

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY

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BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

Enquires: 043 101 0161

Email: vicky@bcmda.org.za

BCMDA-FMR-036-17

Mr A Sihlahla
City Manager
Buffalo City Metropolitan Municipality
East London
5201

Dear Mr Sihlahla

BCMDA MONTHLY PERFORMANCE REPORT – SEPTEMBER 2017

Buffalo City Metropolitan Development Agency hereby submits the monthly report as required by section 87 of the MFMA. Attached is the Financial Performance report for the month of September 2017. Included in the pack is also the 2nd quarter tranche invoice for processing.

Kind Regards


MR BULUAKO NELANA
CHIEF EXECUTIVE OFFICER

DATE: 10/10/2017

Tax Invoice



BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

To:
BUF001
Buffalo City Metropolitan Municipality
Old Mutual Building
49 Oxford Street
East London
5201

Tax Registration
Telephone
Fax

VAT Number 4240193492

Account	Date	Order No	Delivery Note	Our Reference
BUF001	2017-10-02	SO00002		INV00002

Item Code	Item Description	Ordered	Prev	Quantity	Unit	Price (In)	Disc %	Tax	Total (Incl)
D0001/IR01380/F0	Default Transactions/Intercom 2nd tranche operational grant for 2017/2018.	1.00	0.00	1.00		775 000.00		709 210.53	5 775 000.00

Total (Excl)	5 065 789.47
Tax	709 210.53
Total	5 775 000.00
Discount	0.00
Total (Incl)	5 775 000.00

Received by _____
Date _____
Signed _____

Prepared By: S M GUO LWA
Date: 03 OCTOBER 2017
Signed: [Signature]

Reviewed & Authorised By: V N TSOBO
Date: 03/10/2017
Signed: [Signature]

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY

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BCM DA-FMR-038-17

QUALITY CERTIFICATE

I, B Nelana, Chief Executive Officer of Buffalo City Metropolitan Development Agency, hereby certify that

The monthly budget statement

Mid-year budget and performance assessment

for the month of September 2017 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Mr. B Nelana

Chief Executive Officer of Buffalo City Metropolitan Development Agency

Signature

A handwritten signature in black ink, appearing to be "B Nelana", is written over a horizontal line.

Date

10/10/2017



Ref: BCMDA-SUB-075-17

Enquires: V Ntsodo

Tel: 043 101 0161

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

1. PURPOSE

The purpose of this report is to present to the City Manager the monthly budget statement of the Buffalo City Metropolitan Development Agency (BCMDA) for the period ended 30 September 2017.

2. AUTHORITY

Buffalo City Metropolitan Municipality

3. LEGISLATIVE FRAMEWORK

- Municipal Finance Management Act, 56 of 2003, section 88
- Municipal Systems Amendment Act, 44 of 2003
- Municipal Budget and Reporting Regulations, 2009
- Companies Act, 71 of 2008

4. BACKGROUND

4.1. In terms of section 87 (11) of the MFMA, the Accounting Officer of a municipal entity must by no later than seven working days after the end of each month submit to the Accounting Officer of the parent municipality, the entity's budget monthly statements in a prescribed format as stipulated on the MFMA.

4.2. This report therefore follows the legislative reporting requirements as outlined in the Municipal Budget and Reporting Regulations.

5. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE AGENCY FOR THE PERIOD ENDING 30 SEPTEMBER 2017.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

5.1. Dashboard/Performance Summary

BCMDA hereby presents its' 2017/18 budget and performance assessment report to the City Manager. Below is the high-level summary of the performance of the agency.

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	5 638 968	Cash and Bank Balance	2 031 787.03
Expenditure	5 564 694	Call investments	741 498.70
Operating Surplus	74 274	Cash and cash equivalents	2 773 285.73
Capital Expenditure	186 410	Account Payables	(197 255.32)
Loss after capital expenditure	(112 136)	Unspent conditional grants	(1 006 761.17)
		BCDA Closing balance	(1 681 517)
FINANCIAL		HUMAN RESOURCES	
Operating surplus for the period	74 274	Total Staff Compliment	17
YTD Grants and subsidies	5 584 408.17	Staff Appointments	1
% Creditors paid within term	100%	Staff Terminations	1
Current ratio	1.09:1	Number of funded vacant posts	1
		Salary bill – Officials	3 897 809
		Workforce costs as a % of expenditure	67.8%

5.2. Liquidity position

BCMDA's liquidity is 1:09:1 for the quarter ending September 2017, which indicates the ability of the agency's current assets to cover its current liabilities (debts). Its current assets comprise mainly of cash and cash equivalents. As previously reported, included in the cash equivalents though is a cash balance of R1.68 million that belonged to BCDA before the establishment of the BCMDA and has also been included as a liability by virtue of it belonging to BCDA. BCMDA has since engaged the City in so far as the expenses that were paid by BCMDA on behalf of BCDA. An invoice has been issued in

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

this regard. A decision on how to neatly close off on BCDA's cash balance has not been communicated as yet as agreed in a meeting that was held on 22 February 2017.

5.3. Capital expenditure

The agency incurred capital expenditure in procuring tools of trade for the Board of directors, CaseWare reporting tool and recurring capital expenditure.

5.4. Expenditure on allocations received

BCMDA has spent all the funds received from the parent municipality as the first tranche operational grant. The expenditure at this point of the financial year is expected to be at 25 % and that has been achieved.

The operational grant received net of VAT amounted to R 5 million and its related expenditure for the quarter under review amounted to R 5.2 million hence there was a need to tap on the BCDA funds which have been reserved until the disbursement treatment has been concluded on.

With the first-time implementation of mSCOA, the procurement process takes a little longer than previously, due to teething problems of the new system and staff familiarity as it involves all employees not just finance.

BCMDA has spent in total R 517 092.37 (34.5 % spent on the 2017/2018 roll over budget) for the quarter under review from the grant received from DEA. This project is anticipated to be concluded in December 2017 and therefore expenditure will be spent in full.

5.5. Cash and cash equivalents

BCDMA's cash and cash equivalents balance at 30 September is R 2.7 million, which is made up of cash and bank account amounting to R 1 025 025.86, call investment balance of R 741 498.70 and unspent funds received from Department of Environmental Affairs (DEA) of R 1 006 761.17. These funds are all banked with First National Bank.

5.6. Outstanding Creditors

The agency pays its creditors within 30 days of receipt of invoices, unless there are disputes. The balance of trade payables and the provident fund payment as at 30 September 2017 is R 197 255.32, all of which will be paid during the month of October

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

2017. In addition, BCMDA's Exco took a decision to pay its suppliers fortnightly to ensure that this requirement is met at all times.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

6. IN YEAR BUDGET STATEMENT MAIN TABLES

6.1. Monthly Budget Statement Summary

The table below is a high-level summary of BCMDA's financial performance, capital expenditure, financial position and cash flow.

Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - M03 September

Description	2016/17	Current Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	238	-	16	55	60	(0)	-8%	238
Transfers recognised - operational	-	22 138	-	-	5 066	5 534	(0)	-8%	22 138
Other own revenue	-	10 784	-	220	516	2 696	(2)	-81%	10 784
Total Revenue (excluding capital transfers and contributions)	-	33 160	-	236	5 639	8 290	(2 651)	(0)	33 160
Employee costs	-	15 178	-	1 387	4 350	3 795	556	0	15 178
Remuneration of Board Members	-	850	-	46	187	213	(26)	(0)	850
Depreciation and asset impairment	-	471	-	68	202	118	84	0	471
Finance charges	-	2	-	-	-	0	(0)	(0)	2
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	16 659	-	155	826	4 165	(3 339)	(0)	16 659
Total Expenditure	-	33 160	-	1 656	5 565	8 290	(2 725)	(0)	33 160
Surplus/(Deficit)	-	0	-	(1 420)	74	0	74	0	0
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	962	-	181	186	241	(55)	(0)	962
Surplus/(Deficit) after capital transfers & contributions	-	962	-	(1 239)	260	241	19	0	962
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	962	-	(1 239)	260	241	19	0	962
Capital expenditure & funds sources									
Capital expenditure	-	962	-	181	186	315	(128)	(0)	962
Transfers recognised - capital	-	962	-	181	186	60	106	0	962
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	962	-	181	186	80	106	0	962
Financial position									
Total current assets	-	3 183	-	-	3 620	-	-	-	3 183
Total non current assets	-	1 113	-	-	2 026	-	-	-	1 113
Total current liabilities	-	2 518	-	-	3 328	-	-	-	2 518
Total non current liabilities	-	1 391	-	-	82	-	-	-	-
Community wealth/Equity	-	387	-	-	2 237	-	-	-	387
Cash flows									
Net cash from (used) operating	-	2 628	-	(3 210)	2 922	(2 039)	4 961	(0)	(8 155)
Net cash from (used) investing	-	(962)	-	(102)	(250)	(241)	(10)	0	(962)
Net cash from (used) financing	-	(526)	-	(100)	(148)	(44)	(104)	0	(526)
Cash/cash equivalents at the year end	-	1 141	-	(3 412)	2 524	(2 323)	4 847	(0)	(9 643)

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

6.2. Monthly Budget Statement – Financial Performance (Standard Classification)

The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Table 3: F2: Monthly Budget Statement – Financial Performance (Standard Classification)

Buffalo City Metropolitan Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 Septemb

Description	2016/17	Current Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	238	-	16	55	50	(5)	-0.1%	238
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	3,630	-	-	-	907	(907)	-100.0%	3,630
Transfers and subsidies	-	22,138	-	-	5,065	5,534	(469)	-0.5%	22,138
Other revenue	-	7,154	-	220	518	1,789	(1,270)	-71.0%	7,154
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	33,160	-	236	5,638	8,290	(2,651)	-32.8%	33,160
Expenditure By Type									
Employee related costs	-	15,178	-	1,387	4,350	3,795	556	14.6%	15,178
Remuneration of Directors	-	850	-	46	187	213	(26)	-12.0%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	471	-	68	202	118	84	71.3%	471
Finance charges	-	2	-	-	-	0	(0)	-100.0%	2
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	16,659	-	155	826	4,155	(3,330)	-80.2%	16,659
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	-	33,160	-	1,656	5,565	8,290	(2,725)	-32.9%	33,160
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary associations) (National / Provincial and District)	-	0	-	(1,420)	74	0	74	25961.2%	0
(National / Provincial Departmental Agencies)	-	-	-	-	-	-	-	-	-
Households, Non-profit Institutions, Private Enterprises	-	962	-	181	186	241	(55)	-22.7%	962
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	-	962	-	(1,239)	260	241	19	8.1%	962
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	962	-	(1,239)	260	241	19		962

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

6.2.1. Revenue by Source

- The interest received is related to investment of surplus funds and always maintaining a positive bank balance on the primary bank account. Other revenue is in relation to what has been recognised as revenue pertaining to the DEA unspent grant and a receipt of operational grant received from the parent municipality.

6.2.2. Expenditure by Type

- The expenditure on employee related costs is currently at 25.6%, which is within the expected norm of 25 % as there is only one vacancy within the institution.
- The Board related expenditure is incurred minimally however the meetings are sitting as expected.
- The expenditure for the current month has improved significantly as compared to the previous months in this quarter.
- The expenditure on Greenest Municipality Competition (GMC) grant for the quarter under review relates to the procurement of fruit trees, procurement of working equipment and erection of immovable refused disposal bins.

6.3. Monthly Budget Statement – Financial Position

The table below is an overview of the financial position of the agency.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

Table 4: F4: Monthly Budget Statement – Financial Position

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M03 September

Vote Description	2016/17	Current Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	-	713	-	2,032	713
Call investment deposits	-	2,469	-	741	2,469
Consumer debtors	-	-	-	-	-
Other debtors	-	-	-	847	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	-	3,183	-	3,620	3,183
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	-	485	-	549	485
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	-	628	-	1,477	628
Other non-current assets	-	-	-	-	-
Total non current assets	-	1,113	-	2,026	1,113
TOTAL ASSETS	-	4,296	-	5,646	4,296
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	526	-	442	526
Consumer deposits	-	-	-	-	-
Trade and other payables	-	1,000	-	2,886	1,000
Provisions	-	992	-	-	992
Total current liabilities	-	2,518	-	3,328	2,518
Non current liabilities					
Borrowing	-	1,391	-	82	-
Provisions	-	-	-	-	-
Total non current liabilities	-	1,391	-	82	-
TOTAL LIABILITIES	-	3,909	-	3,410	2,518
NET ASSETS	-	387	-	2,237	1,778
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	-	387	-	2,237	387
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	-	387	-	2,237	387

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

6.3.1. Assets

- The Agency cash is made up of the primary bank account balance, money market account balance, petty cash on hand and what is available on the GMC Account.
- Property, Plant and Equipment and Intangible Assets consist of carrying amounts of current assets and additions for the current month which are tablets for the Board.

6.3.2. Liabilities

- Borrowings are as a result of operating lease rentals of both the office space and a multifunction Copier.
- Trade and Other payables relate to trade creditors, statutory obligations (provident fund) and unspent GMC grant.

6.4. Monthly Budget Statement – Cash Flows

The table below is an overview of the cash flow of the agency

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M03 September

Description	2016/17	Current Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Fall Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	-	12,784	-	1	1	-	1	#DIV/0!	-
Government - operating	-	23,100	-	-	5,775	5,775	-	-	23,100
Government - capital	-	-	-	-	-	-	-	-	-
Interest	-	238	-	32	50	60	(9)	-15.8%	238
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	-	(31,492)	-	(3,243)	(2,504)	(7,873)	4,969	-63.1%	(31,492)
Finance charges	-	(2)	-	-	-	(0)	0	-100.0%	(2)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	2,828	-	(3,210)	2,922	(2,039)	(4,978)	244.2%	(4,155)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	-	(962)	-	(102)	(250)	(241)	(10)	4.0%	(962)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(962)	-	(102)	(250)	(241)	10	-4.8%	(962)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	(526)	-	(100)	(148)	(43,804.11)	(104)	237.9%	(526)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(526)	-	(100)	(148)	(44)	184	-237.9%	(526)
NET INCREASE/ (DECREASE) IN CASH HELD	-	1,141	-	(3,412)	2,524	(2,323)	4,847	-208.6%	(9,643)
Cash/cash equivalents at the year begin:	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end:	-	1,141	-	(3,412)	2,524	(2,323)	4,847	-208.6%	(9,643)

An amount of cash inflow for the period under review amounted to R 5 825 900 with the cash outflow of R 3 302 000. Kindly refer to attached supporting schedules.

6.5. Aged debtors

The table below is an overview of aged debtors of the agency.

Buffalo City Metropolitan Development Agency - Supporting Table F3 Entity Aged debtors - M03 September

Detail	SIT Code	Current Year 2017/18										
		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	Bad Debts	>90 days
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-
Interest on Aged Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-
Receivables from Regular or Irregular and Material Expenditure	1820	-	-	9	-	-	-	-	-	-	-	-
Total By Income Source	2000	9	-	132	-	-	-	183	-	-	-	-
Debtors Age Analysis By Customer Group												
Organs of State	2200	-	-	-	-	-	-	-	699	-	699	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-
Other	2500	9	-	130	-	-	-	-	-	-	149	-
Total By Customer Group	2000	9	-	130	-	-	-	699	-	847	-	-

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017

The debtors are made up of amounts owed by the City for payments incurred by BCMDA on behalf of BCDA, an amount owed by GMC to the agency as the 2nd tranche of project management fees and recoveries due to the Agency from the project.

6.6. Aged creditors

The table below is an overview of aged creditors of the agency

Buffalo City Metropolitan Development Agency - Supporting Table F4 Entity Aged creditors - M03 September

Detail	NT Code	Current Year 2017/18								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	99	-	-	-	-	-	-	-	99
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	96	3	-	-	-	-	-	-	99
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	1,007	-	-	-	-	-	-	1,682	2,689
Total By Customer Type	2600	1,201	3	-	-	-	-	-	1,682	2,886

All creditors due are settled within 30 days from the date of receiving an invoice unless there are disputes. All invoices are date stamped on arrival in order to track the settlement date thereof. Correspondence file is maintained for all disputed invoices. For the period under review, there were no disputed invoices. These creditors are made up of trade creditors, provident fund contribution, BCDA liability and a GMC unspent grant.

6.7. Capital Expenditure

Capital expenditure for the quarter under review relates to tablets purchased for the Board in order to eliminate printing and courier costs, email services, website hosting and CaseWare reporting software. See Annexures A & B for the detail.

7. BCMDA Challenges

7.1. Output VAT which has to be paid in SARS upon receipt of the operational grant which subsequently reduces the funds available for expenditure of the Agency. This has now become a reality as budgeted items not fully spent on in 2016/2017 are not supported

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – SEPTEMBER 2017


by available funds due to Output VAT of approximately R 2.2 million paid to SARS in 2016/2017.

7.2. BCMDA had appointed consultants in March 2017, to do the designs for the projects allocated to BCMDA as outlined in the strategic planning documents. This process is nearing its concluding stages and the outcomes will be presented to Council for endorsement. The confirmation and the transfer of the capital budget of R25 million for 2017/18 is therefore necessary as an advertisement for contractors will be published as soon as Council endorses the designs. The challenge is that BCMDA has not received written confirmation from its parent municipality of the capital budget and its location.

7.3. As mentioned in preceding paragraphs, the non-payment of the amount due to BCMDA of R696 191. The invoice was issued in February 2017, followed by a meeting however there hasn't been a formal conclusion on how to close the matter.

8. RECOMMENDATION

8.1. It is recommended that the City Manager considers and notes the challenges of the agency.



B NELANA

CHIEF EXECUTIVE OFFICER

DATE: 10/10/2017

Attachments:	Annexure A	: F Schedules
	Annexure B	: Asset Management Report
	Annexure B1	: Asset Verification Report
	Annexure C	: Supply Chain Management Report

Municipal In-year reports & supporting tables

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Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - M03 September

Description	2016/17	Current Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	238	-	16	55	60	(0)	-8%	238
Transfers recognised - operational	-	22,138	-	-	5,066	5,534	(0)	-8%	22,138
Other own revenue	-	10,784	-	220	518	2,696	(2)	-81%	10,784
Total Revenue (excluding capital transfers and contributions)	-	33,160	-	236	5,639	8,290	(2,651)	(0)	33,160
Employee costs	-	15,178	-	1,387	4,350	3,795	556	0	15,178
Remuneration of Board Members	-	850	-	46	187	213	(26)	(0)	850
Depreciation and asset impairment	-	471	-	68	202	118	84	0	471
Finance charges	-	2	-	-	-	0	(0)	(0)	2
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	16,659	-	155	826	4,165	(3,339)	(0)	16,659
Total Expenditure	-	33,160	-	1,656	5,565	8,290	(2,725)	(0)	33,160
Surplus/(Deficit)	-	0	-	(1,420)	74	0	74	0	0
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	962	-	181	186	241	(55)	(0)	962
Surplus/(Deficit) after capital transfers & contributions	-	962	-	(1,239)	260	241	19	0	962
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	962	-	(1,239)	260	241	19	0	962
Capital expenditure & funds sources									
Capital expenditure	-	962	-	181	186	315	(128)	(0)	962
Transfers recognised - capital	-	962	-	181	186	80	106	0	962
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	962	-	181	186	80	106	0	962
Financial position									
Total current assets	-	3,183	-	-	3,620	-	-	-	3,183
Total non current assets	-	1,113	-	-	2,026	-	-	-	1,113
Total current liabilities	-	2,518	-	-	3,328	-	-	-	2,518
Total non current liabilities	-	1,391	-	-	82	-	-	-	-
Community wealth/Equity	-	387	-	-	2,237	-	-	-	387
Cash flows									
Net cash from (used) operating	-	2,628	-	(3,210)	2,922	(2,039)	4,961	(0)	(8,155)
Net cash from (used) investing	-	(962)	-	(102)	(250)	(241)	(10)	0	(962)
Net cash from (used) financing	-	(526)	-	(100)	(148)	(44)	(104)	0	(526)
Cash/cash equivalents at the year end	-	1,141	-	(3,412)	2,524	(2,323)	4,847	(0)	(9,643)

Buffalo City Metropolitan Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	2016/17	Current Year 2017/18							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	238	-	16	55	60	(5)	-8.1%	238
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	3,630	-	-	-	907	(907)	-100.0%	3,630
Transfers and subsidies	-	22,138	-	-	5,066	5,534	(469)	-8.5%	22,138
Other revenue	-	7,154	-	220	518	1,789	(1,270)	-71.0%	7,154
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	33,160	-	236	5,639	8,290	(2,651)	-32.0%	33,160
Expenditure By Type									
Employee related costs	-	15,178	-	1,387	4,350	3,795	556	14.6%	15,178
Remuneration of Directors	-	850	-	46	187	213	(26)	-12.0%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	471	-	68	202	118	84	71.3%	471
Finance charges	-	2	-	-	-	0	(0)	-100.0%	2
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	16,659	-	155	826	4,165	(3,339)	-80.2%	16,659
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	-	33,160	-	1,658	5,585	8,290	(2,725)	-32.9%	33,160
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	0	-	(1,420)	74	0	74	25961.2%	0
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non profit Institutions, Private Enterprises, Public Corporations,)	-	962	-	181	186	241	(55)	-22.7%	962
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	-	962	-	(1,239)	260	241	19	8.1%	962
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	962	-	(1,239)	260	241	19		962

Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoriums	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Play/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	83	-	82	88	213	126	58.9%	853
Services	-	-	-	-	-	-	-	-	-
Licences and Rights	-	853	-	82	88	213	126	58.9%	853
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	715	-	75	79	179	99	55.7%	715
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	138	-	3	8	35	26	75.6%	138
Computer Equipment	-	99	-	99	99	99	0	0.3%	99
Computer Equipment	-	99	-	99	99	99	0	0.3%	99
Furniture and Office Equipment	-	10	-	-	-	3	3	100.0%	10
Furniture and Office Equipment	-	10	-	-	-	3	3	100.0%	10
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	942	-	181	186	315	128	42.8%	942

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M03

Vote Description	2016/17	Current Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	-	713	-	2,032	713
Call investment deposits	-	2,469	-	741	2,469
Consumer debtors	-	-	-	-	-
Other debtors	-	-	-	847	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	-	3,183	-	3,620	3,183
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	-	485	-	549	485
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	-	628	-	1,477	628
Other non-current assets	-	-	-	-	-
Total non current assets	-	1,113	-	2,026	1,113
TOTAL ASSETS	-	4,296	-	5,646	4,296
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	526	-	442	526
Consumer deposits	-	-	-	-	-
Trade and other payables	-	1,000	-	2,886	1,000
Provisions	-	992	-	-	992
Total current liabilities	-	2,518	-	3,328	2,518
Non current liabilities					
Borrowing	-	1,391	-	82	-
Provisions	-	-	-	-	-
Total non current liabilities	-	1,391	-	82	-
TOTAL LIABILITIES	-	3,909	-	3,410	2,518
NET ASSETS	-	387	-	2,237	1,778
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	-	387	-	2,237	387
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	-	387	-	2,237	387

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M03 September

Description	2016/17	Current Year 2017/18							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	-	10,784	-	1	1	-	1	#DIV/0!	-
Government - operating	-	23,100	-	-	5,775	5,775	-	-	23,100
Government - capital	-	-	-	-	-	-	-	-	-
Interest	-	238	-	32	50	60	(9)	-15.8%	238
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	-	(31,492)	-	(3,243)	(2,904)	(7,873)	4,969	-63.1%	(31,492)
Finance charges	-	(2)	-	-	-	(0)	0	-100.0%	(2)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	2,628	-	(3,210)	2,922	(2,039)	(4,978)	244.2%	(8,155)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	-	(962)	-	(102)	(250)	(241)	(10)	4.0%	(962)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(962)	-	(102)	(250)	(241)	10	-4.0%	(962)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	(526)	-	(100)	(148)	(43,804.11)	(104)	237.9%	(526)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(526)	-	(100)	(148)	(44)	104	-237.9%	(526)
NET INCREASE/ (DECREASE) IN CASH HELD	-	1,141	-	(3,412)	2,524	(2,323)	4,847	-208.6%	(9,643)
Cash/cash equivalents at the year begin:	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	1,141	-	(3,412)	2,524	(2,323)	4,847	-208.6%	(9,643)

Buffalo City Metropolitan Development Agency - Supporting Table F2 Entity Financial and non-financial indicators - M03 September

Description of financial indicator	Basis of calculation	Ref	2016/17	Current Year 2017/18			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0.0%	32.4%	0.0%	1.5%	0.0%
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure		0.0%	1.4%	0.0%	3.6%	1.4%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		0.0%	1010.0%	0.0%	152.5%	650.7%
Gearing	Long Term Borrowing/ Funds & Reserves						
Liquidity							
Current Ratio	Current assets/current liabilities		0.0%	126.4%	0.0%	106.8%	126.4%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0.0%	126.4%	0.0%	106.8%	126.4%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	126.4%	0.0%	63.3%	126.4%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0.0%	0.0%	0.0%	15.0%	0.0%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))			100.0%	100.0%	100.0%	100.0%
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators							
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated	1	0.0%	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source	2	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/Total Revenue - capital revenue		0.0%	45.8%	0.0%	77.1%	45.8%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		0.0%	1.4%	0.0%	3.6%	1.4%
Financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		0.0%	0.0%	0.0%	0.0%	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + investments)/monthly fixed operational expenditure		0.0%	0.0%	0.0%	0.0%	0.0%

References

- 1 Delete if not an electricity entity
- 2 Delete if not an water entity

Buffalo City Metropolitan Development Agency - Supporting Table F3 Entity Aged debtors - M33 September

Detail	NT Code	Current Year 2017/18								Total	Bad Debts
		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		
<i>R thousands</i>											
Debtors Age Analysis By Income Source	1100										
Trade and Other Receivables from Exchange Transactions - Water	1200										
Trade and Other Receivables from Exchange Transactions - Electricity	1300										
Receivables from Non-exchange Transactions - Property Rates	1400										
Receivables from Exchange Transactions - Waste Water Management	1500										
Receivables from Exchange Transactions - Waste Management	1600										
Receivables from Exchange Transactions - Property Rental Debtors	1700										
Interest on Arrear Debtor Accounts	1810										
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820			8							
Other	1900	8		130		1		599			
Total By Income Source	2000										
Debtors Age Analysis By Customer Group	2100										
Organs of State	2200							609		609	
Commercial	2300										
Households	2400										
Other	2500	8		130		1				148	
Total By Customer Group	2600	8		130		1		609		647	

Notes

Material increases in value of debtors' categories compared to previous month to be explained

Buffalo City Metropolitan Development Agency - Supporting Table F4 Entity Aged creditors - M03 September

Detail	NT Code	Current Year 2017/18								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	99	-	-	-	-	-	-	-	99
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	96	3	-	-	-	-	-	-	99
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	1,007	-	-	-	-	-	-	1,682	2,688
Total By Customer Type	2600	1,201	3	-	-	-	-	-	1,682	2,886

Notes

Material increases in value of creditors' categories compared to previous month to be explained

Buffalo City Metropolitan Development Agency - Supporting Table F6 Entity Board member allowances & staff benefits - M03 September

Summary of Employee and Board Member remuneration	2016/17	Current Year 2017/18							
	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
Remuneration									
Board Members of Entities									
Basic Salaries	-	-	-	-	-	-	-	-	-
Pension Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	-	-	-	-	-	-
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
In-kind benefits	-	-	-	-	-	-	-	-	-
Board Fees	-	850	-	46	187	213	(26)	-12.0%	850
Sub Total - Board Members of Entities	-	850	-	46	187	213	(26)	-12.0%	850
% Increase		#DIV/0!							#DIV/0!
Senior Managers of Entities									
Basic Salaries	-	4,881	-	407	1,220	1,220	(0)	0.0%	4,881
Pension Contributions	-	523	-	44	131	131	(0)	0.0%	523
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	408	-	34	102	102	-	-	408
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits or allowances	-	-	-	46	46	-	46	#DIV/0!	-
Performance Bonus	-	528	-	72	396	528	(131)	-24.8%	528
In-kind benefits	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	-	6,339	-	602	1,895	1,980	(85)	-4.3%	6,339
% Increase		#DIV/0!							#DIV/0!
Other Staff of Entities									
Basic Salaries	-	7,277	-	709	2,071	1,819	252	13.8%	7,277
Pension Contributions	-	732	-	55	165	183	(18)	-9.8%	732
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	126	-	5	15	21	(6)	-28.6%	126
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	315	-	-	148	315	(167)	-52.9%	315
Other benefits or allowances	-	-	-	15	47	-	47	#DIV/0!	-
In-kind benefits	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities	-	8,450	-	785	2,447	2,338	109	4.6%	8,450
% Increase		#DIV/0!							#DIV/0!
Total Municipal Entities remuneration	-	15,639	-	1,433	4,529	4,531	(2)	0.0%	15,639
Unpaid salary, allowances & benefits in arrears:	-	-	-	99	-	-	-	-	0.0%

Buffalo City Metropolitan Development Agency - Supporting Table F7 Entity monthly actuals & revised targets - M03 September

Description	Current Year 2017/18												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
Revenue By Source																
Service charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	5,231	171	236	-	-	-	-	-	-	-	-	27,522	31,365	27,009	-	-
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	5,231	171	236									27,522	31,365	27,009		
Expenditure By Type																
Employee related costs	1,326	1,589	-	-	-	-	-	-	-	-	-	12,284	16,178	16,696	17,772	-
Remuneration of Board Members	7	141	46	-	-	-	-	-	-	-	-	-	650	650	650	-
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	69	67	68	-	-	-	-	-	-	-	-	268	471	495	520	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	2	2	2	2	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buff purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travelers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	(45)	-	-	-	-
Other expenditure	149	477	155	-	-	-	-	-	-	-	-	16,659	-	-	-	-
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	16,649	13,321	7,866	-
Total expenditure	1,596	2,244	269									29,176	31,160	31,365	27,009	
Capital expenditure																
Capital assets	-	-	-	-	-	-	-	-	-	-	-	(962)	(962)	(782)	(248)	-
Total capital expenditure	-	-	-	-	-	-	-	-	-	-	-	(962)	(962)	(782)	(248)	-
Cash flow																
Repayments and other	5,775	1	52	-	-	-	-	-	-	-	-	4,946	10,784	7,502	1,175	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-	23,100	24,417	27,784	-
Interest	18	32	20	-	-	-	-	-	-	-	-	-	238	228	298	-
Suppliers, employees and other	(1,247)	(1,597)	(3,243)	-	-	-	-	-	-	-	-	(25,405)	(31,482)	(30,545)	(28,010)	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)	(2)	(2)	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/USED IN OPERATING ACTIVITIES	4,545	(1,564)	(3,161)									(20,460)	2,828	1,900	1,245	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets	(58)	(90)	(102)	-	-	-	-	-	-	-	-	(712)	(962)	(782)	(248)	-
NET CASH FROM/USED IN INVESTING ACTIVITIES	(58)	(90)	(102)									(712)	(962)	(782)	(248)	
Borrowing long term/short term	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	(48)	-	(100)	-	-	-	-	-	-	-	-	(378)	(526)	(564)	(722)	-
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/USED IN FINANCING ACTIVITIES	(48)	-	(100)									(378)	(526)	(564)	(722)	
NET INCREASE/(DECREASE) IN CASH HELD	4,440	(1,654)	(3,363)									(21,550)	1,141	(664)	(527)	215

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	853	-	82	84	213	126	58.9%	853
Services	-	-	-	-	-	-	-	-	-
Licences and Rights	-	853	-	82	86	213	126	58.9%	853
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	715	-	79	79	179	99	55.7%	715
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	138	-	3	6	35	25	75.6%	138
Computer Equipment	-	99	-	99	99	99	0	0.3%	99
Computer Equipment	-	99	-	99	99	99	0	0.3%	99
Furniture and Office Equipment	-	10	-	-	-	3	3	100.0%	10
Furniture and Office Equipment	-	10	-	-	-	3	3	100.0%	10
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	-	962	-	181	188	315	128	40.0%	962

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Ports	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	-	10	-	-	-	3	3	100%	10
Computer Equipment	-	10	-	-	-	3	3	100%	10
Furniture and Office Equipment	-	29	-	-	-	10	10	100%	29
Furniture and Office Equipment	-	29	-	-	-	10	10	100%	29
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	-	39	-	-	-	13	13	100%	39

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Abolition Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	307	-	91	153	77	(76)	-99.1%	307
Service Licences	-	-	-	-	-	-	-	-	-
Licences and Rights	-	307	-	91	153	77	(76)	-99.1%	307
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	257	-	49	140	54	(63)	-129.6%	257
Lead Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	50	-	2	5	12	7	58.6%	50
Computer Equipment	-	146	-	15	45	37	(8)	-22.5%	146
Computer Equipment	-	146	-	15	45	37	(8)	-22.5%	146
Furniture and Office Equipment	-	18	-	1	4	5	0	3.6%	18
Furniture and Office Equipment	-	18	-	1	4	5	0	3.6%	18
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Depreciation	-	471	-	68	202	118	(64)	-71.3%	471



BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

ASSET MANAGEMENT REPORT
PERIOD ENDED 30 SEPTEMBER 2017

1. PURPOSE

To report on the management of the Agency's assets as well as asset register maintenance for the quarter ended 30 September 2017.

2. LEGISLATIVE FRAMEWORK

The Municipal Finance Management Act No. 56 of 2003 (MFMA)

3. BACKGROUND

3.1. Municipal Finance Management Act 56 of 2003 section 96 states that the Accounting Officer of a municipal entity is responsible for the management of the assets of the entity, including the safeguarding and maintenance of those assets and must take all reasonable steps to ensure that the entity has and maintains:

- a) a management, accounting and information system that accounts for proper assets and liabilities of the management systems of the municipal entity; and
- b) a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

3.2. The Municipal Finance Management Act further states that the Accounting Officer is responsible for managing the financial administration of the municipal entity, and must for this purpose take all reasonable steps to ensure that the resources of the municipal entity are used effectively, efficiently and economically.

4. EXPOSITION OF FACTS

4.1. Asset Management Reconciliations and Fixed Assets Register

Reconciliations between the general ledger and the assets register are performed on a monthly basis. The asset management module allows for automatic updating of asset additions when asset related transactions are being effected on the financial management system. At the end of each month, the asset management module is reviewed and system generated depreciation journals are processed from the module to the general ledger. A reconciliation is then performed to ensure that the asset register agrees with the general ledger.

During the quarter under review, the monthly reconciliations were performed and in each instance the general ledger reconciled with the asset register module as well as with the manual excel spreadsheet asset register that is used as a further control.

4.2. Physical asset verification

A complete physical verification for this quarter was performed early October 2017 and all assets on the asset register were verified. All assets on the floor were traced to the asset register and asset conditions were documented. As the Agency is leasing the majority of the furniture and fittings as part of the office space rental agreement with the IDZ the asset count included the leased assets. The count was performed by the Receptionist and reviewed by the Manager: SCM and Asset Management and the asset register was updated with the asset count results.

4.3. Asset Additions

The following are asset additions as at 30 September 2017:

No	Month	Item Description	Category	Amount
1.	July 2017			NIL
2.	August 2017	Mailbox hosting	Intangible Asset	5 636.00
3.	September 2017	Software Upgrades	Intangible Asset	79 256.00
		Computer Equipment	PPE	98 700.00
		Mailbox hosting	Intangible Asset	2 818.00
Total additions as end of Quarter 1 of 2017/18				186 410.00

5. FINANCIAL/OTHER IMPLICATIONS

There are no further implications to be noted.

6. RECOMMENDATION

It is hereby recommended that this report is noted and accepted.

PREPARED BY:


V. NTSODO

CHIEF FINANCIAL OFFICER

APPROVED BY:


B. NELANA

CHIEF EXECUTIVE OFFICER



BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

ASSET VERIFICATION REPORT
PERIOD ENDED 30 SEPTEMBER 2017

1. **PURPOSE**

To report on the physical verification of BCMDA assets as at 30 September 2017.

2. **LEGISLATIVE FRAMEWORK**

The Municipal Finance Management Act No. 56 of 2003 (MFMA)

BCMDA Asset Management Policy

3. **BACKGROUND**

3.1. Municipal Finance Management Act 56 of 2003 section 96 states that the accounting officer of a municipal entity is responsible for the management of the assets of the entity, including the safeguarding and maintenance of those assets and must take all reasonable steps to ensure that the entity has and maintains:

- a) a management, accounting and information system that accounts for proper assets and liabilities of the management systems of the municipal entity; and
- b) a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

3.2. The Municipal Finance Management Act further states that the Accounting Officer is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

3.3. Section 10 of the BCMDA Asset Management Policy States that physical verification of assets must be conducted quarterly.

4. **EXPOSITION OF FACTS**

4.1. **Asset Count**

The physical asset count was performed by Receptionist who was issued with asset count instructions by the Manager: SCM and Asset Management. The count was supervised by the latter and for each asset location the custodian responsible in that location acknowledges responsibility for the assets assigned to them by signing the relevant asset inventory sheet. The count included assets held by the Agency as part of an operating lease of the Office Building of the East London IDZ. The asset inventory lists for these are assets are signed for separately by the asset custodians.

4.2. Process Followed

The process followed during this verification involved:

- Physically verify the existence of assets pertaining to the Agency by tracing from the asset register to the floor;
- Tracing assets found on the floor to the asset register to ensure completeness of the asset register;
- Update Location details of assets (Rooms, custodians, locations);
- Update condition assessment of assets;
- Consideration of impairment/decline of economic benefits;
- Review of useful lives;
- Identification of items that need to be derecognized;
- Asset register updated with count results.

4.3. Asset Count Results

The following is a list of asset locations visited, all these locations are offices located in the building BCMDA is leasing from the IDZ:

Code	Description	Verified / Not Verified
001	CEO Office	Verified
002	CFO Office	Verified
003	Executive PA Office	Verified
004	EM Dev Facilitation Office	Verified
005	Manager SCM & Asset Office	Verified
006	Manager Fin Admin Office	Verified
007	Legal Service Manager Office	Verified
008	Reception Area/Ground Floor Lobby	Verified
009	IT Admin Office	Verified
010	Executive Manager: Corporate Services Office	Verified
011	Project Management Office	Verified
012	Kitchen Ground Floor	Verified
013	Kitchen First Floor	Verified
014	Boardroom Ground Floor	Verified
015	HR Admin Office (former meeting room)	Verified
016	Marketing and Communications Office	Verified

The total number of assets verified during the count is as follows:

- BCMDA Assets: 59
- East London IDZ leased assets: 97

Generally, the conditions of all the assets verified were found to have been good and no indication of impairment was identified during the count. The asset count sheets in this regard is attached as annexure A.

5. **FINANCIAL/OTHER IMPLICATIONS**

There are no further implications to be noted.

6. **RECOMMENDATION**

It is hereby recommended that this report is noted and accepted.

PREPARED BY:

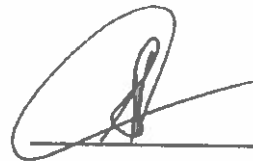

_____ P.P.

A. MANCIYA

MANAGER: SCM AND ASSETS

DATE: 10/10/2017

APPROVED BY:



V. NTSODO

CHIEF FINANCIAL OFFICER

DATE: 10/10/2017



BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

SUPPLY CHAIN MANAGEMENT REPORT
QUARTER ENDED 30 SEPTEMBER 2017

1. PURPOSE

To report on the Implementation of the Agency's Supply Chain Management Policy for the quarter ended 30 September 2017.

2. LEGISLATIVE FRAMEWORK

The South African Constitution Section 217

The Municipal Finance Management Act No. 56 of 2003 (MFMA), Chapter 11

Local Government: Municipal Supply Management (SCM) Regulations of 2005

Supply Chain Management Policy

3. BACKGROUND

3.1. The Supply Chain Management (SCM) policy of the Agency and the Local Government: Municipal Supply Management (SCM) Regulations state under section 6(3) that the Accounting Officer must, on a quarterly basis report to the Board of Directors, on the implementation of the SCM policy.

3.2. When fulfilling its procurement objectives, the Agency must comply with the SCM Regulations and its Supply Chain Management Policy.

3.3. The Municipal Finance Management Act states that the Accounting Officer is responsible for managing the financial administration of the municipal entity, and must for this purpose take all reasonable steps to ensure that the resources of the municipal entity are used effectively, efficiently and economically.

4. EXPOSITION OF FACTS

4.1. Bid committees

- a) In line with the above-mentioned prescripts the accounting officer appointed bid committees to serve during the period 01 July 2017 to 30 June 2018. These committees were composed as follows:

Bid Committee (BSC)	Specification	Bid Evaluation Committee (BEC)	Bid Adjudication Committee (BAC)
Ms. R. Naina (Manager: Marketing and Communications) – Office of the CEO		Ms. S. Mgudiwa (Manager: Financial Administration) – Office of the CFO	Ms. V. Ntsodo (Chief Financial Officer) - Chairperson
Mr. A. Manciya (Manager: Supply Chain and Asset Management) – Office of the CFO		Mr. A. Manciya (Manager: Supply Chain and Asset Management) – Office of the CFO	Dr. E. Uithaler (Executive Manager: Development Facilitation)
Ms. W. Dukuza (Manager: Legal Services and Company Secretary) – Office of the CEO		Mr. L. Hute (ICT Administrator) – Corporate Services	Mr. X. Jikela (Executive Manager: Corporate Services)
Mr. G. Yawathe (Project Manager: Infrastructure Development) – Development Facilitation		Ms. A. Mayeza (Project Manager: Socio Economic Development) – Development Facilitation	Ms. W. Dukuza (Company Secretary & Legal Services Manager) - Office of the CEO
			Mr. A. Manciya (Manager: Supply Chain and Asset Management) - Secretariat

b) The roles of the Committees are as follows:

- **Bid Specification Committee**

- Consider all bids above the threshold value of R200 000, bids whose project duration exceeds 12 months as well as other bids as and when required;
- Ensure that Terms of Reference / Specification are clearly defined for ease of reference to bidders and that they are compiled in an unbiased manner as defined in Section 112(1) of chapter 11 of the MFMA No. 56 of 2003.

- **Bid Evaluation Committee**

- Evaluate all bids above the threshold value of R200 000 and bids whose project duration exceeds 12 months in accordance with

specifications of that specific bid and the point system set out in BCMDA's Supply Chain Management Policy and the Preferential Procurement Policy Framework Act;

- o Ensure all information contained in each bidding document is taken into account during evaluation of bids and evaluate each bidder's ability to execute the contract;
 - o Ensure that municipal rates and taxes and municipal service charges of the recommended bidder are not in arrears and that all tax matters are in order;
 - o Submit to the Bid Adjudication Committee a report and recommendations regarding the awarding of the bid;
- Bid Adjudication Committee
 - o Consider the all the reports of the BEC;
 - o Recommend to the Accounting Officer to make the final award or make the relevant recommendation to the Accounting Officer on how to proceed with the procurement.

c) The following table reflects the sittings of the bid committees during the quarter:

COMMITTEE	SITTING DATES	TENDER CONSIDERED	MEMBER ATTENDANCE
BSC	04 August 2017	Bid 2 of 2017 – Provision of safety and security services, East London beach front	100%
	08 August 2017	Bid 3 of 2017 – Provision of website and email hosting	75%
	15 August 2017	Bid 3 of 2017 – Provision of website and email hosting - reconsideration	75%
	26 September 2017	Bid 2 of 2017 – Provision of safety and security services, East London beach front - reconsideration	100%
BEC	08 August 2017	Supply and delivery of Tablets	75%
	24 August 2017	Supply and delivery of Tablets – re-evaluation	75%
	19 September 2017	Bid 1 of 2017 – Provision of banking services.	75%

COMMITTEE	SITTING DATES	TENDER CONSIDERED	MEMBER ATTENDANCE
BAC	31 July 2017	Notice 4 of 2017 – Supply and delivery of brush cutters	100%
	18 August 2017	Notice 5 of 2017 – Supply and delivery of tablets	100%
	08 September 2017	Notice 5 of 2017 – Supply and delivery of tablets – Re-adjudication	100%

4.2. Requests for formal written quotations

The following requests for formal written quotations were advertised on the newspapers, Agency's website, notice board and E-tender portal. These were considered by the BEC and BAC during the quarter ended 30 September 2017:

DESCRIPTION	DATE ADVERTISED	DATE CLOSED	DATE AWARDED	SUCCESSFUL BIDDER	AWARD AMOUNT	BBBEE LEVEL	REASON FOR AWARD
NOTICE 4 OF 2017 - SUPPLY AND DELIVERY OF BRUSH CUTTERS	13 JUNE 2017	23 JUNE 2017	10 AUGUST	THV LOGISTICS AND PROJECTS	R48 767.32	ONE	SCORED HIGHEST POINTS
NOTICE 5 OF 2017 - SUPPLY AND DELIVERY OF TABLETS	25 JULY 2017	04 AUGUST 2017	08 SEPTEMBER 2017	AMENDED RECLINES TRADING AND PROJECTS	R98 700	ONE	SCORED HIGHEST POINTS

4.3. Competitive Bids

The following were instances of competitive bidding process that were in progress during the quarter under review:

DESCRIPTION	DATE ADVERTISED	CLOSING DATE	DATE AWARDED	SUCCESSFUL BIDDER	TEJDER PRICE	BBBEE POINTS	TOTAL POINTS SCORE	REASON FOR AWARD
BID 1 OF 2017 - PROVISION OF BANKING SERVICES	23 JUNE 2017	25 AUGUST 2017	NOT AWARDED	N/A	N/A	N/A	N/A	NOT AWARDED
BID 3 OF 2017 - PROVISION OF INTERNET AND EMAIL SERVICES	30 AUGUST 2017	06 OCTOBER 2017	NOT AWARDED	N/A	N/A	N/A	N/A	NOT AWARDED

4.4. Procurement Plan

During the quarter ended the Agency developed a procurement plan in line with MFMA Circular 62 guidelines. All procurement in excess of R30 000 is undertaken in terms of the procurement plan and approved budget. Consequently, the formal written quotations and the competitive bids reported above are in conformity with the plan. The procurement plan must be adhered to in order to assist with determination of cash flows, readiness of the SCM systems and implementation of the Agency's APP. The table below reflects projects whose planned inception date fell due during the quarter under review in terms of the procurement plan and the actual procurement progress as at the date of preparing this report. The approved procurement plan is attached as annexure A.

Division	Description of goods/ services / infrastructure project	Estimated project value	Budget for 2017/18 FY	Procurement Strategy	Estimated Project Inception Date	Actual procurement status/process
CORPORATE SERVICES	PROVISION OF INTERNET AND WEBSITE SERVICES	600 000	138 307	COMPETITIVE BIDDING PROCESS	01 NOVEMBER 2017	THE TENDER CLOSED ON 06 OCTOBER 2017. EVALUATION PROCESSES TO COMMENCE ON 12 OCTOBER 2017
CORPORATE SERVICES	SUPPLY AND DELIVERY OF TABLETS	99 000	99 000	REQUEST FOR FORMAL WRITTEN QUOTATIONS	20 AUGUST 2017	THE TABLETS WERE DELIVERED ON 22 SEPTEMBER 2017. DELAYS IN AWARD WERE AS A RESULT OF EVALUATION REPORT THAT WAS REFERRED BACK TO THE BEC.
OFFICE OF THE CFO	CASEWARE NATIONAL TREASURY FORMATS REPORTING TOOL	91 000	91 000	SINGLE SOURCE PROCUREMENT	09 AUGUST 2017	REPORTING TOOL WAS FULLY IMPLEMENTED ON 04 SEPTEMBER 2017

4.5. Deviations

SCM Regulation 36 and BCMDA Policy state that: "The accounting officer may –

- (a) dispense with the official procurement processes established by this policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
 - (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, nature reserves or game reserves; or*
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*
- (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.*

The accounting officer must record the reasons for any deviations in terms of subsections 58 (1) (a), (b) and (c) of this policy and report them to the next meeting of the Board and include as a note to the annual financial statements.

There were no instances of deviations during the quarter ended 30 September 2017.

4.6. Declarations

- a) Of all the contracts awarded, no contracts have been awarded to persons in the service of the state and no contracts have been awarded to spouses, children or parents of persons employed in the service of the state. This is as per the declarations that have been signed by Suppliers and Service Providers every time we request quotations or call for bids from them.

- b) Further reliance is also placed on National Treasury's central supplier database (CSD) as the CSD maintains a database of companies whose directors are in the service of the state.

4.7. Fruitless and Wasteful

The following were instances of fruitless and wasteful expenditure during the quarter under review:

Supplier	Goods/Service provided	Amount paid	Details of fruitless and wasteful	Corrective Measure	Division responsible
SARS	Interest and penalties on late payment of VAT	R60 930.49	July and August 2017 VAT return that was due to be submitted on 30 September 2017 was timeously submitted on the due date. The VAT payable to SARS on the same return was paid on 30 September 2017, which was a Saturday, however the payment reflected 2 days later on the SARS bank account and was regarded by SARS as a late payment.	Make payment to SARS and ensure payments are made at least 2 days prior to the due date.	Office of the CFO

4.8. Report on Contract Performance Management

Below is the Agency's contracts register as at 30 September 2017. The performance of these service providers is monitored and evaluated on a monthly basis by the various Project Managers.

4.9. Irregular expenditure

There were no instances of irregular expenditure to be reported.

4.10. Commitments as at 30 September 2017

The Agency maintains a commitment register which provides a picture of procurement of goods and services where an award has been made but delivery has not yet been completely realized due to various reasons, including instances where delivery timeframes have not fallen due. As at the date of compiling this report all the agencies commitments are operational in nature. The following is the Agency's commitment register as at 30 September 2017.

Awards made in the form of purchase orders whose delivery has not been completely realized:

COMMITMENTS REGISTER- 2017-18 AS AT 30 SEPTEMBER 2017

PO NUMBER	DESCRIPTION OF SERVICE	CONTRACTOR / SERVICE PROVIDER / SUPPLIER	DIVISION	AWARD AMOUNT	EXPENDITURE TO DATE	COMMITMENT
PO87	Accommodation for Mr. Nelana for 2 weeks	Harvey World Travel	Corporate Services	R 11 357.00	-	R 11 357.00
PO14	BCMDA Media Campaign	Keith Ngesi Radio	Office of the CEO	R 29 000.00	-	R 29 000.00
PO61	Design and printing of BCMDA booklets	Copyworld	Office of the CEO	R 8 265.00	-	R 8 265.00
				R 48 622.00	R 0.00	R 48 622.00

Goods and services contracted for but not completely provided for as the contract period is ongoing:

COMMITMENTS REGISTER- 2017-18 AS AT 30 SEPTEMBER 2017

DESCRIPTION OF SERVICE	CONTRACTOR/ SERVICE PROVIDER/ SUPPLIER	DIVISION	AWARD AMOUNT	EXPENDITURE TO DATE	COMMITMENT
Single Source	East London IDZ	Corporate Services	R 1 116 148.60	729 747.87	R 386 400.73
Notice 1 of 2016	Marais and Smith Chartered Accountants	Development Facilitation	R 130 000.00	73 685.86	R 56 314.14
Request for quotations	Konika Minolta	Corporate Services	R 128 234.88	42 744.94	R 85 489.94
Bid 1 of 2016	Lunika Chartered Accountants and Auditors	Office of the CFO	R 469 899.36	209 692.00	R 260 207.36
Bid 3 of 2016	MDA Consortium	Development Facilitation	R 5 087 249.98	660 356.70	R 4 426 893.28
TC 1 OF 2017	Camelsa Consulting Group	Office of the CFO	R 2 509 964.59	1 470 020.94	R 1 039 943.65
PO3	Business Connexion	Corporate Services	R 148 108.00	128 069.88	R 20 038.12
			R 9 589 605.41	R 3 314 318.19	R 6 275 287.22

5. **LEGAL IMPLICATIONS**

None

6. **FINANCIAL/OTHER IMPLICATIONS**

6.1. There are no further financial implications to be noted.

6.2. As there were no instances of irregular expenditure nor were there other instances of non-compliance during the quarter under review the percentage compliance with the BCMDA SCM Policy for the quarter ended 30 September 2017 is 100%.

7. **RECOMMENDATION**

It is hereby recommended that this report is noted and accepted.

PREPARED BY:



V. NTSODO

CHIEF FINANCIAL OFFICER

APPROVED BY:



B. NELANA

CHIEF EXECUTIVE OFFICER