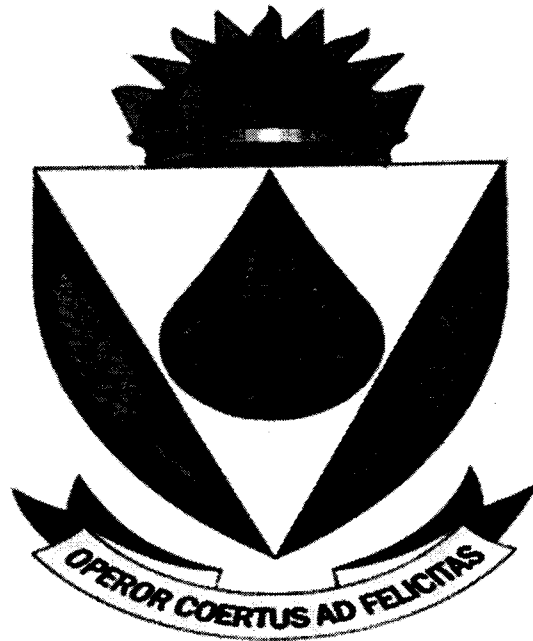


NKETOANA LOCAL MUNICIPALITY



# Mid – Year Budget and Performance Assessment Report

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December 2015



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## MID-YEAR PERFORMANCE ASSESSMENT REPORT OF NKETOANA LOCAL MUNICIPALITY FOR 2015/2016 FINANCIAL YEAR.

### 1. INTRODUCTION

#### 1.1 PURPOSE

To present the 2015/2016 mid-term budget and performance assessment for the period 1 July 2015 to 31 December 2015 in terms of section 72 and 88 of the Municipal Finance Management Act (MFMA).

#### 1.2 BACKGROUND

In terms of section 72 of the Local Government: Municipal Finance Management Act (Act No.56 of 2003) the accounting officer of a municipality must by the 25 January of every year –

- (a) assess the performance of the municipality during the first half of the financial year, taking into account –
  - (i) the monthly statement referred to in section 71 for the first half of the financial year;
  - (ii) the municipality service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
  - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
  - (iv) the performance of every municipal entity under the sole or shared control of the municipality; taking into account report in terms of section 88 from any such entities; and
- (b) Submit a report on such assessment to the mayor of the municipality, the National Treasury and Provincial Treasury.

Thereafter, the mayor must, in terms of section 54(1) –

- (a) consider the report;
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revision to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of council following approval of the adjustment budget;
- (d) Issue any appropriate instructions to the accounting officer to ensure –
  - (i) that the budget is implemented in accordance to the service delivery and



- (ii) that the spending of funds and revenue collection proceed in accordance with the budget;
- (iii) identify any financial problems facing the municipality, including any emerging or impeding financial problems; and
- (iv) Submit the report to the council by 31 January of each year.

## **2. COMMENTS BY THE ACCOUNTING OFFICER**

The 2014/15 financial year was a difficult year for the municipality as the municipality dropped from their good audit opinion, mainly because of the financial mismanagement by the senior officials who were dismissed. The challenge that the municipality has been facing is the shortage of staff and the challenge of paying our suppliers within 30 days remains a challenge due to the cash flow challenges of the municipality.

Spending on capital projects was another identified area which needed attention during the 2014/15 financial and I am pleased to highlight that the municipality was able to spend 100% of MIG during the financial year as initially intended.

## **3. RECOMMENDATIONS BY THE ACCOUNTING OFFICER**

After assessing the financial performance of the municipality in the first half of the financial year, I recommend the 2015/16 budget to be adjusted to accommodate the spending of funds in accordance with budget and be submitted to council on 28 January 2016.

## **4. DISCUSSIONS**

The report will be discussed under the following broad headings:

- FINANCIAL MANAGEMENT REVIEW
- MID TERM PERFORMANCE REVIEW
- ANNUAL REPORT

### **4.1 FINANCIAL MANAGEMNT REVIEW**

This section comprises of two segments in terms of the reporting method as per Treasury requirements and is as follows.



### **First Segment -In Year Report**

- Mayor's Report
- Executive Summary

### **Second Segment-Supporting Documentation**

- Capital Expenditure as at December 2015
- Financial Performance
- Analysis of Revenue and Expenditure
- Cash Flow Forecast
- Bank and Investment
- Municipal Bank Accounts
- Creditor's Analysis
- Debtors and Billing
- Municipal Grants
- Conclusion
- Municipal Manager's quality certification



## 5. MAYOR'S REPORT

### 5.1 Overview

The municipality is allocated R 24 633 000 for the 2015/16 financial year of which R16 677 000 has been received to date. An amount of R12 321 011 was spent on MIG which puts our spending at 74% based on the amount of R12, 321 011. The breakdown is as follows:

Project Name	Budget 2015/16	Expenditure to date	% spend to date
<b>ROADS AND TRANSPORT</b>			
PMU	1 231 650	606 673	49%
Paving: Mamafubedu	0	0	0%
Paving: Ntha	0	40 755	0%%
Paving: Petsana	11 077 614	8 522 750	82%
<b>WASTE WATER MANAGEMENT</b>			
Provision of Sanitation and toilets – Petsana	1 156 709	556 086	361%
<b>WATER</b>			
Ntha/Lidley Water Purification Works			
Mamafubedu Recycled Water			
Water Meters: Petsana		59 737	
Water Meter: Ntha			
Water Meters: Mamafubedu			
<b>SOLID WASTE MANAGEMENT</b>			
Reltz: Construction of a New Solid waste disposal	73 113	0	0%
<b>SPORTS</b>			
Upgrading of Mamafubedu Sports Complex	1 843 842	1 044 409	57%
Petsana: Provision of sport facility	5 058 785	877 538	17%
<b>PARKS AND CEMETERY</b>			
Mamafubedu: Development of new Cemetery	5 191 287	603 064	11%
<b>TOTAL</b>	<b>24 633 000</b>	<b>12 321 012</b>	<b>50%</b>



## 5.2 The breakdown per department

Department	Budget 2015/16	Expenditure to date	% spend to date
Mayors' Office	2 152 196	1 680 759	78%
Speakers' Office	7 038 598	3 101 863	44%
Municipal Managers' Office	11 315 520	7 460 581	66%
Corporate Services	19 870 228	6 276 941	32%
Finance	24 894 651	11 094 296	45%
Director Community Service	4 486 631	487 417	11%
Urban and Planning	2 058 354	1 040 757	51%
Refuse	28 951 421	9 809 802	34%
Parks and Cemetery	14 292 975	3 984 195	28%
Sports and Recreation	2 221 415	205 210	9%
Traffic and Fire	7 015 576	3 336 505	46%
LED	1 725 585	580 067	34%
Roads and Storm Water	61 821 264	11 409 038	18%
Water	66 170 261	19 680 931	30%
Electricity	71 407 461	28 705 744	40%
Waste Waste	45 419 527	8 838 941	19%

The total percentage spent on Council and Admin (Mayor, Speaker and MM) is 60%

The total percentage spent on Finance and Admin (Corporate and Finance) is 40%

The total percentage spent on Community Services is 40%

The total percentage spent on Infrastructure Services is 29%



### **5.3 ISSUES EMANATING FROM THE PREVIOUS FINANCIAL YEAR'S ANNUAL REPORT**

The following issues are priority issues emanating from the previous year's Annual Report that have since been addressed by the municipality:

- The recordkeeping system of the municipality related to the PMS. Evidence files are now recorded, updated at regular intervals, and available for audit purposes.
- Planning of refuse removal services has improved substantially. Weekly work plans are now compiled and integrated into monthly reports. Job cards have also been introduced.
- The Department of Technical services has developed a system of job differentiation that has considerably improved specialization and performance. Work is now divided amongst managers responsible for water and sanitation, roads and storm water and electricity.
- Revenue collection has improved considerably, and a draft Revenue Enhancement Strategy has been finalized for approval by Council.
- All reports required for audit purposes in terms of the MFMA are now compiled as required.
- The document record system has improved substantially and accessibility to records is now freely available.

### **5.4 AUDITOR GENERAL'S FINDINGS OF 2014/15**

- The municipality incurred unauthorised expenditure of R5 361 768 (2014: R13 227 353). The unauthorised expenditure was as a result of the budgeting process not been properly organised. (Procuring things that are not budgeted)
- Material losses to the amount of R50 745 983 (2014: R41 712 998) were incurred as a result of a write-off of irrecoverable trade debtors.
- Material losses to the value of R1 066 042 (2014: R607 769) as a result of water distribution loss.
- Material losses to the value of R5 463 500 (2014: R4 318 449) as a result of electricity distribution loss.
- Municipality incurred a net loss of R40 412 333 (2014: R75 463 937) during the year ended 30 June 2015 and that the municipality's current liabilities exceed current assets. The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continues to procure funding for the ongoing operations for the municipality.





## **5.5 AUDIT ACTION PLAN RESULTS OF THE 2014/15 FINANCIAL YEAR**

The Municipality regressed to the Qualified Audit opinion from AGSA.

The municipality will be improving on the recommendation of auditor general to ensure that we receive the clean audit form AGSA.

Management is busy with the Action Plan which will be submitted to internal audit to follow up on the implementation process detailed in the action plan and provide assistance where necessary in order to improve the outcome of the audit.

## **5.6 ADJUSTMENT TO BUDGET AND SERVICE DELIVERY TARGETS AND INDICATORS**

As at the beginning of the year, Nketoana Local Municipal Council and administration started operating in terms of the approved Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan (SDBIP) for the 2015/2016 Financial year.

All these documents were based on needs analysis of the communities and the financial position of the municipality during the preparatory phase.

However, there were various issues that needed immediate action and these put pressure on the financial resources at the disposal of the municipality.

Consequently, the municipality found itself under a problem where some of the vote has no more funds available, meaning, indicators and targets which may or were planned cannot be achieved.

Therefore targets, indicators, programmes and projects must be reassessed in terms of the available resources and adjustments therefore be made.



## 6. EXECUTIVE SUMMARY

This mid-year report is a mechanism which seeks to review the progress that is being made by Nketoana Local Municipality in realizing the targets it had set itself at the beginning of the financial year. It clearly documents the achievements over six months of the financial year (01/07/2015 to 31/12/2015 and more fundamental, illustrates some of the challenges that confront the progress that has been accomplished by the municipality over this period. In order to provide a telling background to this report, this section provides a broad overview of the financial performance of Nketoana Local Municipality

This will be discussed under these broad headings:

- Capital expenditure
- Operating Revenue
- Operating Expenditure
- Cash Forecast
- Bank and Investment
- Municipal Bank Accounts



## 7. BUDGET PERFORMANCE REVIEW

### 7.1 CAPITAL EXPENDITURE AS AT DECEMBER 2015

Name of Item	Original Budget 2015/16	Adjusted Budget 2015/16	Actual Expenditure	% Spent
Finance and Admin	1 224 000	1 304 000	506 043	41%
PMU	1 231 650	1 231 650	606 673	49%
Roads	11 077 614	14 548 810	9 170 178	83%
Waste Water Management	15 567 152	10 983 371	566 086	4%
Water	19 489 557	25 558 199	11 973 871	61%
Electricity	3 240 000	3 240 000	2 129 136	66%
Solid Waste Management	2 773 113	2 773 113	0	0%
Sports	6 902 627	4 120 103	1 921 947	28%
Park and Cemetery	6 091 287	4 007 754	603 064	10%
<b>TOTAL</b>	<b>67 597 000</b>	<b>67 767 000</b>	<b>27 476 998</b>	<b>41%</b>



## 7.2 FINANCIAL PERFORMAMCE

Description	Original Budget	Adjusted Budget	Actual	% Spent
<b>Revenue</b>				
Property Rates	-37 549 087	-37 549 087	-2 748 525	7%
Revenue for Gone	18 753 079	18 753 079	10 338 702	55%
Electricity	-44 787 932	-44 787 932	-13 348 344	30%
Water	-48 760 000	-48 760 000	-4 528 389	9%
Sewer services	-24 971 059	-24 971 059	-2 377 347	10%
Refuse	-24 350 099	-24 350 099	-1 561 822	6%
Rent of facilities and properties	-408 910	-366 900	-143 285	35%
Interest – Debtors	-12 000 000	-22 577 416	-243 434	2%
Interest – Investment	-644 000	-600 000	-434 915	68%
Grants	-84 163 000	-84 163 000	-61 945 000	74%
Other	-51 694 862	-32 228 300	-7 449 311	14%
<b>Total</b>	<b>-310 755 870</b>	<b>-301 780 714</b>	<b>-94 637 087</b>	<b>30%</b>
<b>Expenditure</b>				
Employee related cost	71 987 442	70 879 340	39 344 227	55%
Councillors remuneration	6 530 442	6 662 935	2 731 480	42%
Bulk purchases water	7 300 000	850 000	150 000	2%
Bulk purchase electricity	43 134 189	38 183 983	17 421 732	40%
Depreciation	64 000 000	67 200 000	32 000 000	50%
Debt impairment	40 316 100	40 316 100	20 158 050	50%
Finance charges	1 200 000	1 200 000	108 976	9%
Repairs and Maintenance	10 897 913	11 157 913	6 556 947	60%
Contracted Services	6 930 000	7 892 609	4 349 696	62%
Free Basic Services	22 499 011	17 327 741	7 851 717	35%
Other expenditure	38 977 576	43 784 246	37 374 170	96%
<b>Total</b>	<b>313 772 674</b>	<b>305 454 867</b>	<b>168 046 995</b>	<b>54%</b>

### 7.3 Analysis of revenue and expenditure

In terms of the Revenue, the municipality's performance is at average of 30% this include the operational grants of R84 Million.

Expenditure on budget shows an average of 33%, of with Electricity bulk purchases at 40% and water at 2% which means there was no expenditure on bulk water.



In terms of Operating Expenditure, special attention is also required to be focussed at the salaries budget both Employee Related cost at 55% and Remuneration of Councillors at 42% respectively. This simply means the municipality will exceed their salaries budget when checking the financial performance.

#### 7.4 Cash-flow forecast

Description	July 000	August 000	September 000	October 000	November 000	December 000
Total Cash Receipts	34 779 675	8 067 105	11 642 721	24 044 507	33 781 847	6 521 751
Total Cash Payments	27 646 523	20 448 164	18 719 612	22 362 768	17 765 448	25 316 161
Net Increase/ Decrease	7 133 152	-12 381 059	-7 076 891	1 681 739	16 016 399	-18 794 410
Cash at Month/year Begin:	86 642 000	93 775 152	81 394 093	74 317 202	75 998 941	<b>92 015 340</b>
Cash at Month/year end.	<b>93 775 152</b>	<b>81 394 093</b>	<b>74 317 202</b>	<b>75 998 941</b>	<b>92 015 340</b>	<b>73 220 930</b>

The cash flow forecast of the municipality show a stable financial only with the receipt of grants. The municipality is still having more obligations than the revenue generated.

For the first half of the financial year, the municipality was able to pay the salaries and their MIG projects.

The bank balance show a positive balance even under challenging financial constraints, a further detail on Cash and Bank illustrates the balances.



### 7.5 Bank and Investment

Bank	Original Capital	Interest	Movement	Balance	Maturity
Standard Bank	4,124,110.91	19,965.22		4,144,076.13	11/3/2015
ABSA	33,018,484.75	26,641.98	-30,450,000.00		
ABSA					
ABSA					
VKB	269,380.00			269,380.00	Call
VKB	120,916.00			120,916.00	
VKB	82,872.53	439.91		83,312.44	Call
VKB	474,084.10	2,516.54		476,600.64	Call
VKB (shares)	5,000.00			5,000.00	
<b>Total</b>	<b>38,094,848.29</b>	<b>49,563.65</b>	<b>-30,450,000.00</b>	<b>7,694,411.94</b>	

### 7.6 Municipal Bank accounts

Bank	Name of account	Closing Balance
ABSA	Banktel account	353 013.59
ABSA	Operating account	-33 194.87
ABSA	Call Account	31 418 484.75
<b>Total</b>		<b>31 738 303.47</b>

### 7.7 Creditors Age analysis as at 31 December 2015

Description	0-30 days	30-60 days	60-90days	90 - 120	120-150	Total
Bulk Electricity	5 955 746		5 639 446	8 007 235	49 580 937	<b>69 183 365</b>
Bulk water	54 781	2 712	66 399		783 865	<b>907 757</b>
Loan Repayment					1 670 809	<b>1 670 809</b>
Auditor General		1 669 692	676 579		259 135	<b>2 605 406</b>
Trade Creditors	1 351 417	848 805	2 331 641	2 330 554	3 733 008	<b>10 595 425</b>
Other	-2 615 030	1 659 457	881 825	-6 826 028	10 229 700	<b>3 329 924</b>
<b>Total</b>	<b>4 746 914</b>	<b>8 180 666</b>	<b>9 595 890</b>	<b>3 511 761</b>	<b>66 257 454</b>	<b>88 292 685</b>



The municipality is owing Eskom R 83 479 048 as at 31 December 2015 which is a worrying factor, where the municipality needs to improve on.

## 7.8 Debtors and Billing

### 7.8.1 AGE ANALYSIS

Open balance	308,089,216.67
Billings & adjustments	10,999,899.61
Payments	4,129,548.93-
Closing balance	<b>314,959,567.35</b>

This represents a collection of 37.54% for the month.

The debtor age analysis (end December 2015) is:

Current	10,770,577.40
30 Days	12,231,572.85
60 Days	7,897,541.70
90 Days	7,326,427.71
120 Days	7,967,481.96
150 +	268,765,965.73
<b>Total at month end</b>	<b>314,959,567.35</b>

Registered indigents: 4144

Accounts e-mailed: 1556

### NKETOANA COLLECTION RATE - DECEMBER 2015

Town	Open Balance	Payments	Change	Balance	Change %	
Reitz	01/01	7,925,858.31	2,212,026.88	-3,244,820.02	6,893,065.17	-146.69%
Petsana	01/05	117,972,305.55	3,314,462.40	-97,518.45	121,189,249.50	-2.94%
Reitz Rd	01/12	8,109,895.47	323,146.15	-73,465.21	8,359,576.41	-22.73%
Petrus Steyn	02/01	8,424,667.44	664,760.45	-295,484.99	8,793,942.90	-44.45%
Mamafubedu	02/02	85,773,422.93	2,397,458.90	-69,282.97	88,101,598.86	-2.89%



Heilbron RD	02/12	717,197.87	39,419.83	-5,707.17	750,910.53	-14.48%
Lindley	03/01	5,133,420.85	372,135.43	-114,895.49	5,390,660.79	-30.87%
Ntha	03/02	33,518,024.18	692,939.49	-154,108.29	34,056,855.38	-22.24%
Lindley Rd	03/12	3,649,767.56	181,518.83	-19,897.44	3,811,388.95	-10.96%
Arlington	04/01	1,806,708.02	65,093.70	-12,184.72	1,859,617.00	-18.72%
Leratswana	04/02	32,028,341.73	642,844.13	-30,452.74	32,640,733.12	-4.74%
Bethlehem Rd	04/12	2,006,597.79	65,321.97	-11,427.01	2,060,492.75	-17.49%
Vrede Rd	05/12	36,885.71	1,536.19	0.00	38,421.90	0.00%
Senekal Rd	06/12	986,123.26	27,235.26	-304.43	1,013,054.09	-1.12%
		<b>308,089,216.67</b>	<b>10,999,899.61</b>	<b>-4,129,548.93</b>	<b>314,959,567.35</b>	<b>-37.54%</b>

The above schedule gives the movements for the month of December 2015.

Important to note is that the current outstanding debt is not caused by the poor people as they are being subsidized on their full accounts. The debt is caused by those who earn above the R2 500 per month bracket and who are not paying. The motivation for the selected list of residents to start the collection process with is thus aimed at professional people, business, agriculture, etc. as their income is above the basic norm.

A memo has been issued under the hand of the Municipal Manager whereby no services such as proof of residence, reallocation/selling of sites, building plan approvals, etc. will be issued/approved if any outstanding debt are applicable to the application unless the outstanding debt are paid in full or acceptable arrangements on the outstanding debt have been made. It was recently noted that any official/party are issuing no giving instructions for the issue of these Proof of Residence". This administrative function/procedures has recently been circulated again within the administration and other sections authorized to issue such letters.

Due to the drought the residents in Lindley/Ntha did not have any water in the taps since mid-November to mid December 2015. Residents had to collect water from tanks placed at certain point in the residential areas. After consultation with the Technical Department it was decided to bill these residents only 1 kl of





water for December 2015. Readings will be taken for the January 2016 accounts and should correct any possible under/over collections.

The following are some of the related aspects that are still outstanding or in process with regard to the debt collection. This also forms part of the proposed Revenue Enhancement Strategy:

- Property rates
  - ✓ The valuator must post the valuation appeal notices to the objectors.
  - ✓ The valuator must re-value the rural properties to a market related value to ensure that the property rates billing will be in accordance with the related legislation.
  - ✓ A meeting between the Accounting Officer and Free State Agriculture is proposed in the near future.
- General
  - ✓ The collection of arrears via the pre-paid system is to be implemented. The start-off collection percentage will be set on 30% towards arrears and 70% towards the purchase of electricity. Item submitted to Council for approval.
  - ✓ Data base cleansing to ensure correctness of monthly accounts to residents is an ongoing process. The Revenue Enhancement Strategy refers in this regard.
  - ✓ A humble request is made for the opportunity to participate in Ward Committee meetings to explain the account layout, indigent registration and the collection process on arrears. The said newsletters can perhaps also be distributed in these instances.
  - ✓ Although some of the “problem” meters have been replaced there are still some outstanding meters which will be replaced as funds allow.
  - ✓ The Revenue Section is experiencing serious challenges in relation to its monthly cut-off list in all the towns as the Electricity Section cannot manage the volumes of the cut-offs. The blocking of pre-paid meters in all areas are being implemented as an alternative to shorten the cut-off list and to ensure debt collection.
  - ✓ All departmental accounts (own use) have been identified, created and marked on the financial system. A major outstanding challenge in this regard is that a huge volume of own usage on water, electricity, sewerage and refuse is currently not metered or billed. This has a direct influence on the management and control of expenditure, revenue and water/electricity losses. An internal memo was again submitted to the related departments/sections on 15 April 2015 in order to rectify the matter. No feedback has been received.
  - ✓ Insufficient contact details of customers on the financial system remains a challenge. A request has been submitted to Munsoft (financial system supplier) for an enhancement on the system that in cases where the system do not carry all contact details that the system will automatically flag these accounts when a person wants



to make a payment or place a request/query. This might take some time as it will require a program change.

- ✓ The contract of the previous service provider for the monthly printing and posting of service accounts will expired end July 2015. The new tender was advertised and will be managed in line with legislative requirements. The tender for the appointment of the new supplier for the printing of the monthly service accounts were done and the tender closed. The evaluation and adjudication process is awaited. The temporary supplier's appointment has been extended until the January 2016 accounts in order for the process for the appointment of the new service provider can be completed.
- ✓ A revised Revenue Enhancement Strategy has been drawn up and submitted to the Municipal Manager, directors, managers and other related officials for scrutinizing and inputs. A meeting took place between the above role-players and the strategy was updated. Council approval is awaited on the updated Revenue Enhancement Strategy.

### **7.8.3 Financial implications**

The lower the collection percentage goes the more pressure is put on the budget and also in relation to the setting of tariffs. The increase in tariffs will most probably result in a lower collection percentage which will increase the pressure on the budget even further. The older the debt becomes the more difficult it will become to collect.

The financial solution is to ensure at first that more residents pay their accounts frequently and by the due date. The second action is to ensure that outstanding debt is collected. Both aspects will ensure a healthy cash flow which in turn will reduce the pressure on the budget and tariff increases. Once the debt collection process takes effect it will not only assist with the arrears but will also assist with the payment of current accounts.

### **7.8.4 Recommendations**

It is recommended that:

- Note be taken of the meeting with the attorneys (Meads Inc) and the related actions in this regard on the debt collection process.
- Note be taken of the Council approval awaited on the changes to the related policies for 2014/2015 and 2015/2016 which include, inter alia, approval of the 50% rebate on the balances as at 30 June 2014 and not 30 June 2013 as per the related policy, increase of the household income for indigents to R3000 p.m. due to the SASSA increase and debt collection via the pre-paid system.



- Note be taken of the outstanding debt and the average collection rate of approximately 37.54% (18 December 2015) and the related aspects giving clarity in this regard together with the year-to-date movements on debtors.
- Note be taken of the age analysis of the debtors as at 18 December 2015.
- Note be taken of the internal memo issued under the hand of the Municipal Manager whereby no services such as proof of residence, reallocation/selling of sites, building plan approvals, etc. will be issued/approved if any outstanding debt are applicable to the application unless the outstanding debt are paid in full or acceptable arrangements on the outstanding debt have been made.
- Note be taken of the Property Rates billing to be corrected after the re-valuation of the rural properties.
- Note be taken of the proposed meeting with Free State Agriculture.
- Note be taken of the debt collection process to be implemented via the pre-paid electricity system on a 30/70% basis.
- Note be taken of the aspects currently under investigation in order to improve the debtor data base.
- Note be taken of the challenges experienced with “problem” meters and the estimated losses to Council in this regard.
- Note be taken of the serious challenges experienced with the monthly cut-off list and the alternatives to be implemented in this regard.
- Note be taken of the challenges experienced due to own use (water & electricity) that are not metered.
- Note be taken of the insufficient contact details on the debtor database and the actions taken in order to assist in this regard.
- Note be taken of the process in appointing a service provider for the monthly printing and posting service accounts.
- Note be taken of the draft Revenue Enhancement Strategy process followed and the Council approval awaited on the item.

## **7.9 Municipal Grants**

### **FMG**

This grant is spent for capacitating the BTO officials and for the interns and also to capacitate councillors.

The amount received for this year is R1 600 000, and amount spent to date is R1 516 154, which makes 94.76 % of the amount spent.

### **MSIG**



This Grant assist the municipality in improvement of the systems of the municipality, the amount that was received by the municipality is R930 000, there's a 8.51% expenditure in this regard.

### **MIG**

The amount that was received for this year was R16 677 000. MIG spent R 12 321 011 which makes 73.88% of the total amount received.

### **EPWP**

This grant is the initiation by government to assist its communities to create jobs, the amount received to date is R776 000 and amount spent to date is R 503 400 which makes 64.87 % of the amount spent.

### **INEG**

This Grant is used to help the municipality to improve their electricity in infrastructure.

The amount received to date is R3 240 000 and the amount spent is R404 134, which makes a percentage of 12.47%

## **7.10 CONCLUSION**

This Document represents Nketoana Municipality's detailed report back to residents and stakeholders of Nketoana, on the municipal performance over the first six months on the 2015/2016 financial year. This report provides a lens through which scrutiny of the progress and performance of the municipality can be made in terms of assessing achievements in efforts to realize the objectives as set by Municipal Council. As such, this report not only reflects on milestones and challenges experienced, but also on the ongoing commitment to progressively deepen accountability to residents of Nketoana Local Municipality.

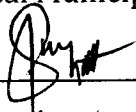


### 7.11 QUALITY CERTIFICATE

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Print Name: L.I Mokgathe

Municipal Manager  
Nketoan Local Municipality, FS 193

Signature: 

Date: 25/01/2016