BUFFALO CITY METROPOLITAN MUNICIPALITY

DIRECTORATE: FINANCIAL SERVICES

HEAD OF DIRECTORATE: MR N. SIGCAU

4th Quarter Performance 2019/2020 (Period starting 1 April 2020 - 30 June 2020)

National Treasury Reference/ BCMM Code	2019/2020 Approved	2019/2020 Approved	Baseline	Annual Target 2019/2020	4th Quarter Planned Target (April 2020 – June 2020)	4th Quarter Actual Performance (April 2020 – June 2020)	Portfolio of Evidence submitted	Reason for Deviation	Corrective Measures	Achievement levels
STRATEGIC OUTCOME 1: INNOVATIVE AND PRODUCTIVE CITY										
NATIONAL PRESCRIBED INDICATORS										
GG 6.11	Percentage of the municipality's operating budget spent on free basic services to indigent households	Free Basic Services to Indigent households	8%	8%	8%	7.77%	- General Ledger FBS Expenditure vote - Operating Budget for 2019/20	The variance is less than 3%. The actual performance is dependent on the number of registered indigents and also the number of registered Indigents that claim the free basic electricity.	Implementation of Indigent Registration campaigns.	
EE2.11	Free Basic Electricity provision levels as per percentage of total residential electricity provision (in terms of MWh)	Free Basic Electricity to Indigent households	10,27%	12%	12%	12.41%	- BS512 Billing Statistical Report	N/A	N/A	

BCMM INDICATORS										
WGC 6	% of a municipality's capital budget spent on capital projects identified in the IDP		84%	100%	100%	58%	Section 71 Report	Delays in the procurement process as well as the Covid-19 lockdown restrictions.	The City continues to implement intervention measures to improve the City's spending performance. As a tool to monitor the performance of each bid committee, the weekly reporting that is submitted to the City Manager on sitting of bid committees assists in early identification of challenges. This has led to further review of bid committees to improve its effectiveness as a result: a) All bid committees were restructured at the end of January 2020 to ensure effectiveness and efficiency. Additional members have been appointed to address the problem of non-sitting of committees as a result of meetings failing to meet the required quorum. b) With the new restructured committees, it is envisaged that the target of taking an average period of three months from initiation to the award of an open bid; whereas in the past it used to take an average of about six months. c) Reconfiguration of processes at the Supply Chain Management unit are also underway to improve all procurement related activities. SCM is compiling weekly register of all requisitions submitted by Directorates and this process will help to address the challenges of missing requisitions or requisitions not captured timeously causing unnecessary procurement delays. d) All committee meetings are required to sit twice a week during the lockdown period to address the backlogs.	

									e) The Chief Financial Officer holds meetings with each Directorate that has poor spending performance and assists in unlocking the bottlenecks and challenges that are experienced by each directorate. Expenditure is expected to rapidly improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2020.	
National Treasury Reference/ BCMM Code	**Key Performance Indicator**	**Project / Programme**	**Baseline**	**Annual Target 2019/2020**	**4th Quarter Planned Target (April 2020 – June 2020)**	**4th Quarter Actual Performance (April 2020 – June 2020)**	**Portfolio of Evidence submitted**	**Reason for Deviation**	**Corrective Measures**	**Achievement levels**
WGC 7	**% revenue Collection Rate as measured in accordance with the MSA performance regulations**	**Implementation of Revenue Enhancement Strategy and Credit Control Policy**	**87,37%**	**85%**	**85%**	**81.63%**	**Collection Ratio as calculated in terms of Billing Report (BP135)**	**The implementation of stage 2 and stage 3 water punitive tariffs has contributed to the reduction of the collection rate -No credit control and debt control action has been implemented since the lockdown for Quarter 4. This has resulted in the reduction in the collection rate. However BCMM has implemented a partial block type on the purchase of electricity where customer are in arrears. For**	**The status quo will remain until the legislation on COVID-19 is lifted to allow the full implementation of debt collection action. Legal collection action has commenced.**	

								every rand tendered for electricity purchases, 40% was allocated to the arrears debt.		
National Treasury Reference/ BCMM Code	**Key Performance Indicator**	**Project / Programme**	**Baseline**	**Annual Target 2019/2020**	**4th Quarter Planned Target (April 2020 – June 2020)**	**4th Quarter Actual Performance (April 2020 – June 2020)**	**Portfolio of Evidence submitted**	**Reason for Deviation**	**Corrective Measures**	**Achievement levels**
WGC14	**Credit Rating Maintained at A**	**Appointment of a Credit Rating Institution**	**A**	**A**	**A**	**A**	**Credit Rating Report**	**N/A**	**N/A**	
WGC 15	**Current ratio (Municipality's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).**	**N/A**	**2,01: 1**	**1.65: 1**	**1.65:1**	**1.78:1**	**Section 71 report**	**N/A**	**N/A**	
WGC 16	**Debt to revenue percentage (the extent of Total Borrowings in relation to Total Operating Revenue).**	**N/A**	**8%**	**<45%**	**<45%**	**5.37%**	**Section 71 report**	**N/A**	**N/A**	

WGC 17	**Cost coverage (ability to meet at least the municipality's monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month).**	**N/A**	**2,18 x fixed operating expenditure**	**1-2x fixed operating expenditure**	**1 - 2x fixed operating expenditure**	**1.88x fixed operating expenditure**	**Section 71 report**	**N/A**	**N/A**	
WGC 18	**Creditors payment period**	**N/A**	**36 days**	**30 days**	**30 days**	**41 days**	**Section 71 report**	**Year-end trade creditors increase**	**Institutionalise payment of trade creditors on time**	

ACHIEVEMENT LEVELS	
	Outstanding performance
	Performance significantly above expectations
	Fully effective performance
	Performance not fully satisfactory
	Unsatisfactory performance
	Not Applicable /On hold/Not reporting for this quarter
N/A	**Not Applicable**

HEAD OF DIRECTORATE: FINANCE SERVICES **MR N. SIGCAU**
SIGNATURE:
DATE: