	48
Public Participation	To ensure effective, efficient and compliant public participation by 2022 and beyond	By reviewing and implementing the public participation strategy	No of public participation strategy reviewed	Review public participation strategy	internal						Public participation strategy	n/a				1 Public participation strategy reviewed	Municipal Manager	49
Public Participation	To ensure effective, efficient and compliant public participation by 2022 and beyond	By implementing the public participation strategy	Number of Public Participation sessions convened	Conduct Public Participation	Internal						4 Public Participation sessions convened	Minutes and attendance register				4 Public Participation session convened	Municipal Manager	50

