

**BUFFALO CITY METROPOLITAN MUNICIPALITY**  
**OPERATING EXPENDITURE REPORT AS AT 30 JUNE 2016**

Project Name	Funding Source	2015-2016 Mid-Year Adjustment Budget	YTD Expenditure (incl. vat)	Available Budget (incl. vat)	% Expenditure (incl. vat)	Comments
<b>DIRECTORATE OF EXECUTIVE SUPPORT SERVICES</b>						
Umsobomvu Youth Fund	Umsobomvu Youth Fund c/o	131 466	115 703	15 763	88%	Project complete. Balance of funding can be declared as savings.
Customer Satisfaction Survey	Own Funds	410 000	198 998	211 002	49%	Expenditure reflects payment for Phase 1 i.e completion of Inception Report, as per timeline target for 2015/16 Financial Year. Balance of funding for 2015/16 Financial Year can be declared as savings. Sufficient funds available in 2016/17 Budget for completion of project in 2016/17 Financial Year
BCMM Research Strategy and Agenda	Own Funds	400 000	2 712	397 288	1%	Procurement process completed. Tender awarded; however, appointment of Service Provider delayed due to taxation technicalities. Rollover of funds to 2016/17 Financial Year thus requested to accommodate the commitment.
Documentation of Case Studies	Own Funds c/o	297 640	292 677	4 963	98%	Project complete. Balance of funding can be declared as savings.
Back to Basics	Own Funds	500 000	463 268	36 732	93%	Communications has started the process of doing the achievement accomplished by the Metro emanating from 2011 to 2016 in terms of rendering services to communities, a roll over request for variance has been submitted for 2016/17 financial year.
Integrated Environmental Management Plan & Integrated Coastal Zone Management Plan	Own Funds c/o	182 591	46 777	135 814	26%	Project complete. Balance of funding can be declared as savings.
Biodiversity Conservation Plan	Own Funds c/o	600 000	90 943	509 057	15%	The Tender will be re-advertised, a request for rollover on the variance has been submitted. It is anticipated that on the 2nd quarter a first draft report will be submitted by service provider and be ready for council.
<b>TOTAL : EXECUTIVE SUPPORT SERVICES</b>		<b>2 521 697</b>	<b>1 211 078</b>	<b>1 310 619</b>	<b>48%</b>	
<b>DIRECTORATE OF THE CITY MANAGER</b>						
Project Management Funding (USDG Projects)	USDG	21 242 309	22 056 392	-814 083	104%	Expenditure is ongoing - Allocated Funds have been spent
Rehabilitation and maintenance of Asphalt and gravel roads and stormwater	EPWP	287 250	205 378	81 872	71%	Ongoing multi-year project, funds are committed..
Operation and maintenance of public facilities BCMM	EPWP	603 500	603 283	217	100%	The allocated funds have been fully spent.
Maintenance of Eco Parks and Cemeteries	EPWP	258 250	225 250	33 000	87%	Ongoing multi-year project.
Integrated City Development Grant	ICDG	5 605 000	1 298 848	4 306 152	23%	Funds have been spent under 2015/16.

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Combined Assurance Model	Own Funds	3 000 000	127 222	2 872 778	4%	Projects as per the approved Internal Audit Plan commenced before financial year end and are currently running. Invoices to the amount of R665 160.90 will be submitted by service providers upon finalization of the projects by the end of July 2016. A request to roll-over the remainder of the budget has been submitted and will be used to fund the Internal Audit Plan for 2016/17. In the 2016/17 financial year this budget should be rolled-over to general expenses and will no longer fall under operating budget and will be fully spent as the service provider is currently on site for the next three years.
Development and Review of By-Laws	Own Funds	441 996.00	0	441 996	0%	Request budget to be rolled over, a legal service provider has been appointed to generate 2 by-laws of which the drafts are expected before the end of September 2016 and will be introduced to Council and public participation and gazetting will follow in the next quarter. The estimated quotation of the service provider is R94 392 and first invoice will be submitted before end of September 2016. With regards to 2016/17 budget there are about 8 draft By-laws which are ready for introduction to Council. These are expected to be submitted to Council within the next quarter (2016/2017) followed by public participation and gazetting.
Project Advisor	Own Funds	364 175.00	364 075	100	100%	Expenditure is ongoing - Allocated Funds have been spent
Assistant Project Advisor	Own Funds	193 829.00	193 662	167	100%	Expenditure is ongoing - Allocated Funds have been spent
<b>TOTAL : CITY MANAGER</b>		<b>31 996 309</b>	<b>25 074 111</b>	<b>6 922 198</b>	<b>78%</b>	
<b>DIRECTORATE OF FINANCE</b>						
Directorates Financial Management Capacity Project	Own Funds	1 800 000	0	1 800 000	0%	The amount is committed. 5 asset clerks have been engaged from May 2016 for a period of 12 month to assist with asset verification and tagging. Journals relating to May and June expenditure will be passed before the end of the financial year closure amounting to R100 000. A request for roll over of funds will be submitted for the remainder of the balance. The system for movable assets was only made available towards the end of the financial year, therefore it was not possible to beef the capacity. During the financial year 16/17, the amount will be fully utilised by end of April 2017.
Audit Improvement Plan	Own Funds	2 200 000	798 692	1 401 309	36%	A project was created to assist with the restatement of the commitment register and irregular expenditure. Five (5) employees were appointed however two employees have been appointed in permanent roles elsewhere within the institution. Considering the progress of the project it was not considered appropriate to replace these employees. This resulted in a reduced cost for this project. Funding was to be utilised for the appointment of service providers however this was managed with internal resources. A service provider has been appointed to assist with an irregular expenditure policy however their deliverables will only be presented in the new financial year. This has contributed to budget savings. No rollover application of unspent funds will be made as the project is budgeted for in the 2016/17 MTREF.

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Standard Chart Of Accounts(SCOA)	Own Funds	15 750 000	10 452 935	5 297 065	66%	Invoices amounting to R1.8 million will be processed before year end closure. Furthermore, there are invoices amounting to R1,4 million that will be accrued at financial year end closure. The under expenditure of 13 percent was caused by the delays to appoint the SCOA Project implementation team and this resulted in the budget not being fully spent. No rollover application of unspent funds will be made as the project is budgeted for in the 2016/17 MTREF.
Financial Technical Support	Own Funds	1 500 000	829 350	670 650	55%	The project is in progress. Invoices have been accrued which were submitted late but relate to 15/16 financial year. The project will be completed in August 2017 in accordance with the signed SLA. Main reason for underspending in the 15/16 financial year was non availability of key staff who were supposed to be trained on componentisation of assets (Corporate Asset Management Unit structure has been approved, but no post has been filled). The plan is to appoint staff for corporate asset management so that transfer of skill can take place. Funds are fully committed. A request for roll over of funds will be submitted for the available balance.
Immovable Assets Project	Own Funds	15 000 000	7 957 242	7 042 758	53%	The project is in progress. Invoices have been accrued which were submitted late but relate to 15/16 financial year. The project will be completed in August 2017 in accordance with the signed SLA. Main reason for underspending in the 15/16 financial year was non availability of key staff who were supposed to be trained on componentisation of assets (Corporate Asset Management Unit structure has been approved, but no post has been filled). The plan is to appoint staff for corporate asset management so that transfer of skill can take place. Funds are fully committed. A request for roll over of funds will be submitted for the available balance.
Standard Chart Of Accounts(SCOA) c/o	Own Funds c/o	576 047	239 725	336 322	42%	There are invoices amounting to R336 322.00 that will be processed before year end closure and the funds will be fully utilised.
Asset Componentisation	Own Funds c/o	1 360 081	0	1 360 081	0%	The project is in progress. Invoices have been accrued which were submitted late but relate to 15/16 financial year. The project will be completed in August 2017 in accordance with the signed SLA. Main reason for underspending in the 15/16 financial year was non availability of key staff who were supposed to be trained on componentisation of assets (Corporate Asset Management Unit structure has been approved, but no post has been filled). The plan is to appoint staff for corporate asset management so that transfer of skill can take place. Funds are fully committed. A request for roll over of funds will be submitted for the available balance.
Immovable Assets Project c/o	Own Funds c/o	829 175	0	829 175	0%	The project is in progress. Invoices have been accrued which were submitted late but relate to 15/16 financial year. The project will be completed in August 2017 in accordance with the signed SLA. Main reason for underspending in the 15/16 financial year was non availability of key staff who were supposed to be trained on componentisation of assets (Corporate Asset Management Unit structure has been approved, but no post has been filled). The plan is to appoint staff for corporate asset management so that transfer of skill can take place. Funds are fully committed. A request for roll over of funds will be submitted for the available balance.
Remuneration Interns	FMG	383 810	344 795	39 015	90%	The project is complete as the interns were remunerated accordingly. An expenditure of R40 800 has been journalised to account for the June 2016 salaries and should reflect as at the financial year end closure
Training Officials and Interns	FMG	273 690	274 140	-450	100%	The project is complete and the funds have been fully utilised.

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Municipal Chart of Accounts	FMG	522 500	578 482	-55 982	111%	Invoices have been submitted by service provider and payment was processed and the budget has been fully utilised as at year end.
Smart Metering c/o	Own Funds c/o	250 000	0	250 000	0%	Invoices were submitted to the total amount of R 53 210.33 and will therefore be accrued for. Out of the balance of R 196 789.67 that was requested to be rolled-over to 16/17 FY an amount of ± R131 133.50 will be utilised by the 10th of August as there are confirmed site visit. The project is currently with Bid Specification Committee.
General Valuation Roll 2017	Own Funds	3 000 000	0	3 000 000	0%	The project is at procurement stage at the Bid Evaluation Committee (BEC), and it is expected that the award will be made during the first (1st) quarter of the new financial year . The balance on the project must be rolled over to the 2016/17 financial year. The tender was advertised on the 2nd February 2016. The compulsory briefing session was held on the 10th February 2016 and the tender closed on the 4th March 2016. The Acting City Manager approved the extension of the tender validity period until the 4th September 2016.
<b>TOTAL : FINANCE</b>		<b>43 445 303</b>	<b>21 475 360</b>	<b>21 969 943</b>	<b>49%</b>	
<b>DIRECTORATE OF CORPORATE SERVICES</b>						
Infrastructure Skills Development	ISDG	8 400 000	4 051 731	4 348 269	48%	The number of interns has reduced hence the low expenditure. A request for the variance to be rolled over will be submitted to Finance for 2016/17 to accommodate new interns intake.
Job Evaluation	Own Funds	1 067 000	338 831	728 169	32%	On going project , a request to rollover the variance will be submitted for 2016/17, in order to run the unit of JE.
Local Labour Forum Project - Grievances c/o	Own Funds c/o	157 627	136 584	21 043	87%	Project completed.
<b>TOTAL : CORPORATE SERVICES</b>		<b>9 624 627</b>	<b>4 527 146</b>	<b>5 097 481</b>	<b>47%</b>	
<b>DIRECTORATE OF INFRASTRUCTURE SERVICES</b>						
BCMM Fleet Management System - Maintenance	Own Funds	1 500 000	925 716	574 284	62%	Project is progressing well.
Provision for essential services	Own Funds	8 500 000	8 422 495	77 505	99%	Projects Complete
Roads Master Plan	Own Funds	1 500 000	1 310 681	189 319	87%	Procurement process underway.
Sanitation Backlog Eradication (coastal)	USDG	60 000 000	61 643 334	-1 643 334	103%	Current phase of project complete
<b>TOTAL : INFRASTRUCTURE SERVICES</b>		<b>71 500 000</b>	<b>72 302 225</b>	<b>-802 225</b>	<b>101%</b>	
<b>DIRECTORATE OF DEVELOPMENT &amp; SPATIAL PLANNING</b>						
City Beautification and Cleansing - Buildings	Own Funds	400 000	397 018	2 982	99%	Project is complete
<b>TOTAL : DEVELOPMENT &amp; SPATIAL PLANNING</b>		<b>400 000</b>	<b>397 018</b>	<b>2 982</b>	<b>99%</b>	
<b>DIRECTORATE OF ECONOMIC DEVELOPMENT &amp; AGENCIES</b>						
Business development	Own Funds	4 000 000	3 999 194	806	100%	Project complete
Trade and Investment	Own Funds	1 500 000	1 498 059	1 941	100%	Project complete
Buyelekhaya	Own Funds	4 400 000	4 106 667	293 333	93%	Invoice for an amount of R239 000 has been processed. Project complete.

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Summer Season	Own Funds	5 500 000	5 474 225	25 775	100%	Project complete
Arts, Culture and Heritage	Own Funds	600 000	442 621	157 379	74%	Invoices for payments of travelling in process, funds will be complete.
Operations of Tourism Information office and SMIME Support centers	Own Funds	2 000 000	1 948 774	51 226	97%	Project complete
Informal Sector Programme	Own Funds	100 000	0	100 000	0%	Payment of invoices in process funds will be complete.
Formal Business Sector - Infrastructure	Own Funds	100 000	0	100 000	0%	Payment of invoices in process funds will be complete.
<b>TOTAL : ECONOMIC DEVELOPMENT &amp; AGENCIES</b>		<b>18 200 000</b>	<b>17 469 540</b>	<b>730 460</b>	<b>96%</b>	
<b>DIRECTORATE OF HUMAN SETTLEMENTS</b>						
DVRI Planning Budget (FROM 8.7MIL)	Dept of LGTH	2 000 000	2 046 408	-46 408	102%	Specifications for the development of feasibility studies were submitted and advertised in November 2015 and December 2015.
DVRI Planning Budget (FROM 8.7MIL) c/o	Dept of LGTH c/o	615 387	427 467	187 920	69%	Bid reports for 3 informal tenders were submitted to SCM. These projects are Training of local stakeholders in Customer Care, Training of local stakeholders in Project Management and Development of a feasibility study for hydroponics farming system. Training of Local stakeholders in Customer care was done in December 2015 and Training of local stakeholders in Project Management started in January 2016. The tender of Development of a feasibility study for hydroponics farming system was awarded in December 2015.
DVRI News c/o	Dept of LGTH c/o	602 413	390 812	211 601	65%	The marketing activities for the DVRI projects were done.
Funding Mobilisation Strategy c/o	Dept of LGTH c/o	82 000	72 000	10 000	88%	The project is complete.
DVRI ICT Centre c/o	Dept of LGTH c/o	194 226	190 080	4 146	98%	Specifications for the procurement of an accredited service provider was submitted to SCM and the tender for the International Computer Driver Licence (ICDL) was advertised. Project complete
DVRI Hydroponics	Dept of LGTH c/o	101 338	2 807	98 531	3%	Procurement process underway
DVRI Arts Centre	DSRAC	30 533	29 672	861	97%	Project complete
Pilot Housing Project	HSDG	268 793	0	268 793	0%	Procurement process underway
Ikhwezi Block 1 Development	Dept of LGTH c/o	174 544	0	174 544	0%	Procurement process underway
Reeston Development	Dept of Land Affairs	766 207	726 859	39 348	95%	Project complete
Municipal Human Settlement Capacity Grant	MHSCG	9 253 000	2 991 682	6 261 318	32%	The grant was only transferred to the Metro by National Human Settlements in October 2015 and the Metro also learnt that the grant would only be available for 15/16 with no further disbursements in the preceding years. The Directorate had to revise its three year plan to a one year plan to align it with the funding. There were also procurement delays experienced. A request for Roll Over has been prepared and all procurement processes are anticipated to be concluded by end of August 2016.
Beneficiary Registration (Potsdam Unit V, Cluster 3, Orange Groove, Mdantsane Zone CC, Cluster 1, Cluster 2, Peelton Cluster, Hanover, Skobeni, Sunny South, Ilitha North, Dimbaza 110, Dimbaza Phase 3, Potsdam Village; North Kanana, Ikhwezi Block 1 & 2, Amalinda Co-op, Eradication of Wooden Houses to Formal Houses	USDG	150 000	0	150 000	0%	Beneficiary Admin will source the services of the Service Provider as to finish up the registration. Specifications have been completed and will be submitted to SCM for informal tender advertisement. The budget will not be utilised this financial year.

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Potsdam Village Phase 1 & 2 - P5	USDG	700 000	0	700 000	0%	The advert for the cancellation of the tender has been published. The procurement process can only resume in the next financial year. The budget will not be utilised this financial year and a part will be reallocated to other projects.
Peelton Cluster (Majali, Mdange, Kwatrain, Nkqonqweni, Drayini & Esixekweni) - P5	USDG	700 000	797 635	-97 635	114%	Budget is for professional fees. Appointed consultants are busy with monitoring of the project. The funds have been used to pay for supervision.
Reeston Phase 3: Stage 2 - P5	HSDG	30 000 000	0	30 000 000	0%	The contractor was appointed for both internal services and top structures and the contractor is to resume with the construction of internal services before the top structures.
Ilitha Eradication of Wooden Houses to Formal Houses	HSDG	8 380 294	7 532 263	848 031	90%	The contractor has completed the 132 units, invoices for completed work will be paid. Consultant has submitted a close out report for this project. The available funding will be enough to pay the last two invoices.
Reconstruction of Storm Damaged Houses	HSDG	17 500 000	14 530 592	2 969 408	83%	Contractor has completed construction. To date 258 slabs, 258 wall plate, 258 roofs and 258 practical completions. An invoice of R500 000 is expected to beginning of the new year.
Sunny South -P5	HSDG	7 500 000	5 809 144	1 690 856	77%	Contractor is on site progressing with the work. The project was expected to be completed by end of the financial year, however there has been an unexpected delay and the project is now anticipated to be complete by September 2016
Cluster 1 (Masibambane; Masibulele; Velwano; Ilinge and Dacawa) P5	HSDG	70 519 030	54 577 761	15 941 269	77%	This is a turnkey project and the contractor is on site busy with the construction of top structures. To date there are 981 Slabs and 917 Roofs. For services, 840 sites have been connected to the sewer and water line.
Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe) P5 (Name Change)	HSDG	10 000 000	9 943 869	56 132	99%	The contractor is busy with top structures at Francis Mei, Sisulu Village, Deluxolo and Chris Hani. At Winnie Mandela the beneficiary office is busy with beneficiary registration.
Cluster 3 (Fynbos 1; Fynbos 2; Ndancama, ) P5	HSDG	40 861 424	13 894 472	26 966 952	34%	The contractor is on site progressing with the works.
Housing Needs Database and Accreditation	HSDG	10 818 705	4 371 976	6 446 729	40%	Funding is used for compensation of employees for the Accreditation funded posts.
Reeston Phase 3 Stage 3 P5	HSDG	57 804 569	33 734 273	24 070 296	58%	The contractor is on site progressing well with the works.
Dimbaza 110 -P 5 (Top Structure)	HSDG	500 000	0	500 000	0%	The project is temporary suspended since there are no approved beneficiaries and title deeds. The allocated budget will not be utilize any more
Disaster Project - Tsholomnqa	HSDG	7 500 000	1 142 336	6 357 664	15%	The project has challenges which have caused the contractor to leave the site. The department is currently in the process of terminating the previous contract and appoint another contractor.
Peelton Cluster (Majali, Mdange, Kwatrain, Nkqonqweni, Drayini & Esixekweni) - P5	HSDG	20 000 000	17 108 714	2 891 286	86%	Contractor is on site proceeding with the implementation of the project, to date 258 slabs, 128 wall plates and 11 show houses are complete. Parallel to that the contractor is establishing Majali to construct 300 units.
DVRI Pilot Project c/o	HSDG c/o	1 501 683	753 189	748 494	50%	The contractor will commence with the remaining 6 units at Meken Street but they are busy with site establishment.
Relocation of beneficiaries to formal houses for all housing programmes - All Projects	Own Funds	1 850 000	1 675 198	174 802	91%	Relocation is an ongoing process, expenditure is expected to increase as houses get completed or confirmed ready for occupation.

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Beneficiary Verification Projects	Own Funds	500 000	140 351	359 649	28%	Project is on tender stage and has been advertised for verification of RDP houses.
Mdantsane Sharing Houses Dispute	Own Funds	500 000	500 000	0	100%	Appeals Tribunal committee has been completed its sitting and is busy compiling report for all Mdantsane sharing houses deputes as per the terms of reference.
Refurbishment of Vandalised RDP houses that were built on land with title deeds - Cluster 1 (Velwano Housing Development)	Own Funds	4 000 000	3 908 139	91 861	98%	110 Houses were target for refurbishment. 50 houses have been completed and the remainder of the houses could not be refurbished since the land where these houses are built is still under legal.
<b>TOTAL: HUMAN SETTLEMENTS</b>		<b>305 374 146</b>	<b>177 297 697</b>	<b>128 076 449</b>	<b>58%</b>	
<b>DIRECTORATE OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>						
Skills Audit - Marshalls	Own Funds	75 000	0	75 000	0%	A memorandum has been to CFOs Office requesting the funding to be transferred to a new project called Security & Risk Analysis of BCMM in the 2016/17 adjustment budget.
<b>TOTAL: HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>		<b>75 000</b>	<b>-0</b>	<b>75 000</b>	<b>0%</b>	
<b>DIRECTORATE OF MUNICIPAL SERVICES</b>						
Greening Awards Project	Department of Environmental Affairs (Greening Award) c/o	2 500 000	0	2 500 000	0%	BCDA has been appointed as Implementing Agent for the grant. The Service Level Agreement (SLA) is with BCMM legal department, upon signing the SLA the grant will be utilised by BCDA in 2016/17 financial year.
Construction and Rehabilitation of Waste Cells - Landfills Operations	USDG c/o	13 201 236	14 067 873	-866 637	107%	Service Provider is on site. Project progressing well.
Mdantsane Community Studies	Own Funds c/o	3 000 000	1 817 946	1 182 054	61%	Project is progressing well. The contract for the participants is expected to end in September. Roll over request will be forwarded to Budget Office.
<b>TOTAL: MUNICIPAL SERVICES</b>		<b>18 701 236</b>	<b>15 885 820</b>	<b>2 815 416</b>	<b>85%</b>	
<b>TOTAL OPERATING PROJECTS</b>		<b>501 838 318</b>	<b>335 639 995</b>	<b>166 198 323</b>	<b>67%</b>	