

ITEM NO: BSC 5.3



**BUDGET & TREASURY DEPARTMENT: CFO's MONTHLY REPORTS:**

**BUDGET IMPLEMENTATION REPORT FOR THE MONTH OF OCTOBER 2016**

**Report to: Budget & Steering Committee  
Mayco  
Council**

**File No.: 9/1/2/3)**

**Date : 11 NOVEMBER 2016**

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**PURPOSE**

The purpose of this item is to submit a financial report for the month ending October 2016 to the Council.

**LEGAL REQUIREMENTS**

In terms of Section 71 of the Municipal Finance Management No.56 of 2003

**STATUTORY AUTHORITY**

Chapter 24 of the MFMA No. 56 of 2003

**BACKGROUND AND REASONING**

The monthly Sec 71 reports aims to provide a regular update on indicators critical to the organisation's viability and serve as an early warning indicator where remedial action is required.

The Municipal Manager of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the Municipality's budget.

This report is a summary of the main budget issues arising from the monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP). Section 54 of the MFMA requires the Mayor to

consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

## FINANCIAL IMPLICATIONS

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges

| Description                                | Original Budget<br>R'000 | Adjustment Budget<br>R'000 | Actual<br>R'000 | Annual Budget<br>% |
|--|--------------------------|----------------------------|-----------------|--------------------|
| Operating Revenue (billed)                 | 486 191                  | -                          | 168 708         | 35%                |
| Operating Expenditure (accrued/actual mix) | 486 191                  | -                          | 142 255         | 29%                |
| Capital Expenditure                        | 170 043                  | -                          | 4 107           | 3%                 |

### Revenue by Source

Year-to-date Operating Revenue amounts to **35% or R168 708 million** of the operating budget of **R486 191 million**.

The year-to-date Operating Revenue reflects an achievement of **35% or R168 708 million** of the annual budget of R486 191 million, and Operating Expenditure is **25%% or R120 990 million** of the annual budget of R486 191 million.

### Operating Revenue

Major contributors of Operating Revenue to date amounting to R168 708 million are:

- Service Charges-Electricity at R45 451 million or 27%
- Operational Transfers recognised at R35 184 million or 21%.
- Property Rates at R34 502 million or 21%.
- Service Charges-Water R14 946 million or 9%

### Operating expenditure by type

Year-to-date expenditure amounts to **29% or R142 255 million** of the operating budget of **R486 191 million**.

### Operating Expenditure

Major contributors of Operating Expenditure to date amounting to **R142 255 million** are:

- Employee-related costs at R49 399 million or 34%
- Remuneration of councillors at R3 088 million or 2%.

- Bulk Purchases at R46 309 million or 33%
- Repairs & maintenance at R2 289 thousand or 1%

### **Capital expenditure**

Year-to-date expenditure on capital project amounts to **3% or R4 107 million** of the capital budget of **R170 043 million**.

Capital Expenditure of **R170 043 million** disclosed in above table reflects expenditure of grants transferred directly to municipal bank account and internally funded projects.

The Municipal Capital Budget is funded from the following Grants:

| <b>Grant</b>                   | <b>Funding Source</b> | <b>Budget</b>       |
|--------------------------------|-----------------------|---------------------|
| Municipal Infrastructure Grant | Direct Allocation     | R34 473 000         |
| RBIG                           | Indirect Allocation   | R86 000 000         |
| Finance Management Grant       | Direct Allocation     | R350 000            |
| Equitable Share                | Direct Allocation     | R6 000 000          |
| DSRAC                          | Direct Allocation     | R1 083 000          |
| DWS                            | Direct Allocation     | R820 000            |
| INEP                           | Direct Allocation     | R7 782 000          |
| Bucket Eradication             | Indirect Allocation   | R24 534 000         |
| PDOHS                          | Indirect Allocation   | R4 000 000          |
| RBIG                           | Indirect Allocation   | R86 000 000         |
| <b>Total Budget</b>            |                       | <b>R170 043 000</b> |

### **Capital Grant – MIG Expenditure in October 2016**

- Multi- Purpose Centre in Ward 7 – R886 818.29
- Alicedale Sewerage Reticulation – R81 671.26

**On the 24 October 2016 National Treasury has approved municipal roll-over for 2015/16 financial year. Below is the expenditure amounting to R7 004 836.06 for projects implemented from roll- over allocation.**

- Multi- Purpose Centre in Ward 7 – R2 634 404.96
- Replacement of Asbestos Pipes - R1 254 943.14
- Construction of 11 High mast in Mayfield Housing Projects – R2 527 151.14
- Upgrade of Surfaced Road – Sani Str – R355 444.33

- Upgrading of Roads in Joza Street – R122 059.87

#### **Operating Grants**

- FMG – R103 449
- EPWP- R145 800
- DWA- R694 478
- MIG Admin – R109 599

### **Section 4 – Allocations for Grant Receipts and Expenditure**

#### **5.1 Summary of Grants Received**

| <b>GRANT</b>     | <b>BUDGET</b>      | <b>AMOUNT RECEIVED</b> | <b>EXPENDITURE</b>   | <b>EXPENDITURE TO DATE</b> |
|------------------|--------------------|------------------------|----------------------|----------------------------|
| MIG              | R36 288 000        | R0.00                  | R107 597.00          | R1 415 532.11              |
| MIG – Roll- Over | R8 100 000         | R7 004 836.03          | R3 388 925.86        | R 7 004 836.03             |
| INEP             | R7 782 000         | R2 000 000.00          | R0                   | R0                         |
| FMG              | R1 810 000         | R1 810 000.00          | R103 449.00          | R1 354 994                 |
| EPWP             | R1 000 000         | R250 000.00            | R37 800.00           | R145 800.00                |
| DWA              | R5 000 000         | R3 784 959.95          | R791 704.92          | R3 194 924.72              |
| <b>TOTAL</b>     | <b>R59 980 000</b> | <b>R14 849 795</b>     | <b>R4 429 476.70</b> | <b>R13 116 086</b>         |

Year-to-date Grant Expenditure amounts to **22% or R13 116 million** of the Grants budget of **R59 980 million**.

#### **OTHER PARTIES CONSULTED**

There were no other parties consulted.

#### **RESOLVED TO RECOMMEND**

1. That Section 71 report for the month of October 2016 be noted by the Council.

**FOR FURTHER DETAILS CONTACT:**

|                        |                               |
|------------------------|-------------------------------|
| <b>NAME</b>            | <b>N. SIWAHLA</b>             |
| <b>CONTACT NUMBERS</b> | <b>046 603 6007</b>           |
| <b>E-MAIL ADDRESS</b>  | <b>nsiwahla@makana.gov.za</b> |
| <b>DIRECTORATE</b>     | <b>Budget and Treasury</b>    |

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**CHIEF FINANCIAL OFFICER**  
**MS. N.F. SIWAHLA**



Report To: **BUDGET STEERING COMMITTEE**

File ref :

Collaborator/Item no: BSC 5.4

Date: **11 NOVEMBER 2016**

**SUBJECT: REPORT DATED 11 NOVEMBER 2016 FROM THE CHIEF FINANCIAL OFFICER  
ON THE OVERTIME CLAIMED FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER  
2016**

### **1. PURPOSE**

The purpose of this item is to submit a report to the Budget Steering Committee on the overtime claimed for the period 1 July 2016 to 31 October 2016.

### **2. FOR DECISION BY**

Budget Steering Committee

### **3. EXECUTIVE SUMMARY**

The attached summary is a breakdown of overtime claimed for the period 1 July 2016 to 31 October 2016. The total amount claimed this financial year R3 195 625 against a budget of R1 127 585 for the year.

### **4. DISCUSSION/CONTENTS**

As can be seen from the attached table, the statutory overtime – that of the Fire Department – is highlighted separately. The overtime forms are being reviewed currently for more detailed reporting, but an attempt was made to split the other statutory overtime from the normal overtime for October. In addition to the 1018 hours of overtime of the Fire Department, sections such as Disposal Works and Water Works also worked statutory overtime of 866 hours. While the amount for the overtime of Fire Department can be quantified at this stage, it is not possible yet to attach a monetary value to the other statutory overtime – hence the effort to review the overtime input forms. Total overtime hours worked in October 2016 is 7760.46 hours at an amount of R691 438.09. The average hours worked per month for this year is 9050.6, compared to 6218.66 hours in 2015/16. The average monthly cost for this year is R 798 906.28 compared to R503 428.2 for 2015/16.

Due to the fact that the annual overtime budget is overspent, it has been communicated to the Directorates that a virement would have to be done to provide adequate budget for overtime before any overtime could be paid out in November 2016. The moratorium on overtime and the accompanying control measures have not borne the expected results thus far. It should however be stated that during July and August, overtime in respect of the festival was processed and paid

as that is one of a few exceptions allowed in terms of the policy where overtime need not be converted to leave, and can be paid out.

#### **5. RECOMMENDATIONS**

It is recommended that:

- A. The Budget Steering Committee note the report on overtime submitted.
- B. The Budget Steering Committee note that Directorates were requested to identify savings to fund the overtime, before further overtime can be paid out.

#### **6. FINANCIAL IMPLICATIONS**

The payment of overtime at the current rate is not affordable in terms of budget and cash available and further control measures needs to be considered at Council level and/or SMT level

#### **7. COMMENTS FROM DIRECTORATES**

#### **8. ANNEXURES**

- A. Table of overtime claimed for the period 1 July 2016 to 31 October 2016.

**FOR FURTHER DETAILS CONTACT:**

|                        |   |
|------------------------|---|
| <b>NAME</b>            | <b>MS N SIWAHLA</b>   |
| <b>CONTACT NUMBERS</b> | <b>046 603 6007</b>   |
| <b>E-MAIL ADDRESS</b>  | <b><a href="mailto:nsiwahla@makana.gov.za">nsiwahla@makana.gov.za</a></b> |
| <b>DIRECTORATE</b>     | <b>FINANCE</b>  |



**OVERTIME REPORT - 5/11/2016**  
 - excluding shift hours  
 Amounts reflect the portion paid over and above first 30 hrs

| Amounts reflect the portion paid over and above first 30 hrs |                        |                         |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
|--|------------------------|-------------------------|----------|--------------|--------|--------|-------|-----------|----------------|----------|-------|--------|--------|--------|------------|-----------|--------|--------------|--------|
| DEPARTMENT   | Average<br>Hours 15/16 | Average<br>Amount 15/16 | HOURS    | 16-Jul       | AMOUNT | 16-Jul | HOURS | 16-Aug    | AMOUNT         | 16-Aug   | HOURS | 16-Sep | AMOUNT | 16-Sep | NORMAL HRS | STAT. HRS | 16-Oct | AMOUNT       | 16-Oct |
| TECHNICAL ADMIN  | 12.80                  | 1,339.45                |          |              |        |        |       | 84.50     | R 13,809.60    |          |       |        |        |        | 60.00      | 60.00     |        | R 6,210.80   |        |
| MASONS/CARPENTERS  | 0.00                   | 0.00                    |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| ENG DISTR PLANT  | 194.89                 | 14,709.77               | 142.00   | R 10,073.92  |        |        |       | 187.00    | R 14,656.22    | 214.00   |       |        |        |        | 254.50     |           |        | R 19,988.43  |        |
| ENG DISTR TRANSPORT  | 17,655.22              | 250.35                  | 208.00   | R 17,762.87  |        |        |       | 261.00    | R 21,076.86    | 229.50   |       |        |        |        | 203.00     |           |        | R 18,071.46  |        |
| WORKSHOPS  | 11.00                  | 1,417.46                | 6.50     | R 638.34     |        |        |       | 23.00     | R 4,193.95     | 1.00     |       |        |        |        | 5.00       |           |        | R 358.49     |        |
| ENG PAIR REMOVALS  | 511.50                 | 36,721.45               | 1,132.00 | R 21,069.95  |        |        |       | 1,201.00  | R 75,115.81    | 1,039.50 |       |        |        |        | 775.50     |           |        | R 45,574.29  |        |
| ENG SOWER ADMIN  | 64.45                  | 4,146.35                | 205.20   | R 13,119.27  |        |        |       | 159.00    | R 10,521.83    | 234.00   |       |        |        |        | 190.00     |           |        | R 12,504.00  |        |
| ENG DISPOSAL WORKS   | 42,799.58              | 563.15                  | 458.00   | R 25,185.82  |        |        |       | 613.50    | R 44,268.46    | 495.50   |       |        |        |        | 373.00     |           |        | R 44,507.38  |        |
| ENG SOWER RETICULATION                                       | 396.30                 | 35,366.00               | 322.00   | R 26,645.50  |        |        |       | 382.00    | R 34,920.69    | 329.00   |       |        |        |        | 143.00     |           |        | R 23,276.35  |        |
| STORMWATER DRAINS  | 158.35                 | 12,858.49               | 327.00   | R 26,645.50  |        |        |       | 258.00    | R 11,120.55    | 100.50   |       |        |        |        | 96.50      |           |        | R 5,944.74   |        |
| ENG STR FOOTPATHS GUTTERS                                    | 311.75                 | 21,651.30               | 24.00    | R 2,324.72   |        |        |       | 571.50    | R 25,904.75    | 45.00    |       |        |        |        | 167.50     |           |        | R 13,600.61  |        |
| TOWN PLANNING  | 0.00                   | 0.00                    | 16.00    | R 987.62     |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| PROPERTIES AND ESTATES                                       | 0.00                   | 0.00                    | 30.00    | R 4,046.18   |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| WATER ADMIN  | 0.00                   | 0.00                    |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| WATER CONSERVATION PURIF                                     | 895.50                 | 62,176.66               |          | R 53,016.76  |        |        |       | 1,183.50  | R 84,745.59    | 1,284.00 |       |        |        |        | 733.50     |           |        | R 84,732.55  |        |
| WATER JAMES KLEYNHANS  | 197.30                 | 13,074.52               | 198.00   | R 9,070.30   |        |        |       | 228.00    | R 11,570.45    | 311.00   |       |        |        |        | 133.00     |           |        | R 16,599.02  |        |
| WATER RETICULATION   | 640.06                 | 58,875.03               | 969.10   | R 75,193.97  |        |        |       | 1,015.00  | R 96,963.82    | 1,049.00 |       |        |        |        | 1,005.80   |           |        | R 86,945.51  |        |
| ELECTRICITY ADMIN  | 5.70                   | 348.80                  |          |              |        |        |       | 55.00     | R 4,078.33     |          |       |        |        |        |            |           |        |              |        |
| ELECTRICITY DISTRIBUTION                                     | 687.75                 | 68,511.93               | 531.00   | R 75,043.04  |        |        |       | 880.50    | R 92,240.62    | 671.50   |       |        |        |        | 630.50     |           |        | R 73,734.27  |        |
| CORPORATE SERVICES   | 65.88                  | 5,846.39                | 23.30    | R 1,549.33   |        |        |       | 84.50     | R 6,116.73     | 70.50    |       |        |        |        | 7.00       |           |        | R 441.42     |        |
| CITY HALL & OFFICES  | 36.40                  | 2,476.95                | 12.00    | R 697.14     |        |        |       | 84.50     | R 6,116.73     | 70.50    |       |        |        |        | 18.00      |           |        | R 1,372.14   |        |
| COMMUNITY HALLS  | 154.02                 | 12,834.95               | 147.10   | R 11,345.95  |        |        |       | 246.00    | R 17,089.86    | 192.50   |       |        |        |        | 151.00     |           |        | R 13,091.16  |        |
| COUNCIL  | 2.45                   | 422.84                  | 16.00    | R 1,768.79   |        |        |       | 90.50     | R 8,594.17     |          |       |        |        |        |            |           |        |              |        |
| HUMAN RESOURCES  | 8.90                   | 898.87                  |          |              |        |        |       | 57.00     | R 8,222.90     |          |       |        |        |        |            |           |        |              |        |
| FINANCE ADMINISTRATION                                       | 100.45                 | 9,913.06                | 3.00     | R 237.24     |        |        |       | 725.20    | R 54,226.61    | 708.35   |       |        |        |        | 200.50     |           |        | R 20,967.94  |        |
| STORES   | 39.80                  | 3,472.78                | 53.50    | R 2,671.90   |        |        |       | 75.50     | R 6,059.87     | 24.00    |       |        |        |        | 25.00      |           |        | R 1,893.70   |        |
| ADMIN & SOCIAL DEVELOPMENT                                   | 0.00                   | 102.26                  |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| CARAVAN PARK   | 4.95                   | 369.65                  |          |              |        |        |       | 4.00      | R 304.92       |          |       |        |        |        |            |           |        | R 3,173.47   |        |
| CEMETERIES   | 46.30                  | 3,525.44                | 102.50   | R 7,812.23   |        |        |       | 55.00     | R 4,454.51     | 70.50    |       |        |        |        | 39.00      |           |        | R 4,371.69   |        |
| COMMONAGE  | 44.13                  | 3,076.34                | 34.00    | R 2,056.29   |        |        |       | 185.50    | R 12,589.66    | 18.50    |       |        |        |        | 55.00      |           |        | R 7,494.42   |        |
| DOMESTIC REFUSE  | 75.30                  | 5,688.87                | 53.80    | R 4,993.92   |        |        |       | 166.50    | R 13,036.54    | 58.50    |       |        |        |        | 81.80      |           |        | R 408.92     |        |
| PARKS ADMIN  | 13.90                  | 1,009.40                | 13.00    | R 1,432.86   |        |        |       | 65.00     | R 11,349.05    | 3.00     |       |        |        |        | 3.50       |           |        | R 2,682.89   |        |
| PARKS TRANSPORT  | 102.60                 | 7,851.93                | 98.00    | R 6,332.50   |        |        |       | 111.50    | R 9,711.00     | 60.00    |       |        |        |        | 59.50      |           |        | R 138,107.36 |        |
| FIRE CONTROL   | 820.50                 | 98,195.45               | 1,490.68 | R 186,110.82 |        |        |       | 1,212.00  | R 158,761.90   | 989.00   |       |        |        |        | 1,018.00   |           |        | R 770.10     |        |
| LIBRARY  | 4.85                   | 345.50                  | 10.00    | R 685.80     |        |        |       | 16.00     | R 656.46       |          |       |        |        |        | 10.00      |           |        | R 96.65      |        |
| REFUSE SITE  | 4.90                   | 447.98                  |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| ROADWORTHY   | 3.90                   | 295.51                  | 27.00    | R 2,205.70   |        |        |       | 29.50     | R 2,401.25     |          |       |        |        |        | 1.50       |           |        | R 128.75     |        |
| PUBLIC HEALTH  | 3.70                   | 329.64                  | 2.00     | R 161.94     |        |        |       |           |                |          |       |        |        |        |            |           |        | R 1,094.17   |        |
| NURSERY  | 0.00                   | 0.00                    |          |              |        |        |       | 10.50     | R 594.24       | 32.00    |       |        |        |        | 18.00      |           |        | R 5,250.78   |        |
| SANITATION GENERAL   | 140.65                 | 10,765.00               | 62.00    | R 5,221.32   |        |        |       | 526.00    | R 40,223.67    | 51.50    |       |        |        |        | 87.86      |           |        | R 12,153.45  |        |
| TRAFFIC  | 154.65                 | 18,228.18               | 533.00   | R 53,048.32  |        |        |       | 365.50    | R 68,715.85    | 116.15   |       |        |        |        | 255.50     |           |        | R 17,217.05  |        |
| SPORTS GROUNDS   | 160.70                 | 10,495.98               | 319.00   | R 20,892.63  |        |        |       | 168.00    | R 24,514.88    | 265.50   |       |        |        |        | 48.00      |           |        | R 3,934.25   |        |
| STR ISLANDS & VERGES   | 96.75                  | 7,237.71                | 81.50    | R 6,125.28   |        |        |       | 137.50    | R 12,820.60    | 19.50    |       |        |        |        | 34.00      |           |        | R 2,849.88   |        |
| MAYOR  | 28.58                  | 1,907.82                | 75.50    | R 5,417.00   |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| MUNICIPAL MANAGER  | 0.00                   | 0.00                    |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| IDP & PERFORMANCE  | 0.00                   | 0.00                    |          |              |        |        |       | 77.50     | R 9,676.08     |          |       |        |        |        |            |           |        |              |        |
| MEDIA & COMMUNICATION  | 0.00                   | 0.00                    |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| SPEC PROG UNIT   | 23.05                  | 3,336.25                | 16.00    | R 2,138.14   |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| Sub-Total  | 7,039.16               | R 601,627.73            | 8,310.18 | R 709,193.36 |        |        |       | 12,049.20 | R 1,028,493.37 | 8,948.50 |       |        |        |        | 6,894.46   |           |        | R 691,438.09 |        |
| LESS: FIRE CONTROL   | 0.00                   | 0.00                    | 1490.68  | R 186,110.82 |        |        |       | 1212      | 158761.9       | 989      |       |        |        |        | 1018       |           |        | 138107.36    |        |
| Net Total  | 6,218.66               | 503,428.28              | 6,819.50 | 523,082.54   |        |        |       | 10,837.20 | 869,731.47     | 7,959.50 |       |        |        |        | 5,876.46   |           |        | 553,530.73   |        |
| 14/15 + 7%:  |                        |                         |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| YoY Incr. %:   |                        |                         |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |
| YoY Incr. Hrs:   |                        |                         |          |              |        |        |       |           |                |          |       |        |        |        |            |           |        |              |        |





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MUNICIPALITY | EASTERN CAPE  
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Report To: MAKANA MUNICIPAL COUNCIL

File ref : \_\_\_\_\_

Collaborator/Item no: BSc 5.1

Date: 31 October 2016

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**SUBJECT: COLLECTION PERCENTAGE**

**PURPOSE:**

The purpose of this item is to inform Council on the collection percentage of the first quarter

**BACKGROUND**

Reports are submitted to Council on a quarterly basis of the debt collection progress and monthly percentage of debt collected

**LEGISLATIVE COMPLIANCE**

Credit Control and Debt Collection Policy

**DISCUSSION:**

The monthly collection percentages is as follows:

July 2016 – 34 %

August 2016 - 94 %

September 2016 - 143%

October 2016 – 66%

The collection percentage for July 2016 is low due to the annual Rates for Government departments being charged in July but only due for payment in September.

The August collection is the actual collection percentage for the month.

The collection percentage increases in September as the annual rates are paid.

Water usage collection is below 60% due to meter readers reading meters that was not read for a long period of time and actual water usages being charged.

Rental and lease agreements collection percentage has increased from 49% to 89%

**RECOMMENDATIONS:**

That council accepts the report on the percentage of debt collected for the first quarter.

**ATTACHMENTS:**

Year to date collection percentage report

**FOR FURTHER DETAILS CONTACT:**

|                        |  |
|------------------------|--|
| <b>NAME</b>            | <b>MS NF SIWAHLA</b>   |
| <b>CONTACT NUMBERS</b> | <b>046 603 6007</b>  |
| <b>E-MAIL ADDRESS</b>  | <a href="mailto:nsiwahla@makana.gov.za">nsiwahla@makana.gov.za</a> |
| <b>DIRECTORATE</b>     | <b>BUDGET &amp; TREASURY DIRECTORATE</b>                           |

\_\_\_\_\_  
**Mr M Planga**  
**Acting Municipal Manager**

**DATE** \_\_\_\_\_



# MAKANA

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 MASIPALA WASEMPUMAKOLONI  
 MUNISIPALITEIT | OOS-KAAP  
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## BILLING VS RECEIPTS REPORT OCTOBER 2016

| CATEGORY      | RECEIPTS<br>OCTOBER | BILLING<br>SEPTEMBER | Percentage |
|---------------|---------------------|----------------------|------------|
| RATES         | R 5,070,293.88      | R 4,301,038.89       | 117.89     |
| WATER CONN    | R 795,387.79        | R 1,377,525.16       | 57.74      |
| REFUSE REMOVA | R 301,839.21        | R 769,562.88         | 39.22      |
| SEWER CONN    | R 1,127,062.88      | R 1,725,829.06       | 65.31      |
| WATER         | R 1,371,388.05      | R 4,295,104.13       | 31.93      |
| ELECTRICITY   | R 10,406,546.80     | R 16,449,255.96      | 63.26      |
| S LEVY        | 0.00                | 0.00                 |            |
| SITE SALES    | 204.16              | 0.00                 |            |
| RENT HOUSING  | R 11,417.97         | R 20,396.38          | 55.98      |
| L FEES        | R 11,424.41         | R -                  |            |
| LEASES        | R 16,541.84         | R 94,597.35          | 17.49      |
| SUNDRY DEBTOR | R 14,345.78         | 0.00                 |            |
| M AID         | 0.00                | 0.00                 |            |
|               | R 19,126,452.77     | R 29,033,309.81      | 65.88      |





**COLLECTION RATIO 2016/2017**  
Collection Rate Per Service

**Jul-16**

| RATES                       | WATER BASIC | SEWERAGE CHARGES | REFUSE AVAILABILITY | ELECTRICITY SALES | WATER SALES | REFUSE REMOVAL | LEGAL FEES | HOUSING RENTALS & LEASES | NON-RECURRING SUNDRY DRS | TOTAL      | YTD        |
|-----------------------------|-------------|------------------|---------------------|-------------------|-------------|----------------|------------|--------------------------|--------------------------|------------|------------|
| Accruals                    | 23 915 897  | 7 000 120        | 10 361 982          | 12 519 261        | 3 760 197   | 1 140 356      | 0          | 121 119                  | 0                        | 58 818 934 | 58 818 934 |
| Payments                    | 4 025 370   | 955 936          | 1 477 355           | 10 998 072        | 1 628 158   | 393 585        | 12 774     | 59 670                   | 646 271                  | 20 197 192 | 20 197 192 |
| Collection Rate Per Service | 16.83%      | 13.66%           | 14.26%              | 87.85%            | 43.30%      | 34.51%         | #DIV/0!    | 49.27%                   | 100%                     | 34.34%     | 34.34%     |
| Cumulative                  |             |                  |                     |                   |             |                |            |                          |                          |            |            |

**Aug-16**

| RATES                       | WATER BASIC | SEWERAGE CHARGES | REFUSE AVAILABILITY | ELECTRICITY SALES | WATER SALES | REFUSE REMOVAL | LEGAL FEES | HOUSING RENTALS & LEASES | NON-RECURRING SUNDRY DRS | TOTAL      | YTD        |
|-----------------------------|-------------|------------------|---------------------|-------------------|-------------|----------------|------------|--------------------------|--------------------------|------------|------------|
| Accruals                    | 3 783 378   | 2 076 560        | 1 831 959           | 12 035 975        | 2 752 440   | -              | -          | 107 134                  | -                        | 23 727 803 | 26 452 344 |
| Payments                    | 5 098 498   | 1 563 303        | 1 911 875           | 11 431 327        | 1 638 828   | -              | 5 010      | 55 656                   | 72 049                   | 22 346 220 | 17 808 184 |
| Collection Rate Per Service | 134.75%     | 75.28%           | 104.36%             | 94.98%            | 59.54%      | #DIV/0!        | #DIV/0!    | 51.95%                   | 100.00%                  | 94.18%     | 67.32%     |
| Cumulative                  |             |                  |                     |                   |             |                |            |                          |                          |            |            |

**Sep-16**

| RATES                       | WATER BASIC | SEWERAGE CHARGES | REFUSE AVAILABILITY | ELECTRICITY SALES | WATER SALES | REFUSE REMOVAL | LEGAL FEES | HOUSING RENTALS & LEASES | NON-RECURRING SUNDRY DRS | TOTAL      | YTD        |
|-----------------------------|-------------|------------------|---------------------|-------------------|-------------|----------------|------------|--------------------------|--------------------------|------------|------------|
| Accruals                    | 3 843 090   | 1 403 174        | 1 757 963           | 16 752 978        | 4 375 077   | 0              | 0          | 117 135                  | 0                        | 29 033 310 | 55 485 654 |
| Payments                    | 19 390 494  | 1 976 249        | 5 504 190           | 12 588 825        | 1 596 670   | -              | 34 131     | 105 155                  | 78 467                   | 41 547 271 | 59 355 455 |
| Collection Rate Per Service | 504.55%     | 140.84%          | 313.10%             | 75.14%            | 36.49%      | #DIV/0!        | 100.00%    | 89.77%                   | 100.00%                  | 143.10%    | 106.97%    |
| Cumulative                  | 90.40%      | 42.90%           | 63.74%              | 84.77%            | 44.67%      | 34.51%         | #DIV/0!    | 63.84%                   | 100.00%                  | 75.36%     |            |
|                             |             |                  |                     |                   |             |                |            |                          |                          |            |            |

**Oct-15**

| RATES                       | WATER BASIC | SEWERAGE CHARGES | REFUSE AVAILABILITY | ELECTRICITY SALES | WATER SALES | REFUSE REMOVAL | LEGAL FEES | HOUSING RENTALS & LEASES | NON-RECURRING SUNDRY DRS | Monthly Billing | YTD        |
|-----------------------------|-------------|------------------|---------------------|-------------------|-------------|----------------|------------|--------------------------|--------------------------|-----------------|------------|
| Accruals                    | 4 301 039   | 1 377 525        | 1 725 829           | 16 449 256        | 4 295 104   | 0              | 0          | 114 994                  | 0                        | 29 033 310      | 84 518 964 |
| Payments                    | 5 070 294   | 795 388          | 1 127 063           | 10 406 547        | 1 371 388   | 204            | 11 424     | 27 960                   | 14 346                   | 19 126 453      | 78 481 908 |
| Collection Rate Per Service | 117.89%     | 57.74%           | 65.31%              | 63.26%            | 31.93%      | 100.00%        | 100.00%    | 24.31%                   | 100.00%                  | 65.88%          | 92.86%     |
| Cumulative                  | 93.70%      | 44.62%           | 63.92%              | 78.65%            | 41.07%      | 34.53%         | #DIV/0!    | 53.96%                   | 100.00%                  | 73.40%          |            |
|                             |             |                  |                     |                   |             |                |            |                          |                          |                 |            |



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### INDIGENT REPORT - OCTOBER 2016

| Applications Received | Audited |
|-----------------------|---------|
| 52                    | 14      |

### INDIGENT REGISTER

| SERVICE                                       | QUANTITY | VALUE       |
|---|----------|-------------|
| WATER CONNECTION                              | 5257     | R688,719.57 |
| WATER USAGE                                   | 4769     | R141,290.37 |
| SEWER CONNECTION                              | 5257     | R468,145.07 |
| RATES   | 5612     | R192,041.98 |
| REFUSE REMOVAL                                | 6058     | R444,040.58 |
| ELECTRIC USAGE (ESKOM, PREPAID, CONVENTIONAL) | 6606     | R580,032.53 |

ITEM NO: BSc 5.2



**BUDGET & TREASURY DEPARTMENT: CFO's MONTHLY REPORTS:**

**SUPPLY CHAIN MANAGEMENT**

**PROCURED GOODS REPORT FOR THE MONTH OF OCTOBER 2016**

**Report to: Budget & Steering Committee  
Mayco  
Council**

**File No.: 9/1/2/3)**

**Date : 11 NOVEMBER 2016**

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**PURPOSE**

To inform the Council to note all the goods and services that have been procured for the month of October 2016.

**LEGAL REQUIREMENTS**

Municipal Finance Management Act no 56 of 2003  
Approved Supply Chain Management Policy  
Supply Chain Management Regulations

**STATUTORY AUTHORITY**

Chapter 11 of the MFMA No. 56 of 2003

**BACKGROUND AND REASONING**

Request for Quotations were called for from prospective service providers for procurement less than R30 000-00 and for procurement above R30 000-00 were advertised on the notice board and website and they met the municipal needs and specifications and therefore were considered and approved.

A credible supplier database is in place and procurement is done with suppliers registered on Makana Database.



To ensure Local Economic Development, quotations are first requested from Makana Service providers. However, the municipality finds it difficult to award to Makana Suppliers due to the following:

- Some Makana Suppliers charge huge mark up as compared to other suppliers.
- Some Makana Suppliers also include huge delivery costs
- Some Makana Suppliers refuse to do business with the municipality as the municipality is unable to pay them within 30 days upon receipt of valid invoice

## **LABOUR IMPLICATIONS**

None of the bids awarded will entail additional labour costs.

## **FINANCIAL IMPLICATIONS**

Funding for the goods and services procured has been budgeted for in 2016/17 financial year. Awards were made as follows

| <b>Local Services Providers</b> | <b>External Service Providers</b> | <b>Total Awards</b> |
|---------------------------------|-----------------------------------|---------------------|
| R2 114 913.75                   | R2 015 914.61                     | R4 130 828.39       |

## **PROCUREMENT AS PER SCM THRESHOLDS**

| <b>Below R30, 000</b> | <b>Above R30, 000</b> | <b>Total Awards</b> |
|-----------------------|-----------------------|---------------------|
| R748 170.23           | R3 382 658.13         | R4 130 828.39       |

## **OTHER PARTIES CONSULTED**

There were no other parties consulted.

## **ANNEXURES**

Annexures - Procured goods / Quotations Register.

## **RESOLVED TO RECOMMEND**

1. That Procured goods and services report for the month of October 2016 be noted by the Council.

## **BUDGET & TREASURY DEPARTMENT: FLEET MANAGEMENT FUEL USAGE REPORT FOR OCTOBER 2016.**

### **PURPOSE**

To inform the end Council to note the fuel expenditure and fleet usage for the month October 2016.

### **LEGAL REQUIREMENTS**

Municipal Finance Management Act no 56 of 2003

### **STATUTORY REQUIREMENT**

Supply Chain Management Policy & Regulations

### **BACKGROUND AND REASONING**

The municipality is owning numerous fleet (vehicles and trucks) which use fuel and oil on a monthly basis. The municipality also incurs major expenditure as a result of repairs and maintenance on the municipal fleet.

**Fuel:** The municipality's vehicles are refueled at main stores every Monday upon submission of request for fuel memo signed by supervisor / Manager. Due to non-payment of creditors within 30 days upon receipt of valid invoice, the municipality purchases fuel from PE fuel upon making an advance payment almost on a weekly basis.

**Repairs & Maintenance:** The municipality's vehicles are repaired and maintained internally at municipal workshop. Repairs and maintenance items are items are purchased through annual tenders.

| <b>Months</b>         | <b>September</b> | <b>October</b> |
|-----------------------|------------------|----------------|
| Fuel Consumption      | R182 576.24      | R362 353.50    |
| Repairs & Maintenance | R63 659.49       | R74 909.66     |

### **LABOUR IMPLICATIONS**

None

### **FINANCIAL IMPLICATIONS**

Funding for the fuel and oil has been budgeted for in the 2016/17 financial year.

## **BUDGET & TREASURY DEPARTMENT: ASSETS ACQUISITION AND INVENTORY MANAGEMENT FOR OCTOBER 2016.**

### **PURPOSE**

To inform the Council to note the Assets acquired, capital projects completed and Inventory Management reports for the month of October 2016.

### **LEGAL REQUIREMENTS**

Municipal Finance Management Act no 56 of 2003, GRAP 17, GRAP 12.

### **STATUTORY REQUIREMENT**

Chapter 08, Section 63 (1) (a) of the Municipal Finance Management Act 56 of 2003.

### **BACKGROUND AND REASONING**

The accounting officer must for all the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as October 2016.

### **INVENTORY**

**STOCK ITEMS:** The municipality has embarked on a system for inventory management. Approved Inventory policy is currently implemented. Monthly stock takes were done and monthly reconciliation for the month of October 2016 have been prepared wherein the balance brought forward from the previous month, issues and purchases for the current month as well as the closing balance is reflected.

The municipality is currently monitoring inventory re-order levels to ensure that excessive stock is not purchased at the same time ensuring that the municipality does not run out of stock.

### **ASSETS**

The municipality has a fully GRAP compliant Asset Management System in place to record all municipal assets. Depreciation is calculated on a monthly basis and fully GRAP compliant asset register is produced.

There were no new assets or completed capital projects during the month of October

### **LABOUR IMPLICATIONS**

None

### **FINANCIAL IMPLICATIONS**

None



## **OTHER PARTIES CONSULTED**

None

## **RESOLVED TO RECOMMEND**

1. That the Assets acquisition and inventory management reports for the month of October 2016 be noted the Council.

## **BUDGET & TREASURY DEPARTMENT: DEVIATIONS REPORT FOR OCTOBER**

### **PURPOSE**

To inform the Council to note the deviations to the SCM Policy for the month of October 2016.

### **LEGAL REQUIREMENTS**

Municipal Finance Management Act no 56 of 2003

### **STATUTORY REQUIREMENT**

Municipal Supply Chain Management Regulations.

### **BACKGROUND AND REASONING**

The Accounting officer may allow deviations from, and ratifications of minor breaches of, procurement process. These deviations can only be in the following circumstances.

- (i) in an emergency
- (ii) If such goods or services are produced or available from a single provider only.
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile.
- (iv) Acquisition of animals for zoos; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

The reasons for these deviations must be recorded and reported in the next council meeting and included as a note to the annual financial statements.

### **LABOUR IMPLICATIONS**

None

## FINANCIAL IMPLICATIONS

None

## OTHER PARTIES CONSULTED

None

## ANNEXURES

| Company Name            | Goods or Services Procure          | Reason for Deviation   | Amount   |
|-------------------------|------------------------------------|--|----------|
| The Timakwes Trading cc | Different Cartridges – High Demand | The deviation is due to an emergency and it was impractical to follow SCM processes. This is in line with Section 36 (1) (a) (i&v) of SCM regulations. | R137 600 |

## RESOLVED TO RECOMMEND

Deviations for the month of October 2016 be noted by the Council.

## FOR FURTHER DETAILS CONTACT:

|                 |                        |
|-----------------|------------------------|
| NAME            | N. SIWAHLA             |
| CONTACT NUMBERS | 046 603 6007           |
| E-MAIL ADDRESS  | nsiwahla@makana.gov.za |
| DIRECTORATE     | Budget and Treasury    |



CHIEF FINANCIAL OFFICER  
MS. N.F. SIWAHLA