

1. ITEM NUMBER: MC 52/06/11

2. FINAL 2011/2012 DIRECTORATE EXECUTIVE SUMMARY OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS (SDBIP's)

ISISHWANKATHELO SOKUGQIBELA SESIGQEBA SECANDELO
LOLAWULO SONYAKA- MALI KA 2011/2012 SONIKEZELO NGEENKONZO
NESICWANGCISO SOKUZALISEKISWA KOHLAHLO LWABIWO
MALI(SDBIP'S)

DIREKTORAAT SE FINALE BESTUURSOPSOMMING VAN DIE
DIENSLEWERINGS EN BEGROTINGSIMPLIMENTERINGSPLAN (SDBIP) VIR
2011/2012

3. RECOMMENDATION FROM FINANCE PORTFOLIO COMMITTEE:
6 MAY 2011 (FIN 18/05/11)

RECOMMENDED that:

- (a) the Executive Mayor in consultation with the Mayoral Committee approves the final 2011/2012 Directorate Executive Summary of the Service Delivery and Budget Implementation Plan;
- (b) Council notes the final 2011/2012 Directorate Executive Summary of the Service Delivery and Budget Implementation Plan.

AANBEVELING dat:

- (a) die Uitvoerende burgemeester in oorlegging met die burgemeesterskomitee die diektoraat se finale beknopte oorsig van die dienslewerings en begrotingsimplementeringsplan vir 2011/2012 goedkeur;
- (b) die Raad kennis neem van diektoraat se finale beknopte oorsig van dienslewerings en begrotingsimplementeringsplan vir 2011/2012.

- (a) Ukuba uSodolophu wesigqeba ecebisana neKomiti yoLawulo yakhe makaphumeze isiShwankathelo sokugqibela sesiGqeba kwiCandelo loLawulo sokuNikezelwa kweNkonzo nesiCwangciso sokuZalisekiswa koHlahlo lwabiwo mali kowama 2011/2012;
 - (b) ukuba IBhunga maliqwalasele isiShwankathelo sokugqibela sesiGqeba seCandelo loLawulo nesiCwangciso zokuZalisekiswa koHlahlo lwabiwo mali kowama 2011/2012.
-

**REPORT TO
FINANCE PORTFOLIO COMMITTEE
MAYCO
COUNCIL**

1418

CITY OF CAPE TOWN | ISIXEXO SASEKAPA | STAD KAAPSTAD

LC 3661

1. ITEM NUMBER :

FIN 18/05/11

2. SUBJECT (LSUB0934)

**FINAL 2011/2012 DIRECTORATE EXECUTIVE SUMMARY OF THE SERVICE
DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)**

2. ISIHLOKO

**ISISHWWANKATHELO SOKUGQIBELA SESIGQEBA SECANDELO
LOLAWULO ESIJOLISWE KUNIKEZELO LWENKONZO KOWAMA-2011/2012
NAKWISICWANGCISO SOKUZALISEKISWA KOHLAHLO-LWABIWO-MALI
(SDBIP)**

2. ONDERWERP

**DIREKTORAAT SE FINALE BEKNOPTTE OORSIG VAN DIE
DIENSLEWERINGS-EN-BEGROTINGSIMPLEMENTERINGSPLAN (SDBIP)
VIR 2011/2012**

3. PURPOSE

The purpose of this report is to submit to the Portfolio Committee for their consideration and recommendation to the Executive Mayor, the final 2011/2012 Finance Directorate Executive Summary including the SDBIP.

These documents underpin the 2011/2012 Corporate SDBIP that will be submitted to the Executive Mayor for approval in terms of section 53 (1)(c)(ii) and 69(3)(a) of Act No. 56 of 2003: Local Government: Municipal Finance Management Act (MFMA).

4. FOR DECISION BY

The Executive Mayor in consultation with the Mayoral Committee.

5. EXECUTIVE SUMMARY

In terms of the MFMA: Municipal Budget and Reporting Regulations, a Directorate Executive Summary must be completed for each Directorate SDBIP.

The final 2011/2012 Finance Directorate Executive Summary contains *inter alia* a brief description of financial information on the capital and operating budget as required by the Regulations. It also contains a brief description of the directorate's structure, the services provided and the customer groups, as well as how the directorate's objectives and indicators relate to the Integrated Development Plan.

The final Finance Directorate Executive Summary is attached as **Annexure A**.

The purpose of this report is to submit the final 2011/2012 Finance Directorate Executive Summary of the SDBIP to the Portfolio Committee for consideration and recommendation to the Executive Mayor.

The 2011/2012 Directorate Executive Summary and SDBIP will be submitted to National and Provincial Treasury and the electronic versions will be placed on the city website at www.capetown.gov.za/idp after noting by Council.

6. RECOMMENDATIONS

- 6.1 That the Portfolio Committee makes recommendation to the Executive Mayor on the contents of the final 2011/2012 Directorate Executive Summary of the Service Delivery and Budget Implementation Plan
- 6.2 That the Executive Mayor in consultation with the Mayoral Committee approves the final 2011/2012 Directorate Executive Summary of the Service Delivery and Budget Implementation Plan
- 6.3 That Council notes the final 2011/2012 Directorate Executive Summary of the Service Delivery and Budget Implementation Plan

6. ISINDULULO

- 6.1 Ukuba iKomiti yeMicimbvi yeSebe mayenze isindululo kuSodolophu wesigqeba ngokujoliswe kokuqulathwe kwisiShwankathelo sokugqibela seCandelo loLawulo ngokumalunga noNikezelo lweNkonzo kowama-2011/2012 nesiCwangciso sokuZalisekiswa koHlahlo-lwabiwo-mali.
- 6.2 Ukuba uSodolophu wesigqeba ecebisana neKomiti yoLawulo yakhe makaphumeze isiShwankathelo sokugqibela sesiGqeba kwiCandelo loLawulo sokuNikezelwa kweNkonzo nesiCwangciso sokuZalisekiswa koHlahlo-lwabiwo-mali kowama-2011/2012.

- 6.3 Ukuba iBhunga maliqwalasele isiShwankathelo sokugqibela sesiGqeba seCandelo loLawulo nesiCwangciso sokuZalisekiswa koHlahlo-lwabiwo-mali kowama-2011/2012.

6. AANBEVELING

- 6.1 Dat die portefeuljekomitee aanbevelings maak by die uitvoerende burgemeester oor die inhoud van die direktoraat se finale beknopte oorsig van die dienslewering-en-begrotingsimplementeringsplan vir 2011/2012.
- 6.2 Dat die uitvoerende burgemeester in oorlegpleging met die burgemeesterskomitee die direktoraat se finale beknopte oorsig van die dienslewering-en-begrotingsimplementeringsplan vir 2011/2012 goedkeur.
- 6.3 Dat die Raad kennis neem van direktoraat se finale beknopte oorsig van die dienslewering-en-begrotingsimplementeringsplan vir 2011/2012.

7. DISCUSSION/CONTENTS

a. Constitutional and Policy Implications

This process is driven by legislation.

b. Environmental implications

Does your report have any environmental implications: No ☒ Yes ☐

c. Legal Implications

The process of preparing a Service Delivery and Budget Implementation Plan must *inter alia* comply with :

Section 53(1)(c)(ii) and 69(3)(a) of Act No. 56 of 2003: Local Government: Municipal Finance Management Act as well as the Municipal Budget and Reporting Regulations (Schedule A, Part 2, Sections 22, 23 & 24).

In terms of the MFMA: Municipal Budget and Reporting Regulations a Directorate Executive Summary must be completed for each Directorate SDBIP.

d. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No ☒

Yes ☐

e. Risk Implications

Does this report and/or its recommendations expose the City to any risk?

No.


f. Other Services Consulted

All relevant Directorates were consulted.

ANNEXURES

Annexure A: Final 2011/2012 Finance Directorate Executive Summary of the Service Delivery and Budget Implementation Plan

FOR FURTHER DETAILS CONTACT :

NAME	Maria Hargrave
CONTACT NUMBERS	021-400-2359
E-MAIL ADDRESS	Maria.hargrave@capetown.gov.za
DIRECTORATE	Finance
SIGNATURE : DIRECTOR	

LEGAL COMPLIANCE

☐ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

☐ NON-COMPLIANT

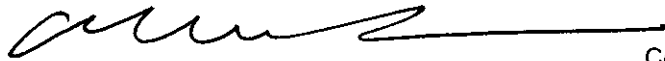
NAME RIAANA SAYED
 TEL 021 400 4508
 DATE 20 / 04 / 2011

Comment:

Certified as legally compliant:

Based on the contents of the report.

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Comment:

EXECUTIVE DIRECTOR
Mike Richardson

DATE

14/4/11

(Author to obtain all signatures before submission to Executive Support)

FINANCE DIRECTORATE

EXECUTIVE SUMMARY

OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2011/2012

Executive Director: Mike Richardson

Website: www.capetown.gov.za

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ANNEXURE A

1. EXECUTIVE SUMMARY

1.1 Vision

To provide sound financial services which are sustained via corporate governance procedures for the City of Cape Town.

1.2 Mission

To create a sound financial environment, enabling the City to provide effective, efficient and affordable services to its citizens, thereby achieving the City's strategic objectives

1.3 Our vision and mission will be achieved mainly through:-

- The maintenance of accurate and complete financial records to enhance decision-making
- Compilation and Implementation of affordable balanced operating and capital budgets aligned to the IDP
- The sustaining of confidence in the financial records of the City
- Managing the City's banking, investments, borrowings and cash flow in the most effective, economical and efficient manner;
- Embedding a culture of Risk Management in the City to ensure the optimal use of scarce resources
- Billing and collecting monies and funds due to the City
- Monitoring and controlling all expenditure in order to embed sound financial discipline and ensuring accountability for the use of public funds
- Fair property valuations in order to equitably levy rates on all properties for the provision of non-tariff funded services
- Implementation of sound supply chain management policies and procedures
- The expansion of external funding provisions and allocations for the upgrade and development of informal settlements and housing areas
- Development and reviewing of financial and finance-related policies
- Ensuring compliance to relevant legislation, and the implementation and maintenance of good governance

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- Modelling the impact of the Total Municipal Account (TMA) on residents to ensure a fair distribution of the burden

1.4 The Directorate's Core Functions

DEPARTMENT	OBJECTIVE
Budgets	To give financial affect to the strategic focus of the City in the form of a medium term financial plan which is affordable, credible, viable and sustainable.
Expenditure	To ensure financial compliance by performing accurate and timeous payments to the City's suppliers, councillors, officials and third parties, conducting payroll reconciliation, and providing support services to the Finance Directorate
Inter-Services Liaison	Assisting departments experiencing difficulties with processes, tariffs or financial viability, especially where more than one department has a role to play, as well as the provision of financial control and administrative support for grants-in-aid and central improvement districts. Managing the rates policy development, tariff setting and impact on all residents. Modelling the TMA distribution to ensure a fair distribution of all billed municipal charges and the collectability thereof.
Integrated Risk Management	To contribute to the achievement of the City's overall strategic objectives by managing the governance issues and risks that could detract from achieving its strategic objectives.
Housing Finance and Leases	The provision of a comprehensive financial service, aligned to specific Housing and Financial Legislation and National Housing and other National Infrastructure Funding Programs, to all facets of the various City suites of housing development (including housing subsidies, MIG, NDPG), informal settlement upgrades, housing debtor management and operational funding programs of the City.
Revenue	Providing accountable revenue services and informing citizens through council structures as to their responsibility in creating a solvent and prosperous City.
Shareholding Management	Managing the legislated relationship between the City and the Municipal Entities; ensuring good governance and protecting the integrity of the City's shareholding investment.
Supply Chain Management	To provide a cost effective, efficient and sustainable service, in terms of Supply Chain

	Management processes, to customers, adding measurable value to the City of Cape Town's strategic objectives.
Treasury	Ensure compliance to relevant legislation by reporting timeously and safeguarding assets in order to achieve the strategic and operational objectives of the Department in an efficient, effective and economic manner.
Valuations	To continuously improve processes, systems and the capacity of staff to enable the City of Cape Town to sustain a just and accurate valuation roll, thereby supporting the City's vision of a sustainable and well-governed municipality.

2 PURPOSE AND SERVICE MANDATE OF DIRECTORATE

The Finance Directorate ensures sound financial management of the City's financial resources, in compliance with the Municipal Finance Management Act, together with other related legislation, policies and procedures.

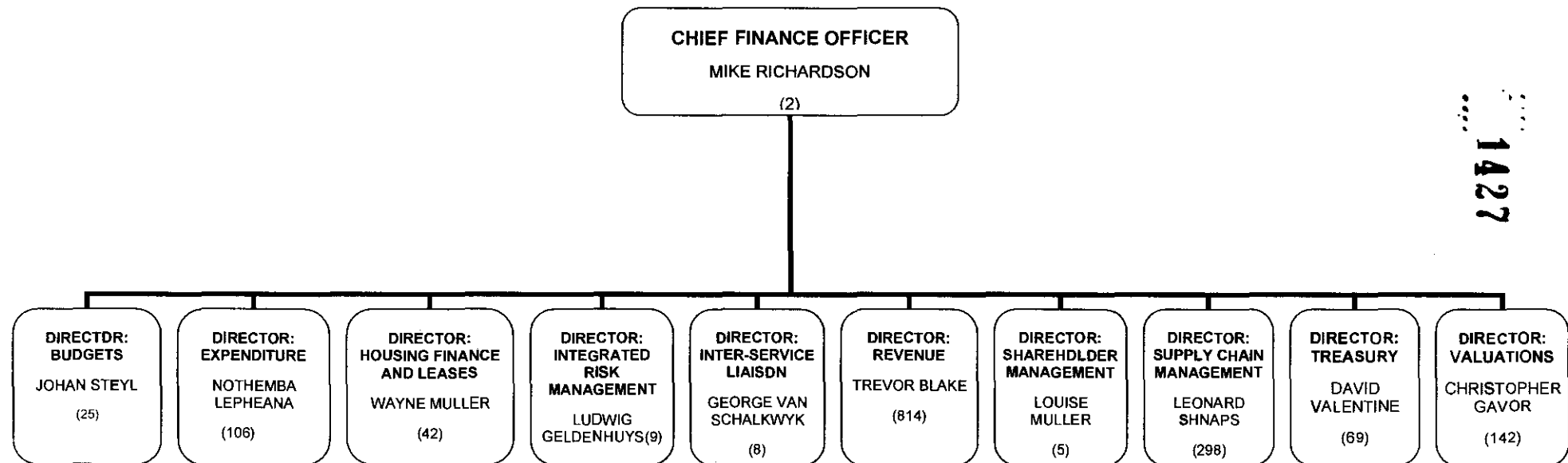
STAKEHOLDERS AND CUSTOMERS

Finance Directorate customers are both internal and external:

CUSTOMERS	NEEDS
External Customers: <ul style="list-style-type: none"> - Members of the Public - Government Departments (National/Provincial/Local) - Business Sector - Municipal Entities - Regulatory and ad hoc stakeholders - Commercial banks/Investors - Private Sector - Institutions e.g. IMFO, SALGA, NGO's, etc. - Service Providers 	<p>Information, responses, service delivery, consultation, payments, legislative procedures and advice</p>

- Vendors/Suppliers	
Internal Customers: <ul style="list-style-type: none"> - Line Departments (Officials) - Councillors - Unions - Audit Committee - RISCO 	Service delivery, information, processes, systems, financial advice and expertise and policies

3. SENIOR MANAGEMENT ORGANOGRAM



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4. LINKAGE TO THE IDP and changes to the indicators and targets

Due to the nature of the business, most of the objectives are directly linked to Strategic Focus (SFA) 8 “Good Governance and Regulatory Reform”, while others are linked to SFA 1 (Shared Economic Growth and Development), and SFA 2 (Sustainable urban infrastructure and services).

Various amendments have been made to the Finance Directorate’s SDBIP for 2011/12, in order that the objectives, indicators and targets are aligned to the amendments made to the City’s Corporate Scorecard. ***The 2011/12 Finance Directorate SDBIP is attached as Appendix 1.***

5. PERFORMANCE PROGRESS AND IMPACT

Finance Directorate has achieved various accolades and these can be summarised as follows:

- Unqualified Audit Report from Auditor General (seven consecutive years)
- Best performance rating nationally for audit outcomes for the past 3 years
- Unqualified audit reports for Municipal Entities for the past 2 years
- Received a high investment grade credit rating from Moody’s Investor Services for the fifth consecutive year.
- Improved Capital Budget Spending
- Sustainable Revenue collection despite the economic recession and high electricity tariff increases
- Continued Improved Supply Chain Processes & Procedures in collaboration with line departments
- Maintaining the ISO standard accreditation for SCM
- Successful Bond Issue
- South African Housing Foundation Award for the City’s Public/Private Sector Programmes for the development of affordable housing
- Received award during the year for Best Reporting from SA Statistics

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- Sound financial policies approved by Council and utilised by other Local Authorities as the basis for developing their own policies
- Leading the implementation of the Municipal Property Rates Act, providing training and guidance to other Councils and driving the amendments required by Local Government to improve aspects of the Act
- IRMSA 2010 Industry Specific Award in the category Public Sector Risk Initiative

6. FINANCIAL INFORMATION

6.1 Summary of revenue by source - **INFORMATION NOT PROVIDED.**

Subject to budget approval and formulation of spending programmes.

6.2 Summary of operating expenditure by type - **INFORMATION NOT PROVIDED.**

Subject to budget approval and formulation of spending programmes.

6.3 Summary of capital expenditure by Department – **INFORMATION NOT PROVIDED**

Subject to budget approval and formulation of spending programmes.

6.4 A description of discretionary and non discretionary expenditure.

Funds are utilised for discretionary expenditure whilst also noting that fund management programmes incorporate significant quantum of targeted external funds

6.5 Any risks to achieving revenue projections, any expected major shifts in revenue patterns and planned alternative sources of revenue

The effects of the economic down-turn, influence of systemic risks, past experience (history), high electricity increases and changes in legislation were considered in projecting anticipated revenue levels.

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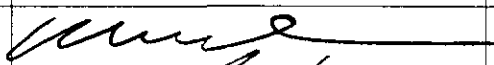

6.6 On the directorate capital programme in the context of the overall capital programme of the municipality

Not applicable

7. OBJECTIVES AND INDICATORS OF THE DIRECTORATE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) – *are contained in the Finance Directorate 2011/12 SDBIP – attached as APPENDIX 1.*

8. AUTHORISATION





The undersigned do hereby indicate their agreement with the contents of this document, together with all appendices.

	Name	Signature	Date
Executive Director	Mike Richardson		19/4/11
Mayco Member	Ian Neilson		19/4/2011

9. APPENDICES:

Appendix 1: FINANCE DIRECTORATE 2011/2012 SDBIP

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	
1	2011/2012 FINANCE DIRECTORATE SDBIP																											
2	RATING KEY =  meets or exceeds target;  Currently does not meet target;  Information not available or work on hold;  Original target to be amended																											
3																												
4	ALIGNMENT TO IDP		Responsible Department(s)	Objective	Legotia Top 20 Objective	Indicator (To include unit of measure)	Baseline (2010/2011)	Annual Target 2011/2012	Frequency	TARGETS vs ACTUALS					Evidence	General Comments												
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate								30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target															
6	SFA 1 Shared Economic Growth and Development	1A.1	Budgets	1A Create an enabling environment for the economy to grow and become globally competitive	Municipal investment into the economy	1A.1 Capital Budget Spend for the City	Achievement as at 30 June 2011	subject to budget approval and formulation of spending programmes	Quarterly	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	SAP Repon Director: Budgets	The 4 quarterly targets are subject to change upon adoption of the 3-year 2011/12-2013/14 Budget which is still in draft format. The quarter 4 target amount represents 95% of the approved capital budget. Capital Expenditure monitored on an on-going basis by EMT and Mayco via the FMR.													
7	SFA 2: Sustainable Urban Infrastructure and Services	2C.1	Budgets	2C Effectively manage the City's infrastructure and Resources	Manage maintenance of City infrastructure	2C.1 Amount spent on repairs and maintenance for the City	Achievement as at 30 June 2011	subject to budget approval and formulation of spending programmes	Quarterly	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	SAP Repon Director: Budgets	The annual target is subject to change, as the budget is still in draft format. This indicator measures the amount of the operating budget spent on repairs and maintenance. The objective is to improve the maintenance of the city's infrastructure. Spending on repairs and maintenance is assumed to increase the lifespan of the asset.													
8	SFA 8: Good Governance and Regulatory Reform	8B.3	Budgets	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Create assets for public benefit	8B.3 Percentage spend of capital budget for the City	Achievement as at 30 June 2011	95%	Quarterly	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	SAP Report Director: Budgets	The 4 quarterly targets are subject to change as the budget is still in draft format. Capital Expenditure monitored on an on-going basis by EMT and Mayco via the FMR													
9	SFA 8: Good Governance and Regulatory Reform	8B	Budgets	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Percentage spend of operating budget for the City	Achievement as at 30 June 2011	95%	Quarterly	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	subject to budget approval and formulation of spending programmes	SAP Report Director: Budgets	The 4 quarterly targets are subject to change as the budget is still in draft format. Operating Expenditure monitored on an on-going basis by EMT and Mayco via FMR Total actual to date as a percentage of the total budget including secondary expenditure													
10	SFA 8: Good Governance and Regulatory Reform	8B	Budgets	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Affordable balanced Operating and Capital Budget for the City aligned to the IDP adopted by 31 May 2011	Achievement as at 30 June 2011	Affordable balanced Operating and Capital Budget for the City aligned to the IDP adopted by 31 May 2012	Annual	n/a	n/a	n/a	Affordable balanced Operating and Capital Budget for the City aligned to the IDP adopted by 31 May 2012	Council Report - Agenda and Minutes IDP Director: Budgets, and Director: IOP	1. Alignment of budget to MTREF and IDP Processes. 2. Review MTREF Model. 3. Revise financial/budget policies.													

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Responsible Department	Objective	Legotla Top 20 Objective	Indicator (To include unit of measure)	Baseline (2010/2011)	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	Evidence	General Comments												
5																											
11	SFA 8: Good Governance and Regulatory Reform	8B	Revenue	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Revenue collected as a percentage of billed amount	Achievement as at 30 June 2011	95%	Annual	95%	95%	95%	95%	Monthly Payment Ratio report to Finance Portfolio Committee Filed in Office of Director: Revenue	Due to the current economic climate it would be unrealistic to expect a higher collection rate												
12	SFA 8: Good Governance and Regulatory Reform	8B	Integrated Risk Management	8B: Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Obtain an optimum rating from National Treasury with regards to the embedding of Risk Management in the City	Achievement as at 30 June 2011	4	Annual	n/a	4	n/a	4 n/a	National Treasury Maturity survey results obtainable from the IRM department	The achievement of a level 4 rating is dependent on National Treasury's development of rating criteria for levels 4 - 6 (currently only rating criteria for levels 1 - 3.9 has been developed)												
13	SFA 8: Good Governance and Regulatory Reform	8B.1	Treasury	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	An unqualified audit	8B.1 Opinion of Auditor-General	Achievement as at 30 June 2011	Unqualified Audit Report	Annual	Audit still in progress	Audit concluded and unqualified audit opinion received	Unqualified Audit Opinion received	Unqualified Audit Opinion received	Annual Report Obtainable from Director: Treasury	<p>This indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor General in determining his opinion. An unqualified audit opinion refers to the position where the auditor having completed his audit has no reservation as to the fairness of presentation of financial statements and conform no material errors or misstatement and conform with General Recognised Accounting Practices. This is referred to as "clean opinion".</p> <p>Alternatively in relation to a qualified audit opinion the auditor would issue this opinion in whole, or in part, over the financial statements if these are not prepared in accordance with General Recognised Accounting Practices or could not audit one or more areas of the financial statements.</p> <p>Indicator standard/Norm/Benchmark Benchmark – 2007</p>												
14	SFA 8: Good Governance and Regulatory Reform	8B.2	Treasury	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Maintain the City's Credit Rating	8B.2 Opinion of independent rating agency	Achievement as at 30 June 2011	A1 + (short term) AA- (long term)	Annual	n/a	n/a	n/a	A1 + (short term) AA- (long term)	Credit Rating Report - Treasury website/ Director: Treasury	<p>A report which reflects credit worthiness of an institution to repay long-term and short-term liabilities. Credit rating is an analysis of the City's key financial data performed by an independent agency to assess its ability to meet short- and long-term financial obligations.</p> <p>Indicator standard/Norm/Benchmark Benchmark - 2007 A1 + (short term) AA- (long term)</p>												
15	SFA 8: Good Governance and Regulatory Reform	8B	Treasury	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Percentage annual asset verification process completed for City	Achievement as at 30 June 2011	100% verification	Annual	n/a	n/a	n/a	100% verification	Qwix report - Office of Manager, Accounting & Assets	Reflects the percentage of assets annually verified by audit purposes												

	A	B	C	D	E	F	G	H	I	J	N	R	V	Z	AA
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Responsible Department	Objective	Legotla Top 20 Objective	Indicator (To include unit of measure)	Baseline (2010/2011)	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	Evidence	General Comments
5															
16	SFA 8: Good Governance and Regulatory Reform	8B	Treasury	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Net Debtors to Annual Income (Ratio of outstanding service debtors to revenue actually received for services)	Achievement as at 30 June 2011	Calculation from approved budget	Annual	n/a	n/a	n/a	Calculation from approved budget	SAP Report Director: Treasury	Perform Calculation. Net Current debtors: Is the balance of debtors that are classified as current for financial statement purposes, but excluding the short-term portion of long-term debtors. The provision for bad debts is deducted from the current debtors' balances. Provision for bad debts: Is the amount set aside as a provision in the accounting records to take into account the possible non-payment by debtors. Total Annual Operating Income: Income from all sources that will be credited to the income statement for financial statement purposes in accordance with prescribed financial statement formats but excluding conditional grants for capital expenditure, housing receipts attributable to the Housing Development Fund, new housing subsidy scheme receipts, public contributions and gains on the disposal of property, plant and equipment. The mid-year calculations for operating income are based on the actuals up to the current period plus the budget for the remaining period.
17	SFA 8: Good Governance and Regulatory Reform	8B	Treasury	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Debt coverage by own billed revenue	Achievement as at 30 June 2011	Calculation from approved budget	Annual	n/a	n/a	n/a	Calculation from approved budget	SAP Report Director: Treasury	Perform calculation. Own billed revenue to loans outstanding. Total own billed income: Income from all sources that will be credited to the income statement for financial statement purposes in accordance with prescribed financial statement formats. Total debt: Aggregate of long-term liabilities, short-term liabilities including bank overdrafts, hire purchase liabilities and finance lease liabilities but excluding trade creditors, consumer deposits, payments in advance from consumers and provisions, debt related to sinking fund investments is reduced by the investment. The mid-year calculations for own billed revenue are based on the actuals up to the current period plus the budget for the remaining period.
18	SFA 8: Good Governance and Regulatory Reform	8B	Treasury	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Ratio of cost coverage maintained	Achievement as at 30 June 2011	Calculation from approved budget	Annual	n/a	n/a	n/a	Calculation from approved budget	SAP Report Director: Treasury	Perform calculation. Total cash and investments (short term) to monthly operating expenditure. Cash and cash equivalents refer to the short term investments and cash available as at the period ending. Operating expenditure: includes all expenditure that will be debited to the income statement for financial statement purposes in accordance with prescribed financial statement formats. It excludes capital expenditure. The mid-year calculations for expenditure are based on the actuals up to the current period plus the budget for the remaining period.
19	SFA 1: Shared Economic Growth and Development	1A	SCM	1A Create an enabling environment for the economy to grow and become globally competitive	n/a	Percentage of the Rand value of purchase orders allocated to SMME/HDI suppliers/service providers	Achievement as at 30 June 2011	55%	Annual	55%	55%	55%	55%		1433
20	SFA 8: Good Governance and Regulatory Reform	8A	SCM	8A Ensuring enhanced service delivery with efficient institutional arrangements	n/a	Improved average turnaround time of tender procurement processes in accordance with procurement plan (weeks)	Achievement as at 30 June 2011	7 weeks	Monthly	7 weeks	7 weeks	7 weeks	7 weeks		There are 2 measures to be taken into account: (1) Tenders are believed to be completed in 6 weeks from the closing to award, this is the norm. (2) Orders are based on a norm of not having any unprocessed requisitions calculated on a 22-day working month.
21	SFA 8: Good Governance and Regulatory Reform	8A	SCM	8A Ensuring enhanced service delivery with efficient institutional arrangements	n/a	Development and Implementation of Contractor Performance Management System - Phase 2	Achievement as at 30 June 2011	Implemented as per plan	Quarterly	Documentation completed	Submitted to EMT for approval	Pilot Project	Implemented as per Plan		The Contractor Performance Management System is initially implemented as a Pilot Project, and thereafter will, over a period of time, be rolled out to all Departments within the City

	A	B	C	D	E	F	G	H	I	J	N	R	V	Z	AA
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Responsible Department	Objective	Legotla Top 20 Objective	Indicator (To include unit of measure)	Baseline (2010/2011)	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	Evidence	General Comments
5															
	SFA 8: Good Governance and Regulatory Reform	8A	Valuations	8A Ensuring enhanced service delivery with efficient institutional arrangements	n/a	Signed Supplementary Valuation Rails submitted to the City Manager	Achievement as at 30 June 2011	31 Oct 2011 29 Feb 2012 31 May 2012	On-going	n/a	31-Oct-11	29-Feb-12	31-May-12	Copy of letter to City Manager. Obtainable from Director: Valuations	
22															
	SFA 8: Good Governance and Regulatory Reform	8A	Valuations	8A Ensuring enhanced service delivery with efficient institutional arrangements	n/a	Valuation Rails published in the press	Achievement as at 30 June 2011	30 Nov 2011 31 March 2012 30 June 2012	On-going	n/a	30-Nov-11	31-Mar-12	30-Jun-12	Extract of advertisement in the press. Obtainable from Director: Valuations	
23															
	SFA 8: Good Governance and Regulatory Reform	8B	Share-holding Management	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Compliance, as far as is within the City's influential ability, with the financial reporting requirements as outlined in current and any new municipal legislation	Achievement as at 30 June 2011	Financial compliance by all entities in new format or exemption in place	Monthly	Financial reporting by all municipal entities on a monthly basis	Financial reporting by all municipal entities on a monthly basis	Financial reporting by all municipal entities on a monthly basis	Financial reporting by all municipal entities on a monthly basis, setting upper limits of salaries for entities	Monthly financial reports; Council submissions	Primary Deadlines: AFS completion 2 months after year-end, with consolidation packs following; Annual Reports to be submitted to the City by end December and tabled in Council in January; Entity Budget to be approved by Board 30 days before implementation; Monthly reporting within the section 87(11) timeframes and report format.
24								Compliance with deadlines on budgeting and financial reporting		Financial statements of entities to be completed and submitted to the Auditor-General	Assist with any consolidation queries and respond to Auditor-General queries on AFS/ Consolidated AFS	Entity Annual Reports to have been tabled by end January	Entity budgets to have been approved by Boards by the end of 4th quarter. City approved allocations, where necessary	Copies of Annual Reports and Council Submissions; Copies of Budget submissions and related correspondence	
25															
KEY OPERATIONAL INDICATORS (KOIs):															
26															
	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	n/a	Retention of scarce Skills as measured by staff turnover for Finance Directorate	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	<p>Data Source: SAP & SAP BI</p> <p>Data extraction will be facilitated by Corporate Services</p> <p>Training for data extraction will be facilitated by Corporate Services.</p> <p>A training manual is available to assist with the extraction of the report.</p>	<p>People are the City's most valuable asset. Whilst it is acknowledge that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%.</p> <p>Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals</p> <p>Target: the staff turnover % must be ≤12% throughout the financial year.</p>
27															

1434

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Responsible Department	Objective	Legotla Top 20 Objective	Indicator (To include unit of measure)	Baseline (2010/2011)	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	Evidence	General Comments												
5																											
28	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	n/a	Staff availability as measure by % absenteeism for Finance Directorate	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Data Source: SAP Report:PT84 (absenteeism rate) A training manual is available to assist with the extraction of the report.	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an international Benchmark. In so doing managers must apply the Time and Attendance policy, the incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. <u>Formula:</u> Number of unplanned absence days <u>divided</u> by the number of planned days or work <u>multiplied</u> by 100. (over 12th month rolling period)												
29	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	n/a	Percentage budget spent on implementation of WSP for Finance Directorate	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	Data Source: SAP & SAP BI Data extraction will be facilitated by Corporate Services.	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation <u>Formula:</u> % spent against planned training budget												
30	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Reduce time to resolve complaints	BA.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	Data Source: SAP & SAP BI	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, is an average of the following two components: • The time to close notifications • The closure rate of notifications The indicator is calculated as follows: 1. A Baseline is determined for each of the components using a rising average. The source of information for this is the SAP Notification system. 2. The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: Target Q1 = 3% improvement against baseline Target Q2 = 6% improvement against baseline Target Q3 = 9% improvement against baseline Target Q4 = 12% improvement against baseline 3. Measure the actual performance against the improvement target using the following formula: % of achievement = ((actual-target)/target)*100 4. Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) ÷ 2 = % Data source is SAP Business Intelligence (BI)												
31	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	n/a	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	SAP Report via Corporate EE Office	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male) The following job categories are excluded from this measurement: Councilors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year												

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Responsible Department	Objective	Legotla Top 20 Objective	Indicator (To include unit of measure)	Baseline (2010/2011)	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	Evidence	General Comments												
5																											
32	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Create assets for public benefit	8B.3 Percentage of Capital Budget spent for Finance Directorate	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Directorate Finance Managers extract data quarterly	Formula: Percentage reflecting Actual spend / Planned Spend.												
33	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Percentage of Operating Budget spent for Finance Directorate	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Directorate Finance Managers extract data quarterly - SAP	Formula: Total actual to date as a percentage of the total budget including secondary expenditure.												
3d	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	Schedule supplied by Assets Section, Treasury Department	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment at progress.												
35	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	n/a	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	Schedule supplied by Internal Audit - Support Services Manager	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.												

The Baseline 2010/2011 data will be updated and reflect actuals as at 30 June 2011, once finalised.

Approved by Chief Finance Officer:

Mike Richardson

Date:

14/4/11

Approved by Mayco Member:

Alderman Ian Neilson

19/4/11

Date:

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