

FINANCE

DIRECTORATE EXECUTIVE SUMMARY OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2020/21

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CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

VISION OF THE CITY

To be an opportunity city that creates an enabling environment for economic growth and job creation, and to provide assistance to those who need it most. To deliver quality services to all residents. To serve the citizens of Cape Town as a well-governed and corruption-free administration.

In pursuit of this vision, the City’s mission is as follows:

- ✔ To contribute actively to the development of its environment, human and social capital
- ✔ To offer high-quality services to all who live in, do business in or visit Cape Town as a tourist
- ✔ To be known for its efficient, effective and caring government

This is a one-year plan, giving effect to the IDP and the budget. It sets out the strategies in quantifiable outcomes that will be implemented over the 2020/21 financial year. It considers what was set out in the IDP. It indicates what the Directorate needs to do to deliver on the IDP objectives, how this will be done, what the outcomes will be, what processes will be followed, and what inputs will be used.

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1. EXECUTIVE SUMMARY

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

In general, sustainability is understood as meeting the present generation's needs, without compromising future generations' ability to meet their needs. The City recognises sustainability as a key factor in continuing to make progress possible towards achieving its vision into the future.

Whilst it is recognised that Cape Town's natural resources are not unlimited and that sustainability should be factored into present and future planning regarding their use, sustainability also entails a focus on operational resources and finance sustainability in order for the City to continue to provide services into the future. To this end, sustainability should be factored into the City's strategic planning and decision-making mechanisms and systems.

The Directorate's core functions are mainly led by strategic focus areas: 1 - Opportunity city, 4 - Inclusive city, and 5 - Well-run city, giving validity to the City's objectives:

- ✓ 1.1. Positioning Cape Town as a forward-looking, globally-competitive city;
- ✓ 4.3. Building integrated communities; and
- ✓ 5.1. Operational sustainability.

The Directorate's main priorities include, among others, the following:

- ✓ Providing an enabling environment to optimise the utilisation of financial resources allocated to service delivery of the City
- ✓ Clean audit for the City
- ✓ Maintaining a good credit rating for the City
- ✓ Providing the City's long-term financial planning framework and guidelines
- ✓ Assessing of macro, economic, national and regional environments which influence and affect the City's financial plan
- ✓ Developing strategies that support the alignment of grant funds to City development interventions
- ✓ City's revenue collection
- ✓ Supporting the City of Cape Town in all its supply chain
- ✓ Supplementary and general valuations projects

2. PURPOSE AND SERVICE MANDATE OF THE DIRECTORATE

In supporting the City's Priority 11 - Operational sustainability, the Directorate's intention and purpose is, inter alia:

- ✓ Provision and maintenance of meaningful, accurate and coherent financial records to facilitate the management and control of expenditure activities against the objectives set by the budget and all forms of financial and statutory accountability finally embraced in the audited financial statements.
- ✓ Building a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City.
- ✓ Managing the City's banking, investments, borrowings and cash flow (including municipal bond issues) in the most cost-effective and efficient manner possible.
- ✓ Giving financial effect to the strategic focus of the City in the form of a short, medium and long-term financial plan which is credible, viable and sustainable.
- ✓ Ensuring timeous and accurate payment of City creditors, councillors and officials.
- ✓ Management of all City of Cape Town key strategic development targeted conditional grants and related funds (including USDG, ICDG, Health, NDPG, Libraries, etc.).
- ✓ Developing and reviewing financial and finance-related policies; controlling the creation and annual reviewing of all budget-related policies; co-ordinating the annual miscellaneous and consumptive tariff setting processes; evaluation and reporting on the distribution of all billed municipal charges on an affordable and collectable basis.
- ✓ Providing a sustainable and credible revenue management service, taking into account an affordable and appropriate user-pays strategy, whilst acknowledging the severe economic challenges faced by many of the city's poorer residents.
- ✓ Providing ongoing support to the City's directorates and departments in the acquisition and disposal of goods, services, property and construction works.
- ✓ Producing and maintaining the City's Valuation Roll and all related compliance requirements in terms of prescribed legislation.
- ✓ Ensuring compliance to legislation, and the implementation and maintenance of good governance of the City's municipal entities.

The Finance Directorate’s intention is achieved through each of its seven departments:

Budgets	To provide an enabling environment (from a support service, budgetary perspective) to optimise the utilisation of financial resources allocated to service delivery of City functions and the compilation, amendment, monitoring and reporting of financial/budgetary data sets within the relevant legislative framework.
Expenditure	To provide a financially-controlled environment, using the limited resources and internal controls by ensuring timeous and accurate payment of City creditors, councillors, officials and Expanded Public Works Programme (EPWP) workers in compliance with relevant legislation. Furthermore, the department ensures that all payroll accounts are reconciled and that the City has a well-managed travel management system.
Grant Funding	The key imperatives of the Grant Funding Department relate to its mandates in terms of supporting the City's operational and financial sustainability through its structured acquisition, governance and transversal roles with respect to the diverse array of conditional grant funds received from National and Provincial Government.
Revenue	The Revenue Department is a customer-focussed department, comprising competent and dedicated staff, providing effective and efficient revenue management services, which include rates and services, housing rentals and property management leases, by informing citizens through Council structures as to their responsibility in creating a solvent and prosperous City which supports the application of an affordable and appropriate user-pays strategy whilst acknowledging the severe economic challenges faced by many of the city's poorer residents.
Supply Chain Management	SCM supports and manages procurement policy, systems and processes for the acquisition and disposal of goods, works and services. Promotes compliance to a procurement system which is fair, equitable, transparent, cost-effective and competitive. Promotes black economic empowerment and local economic development, and also encourages the promotion of small businesses in order to create sustainability and economic opportunities for the residents of the city.
Treasury	<p>Provision and maintenance of meaningful, accurate and coherent financial records to facilitate the management and control of expenditure activities against the objectives set by the budget and all forms of financial and statutory accountability finally embraced in the audited financial statements.</p> <p>To build a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City.</p> <p>To ensure asset management is pro-active for accountability over an extensive array of assets.</p> <p>To manage the City's banking, investments, borrowings and cash flow (including municipal bond issues) in the most cost-effective and efficient manner possible.</p> <p>To ensure the continuous viability of the General Insurance Fund and the City's Exempt Status under the Compensation for Occupational Injuries and Diseases Act (130 of 1993) and management of the fund's core functions inherent in the provision of a self-insurance concept facility to the City.</p> <p>Increase the City's 'resilience' in its service delivery processes and targets.</p> <p>Responsible for regulating, managing and monitoring municipal entities for maximum shareholding returns, financial performance, legislative and policy compliance. Municipal entities operate openly and transparently, so that the community and City receives a return on the service provided.</p>

Valuations	<p>Deliver a high-quality and impartial valuation service to customers to sustain a cost-effective, just, and accurate valuation roll that is up to date, taking all new development and land changes into account. This roll serves as the basis for the calculation of fair and equitable rates for the City, an effective non-conditional revenue stream, taking cognisance of the ability to pay principle supported by Council and giving due relief through the rates policy for the indigent, those on government support grants, and the public benefit organisations providing supportive services to the Cape Town community.</p> <p>Comply with all legislative processes related to the Supplementary Valuation (SV), which include resolving the objections pertaining to the first Supplementary Valuation Roll (SV01) of the 2018 General Valuation Roll (GV2018) and certification of the second Supplementary Valuation roll (SV02 of GV2018).</p> <p>Resolve the objections and appeals to the 2018 General Valuation Roll. Implement a non-residential data verification project. Commence planning for General Valuation Roll 2021, including Council approval for the next GV cycle and the date of valuation.</p>
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Finance Directorate customers are both internal and external, including:

- ✔ **External customers** – Citizens and ratepayers; different spheres of government (national, provincial, local); the Auditor-General; parastatals; the business sector; municipal entities; regulatory and ad hoc stakeholders; financial institutions (commercial banks/investors); private sector; institutions (e.g. CIGFARO, SALGA, NGOs); MPAC; development and social community; service providers and contractors; vendors/suppliers; the Audit Committee; unions; the media.
- ✔ **Internal customers** – City of Cape Town Political and Oversight: Leadership (Mayoral Committee and Members, Council, Councillors, Portfolio Committees, Mayor’s Office, Risk Committee, subcouncils and ward committees, etc.; City’s directorates and line departments (officials).

The Finance Directorate aims to ensure that excellent and sustainable financial governance is instilled throughout the organisation, with clear internal controls, policies and standardised procedures that will ensure legislative compliance and minimise fraud and corruption. The Directorate hopes to over time ensure that the MFMA is fully implemented in every area and that there is true value for money achieved through the use of the public funds entrusted to Local Government, and that these funds are always utilised for the provision of service delivery in a way that is fair, equitable and transparent.

3. STRATEGIC ALIGNMENT TO THE IDP

A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams, giving effect to the IDP as a whole. The City is funded by public money, and it is therefore expected to exercise the highest levels of corporate governance, promoting the well-run city, and ensuring ongoing financial and operational sustainability.

The Finance Directorate supports the City's Integrated Development Plan in its entirety, providing financial resources and services which enable the City to be an efficient, effective and development-oriented public service for Cape Town.

3.1. STRATEGIES APPROVED BY THE DIRECTORATE

STRATEGIC FOCUS AREA 1 - OPPORTUNITY CITY:

Objective 1.1: Positioning Cape Town as a forward-looking, globally-competitive city
Programme 1.1.a Ease of doing business

- ✓ 1.B Percentage of rates clearance certificates issued within 10 working days

STRATEGIC FOCUS AREA 4 - INCLUSIVE CITY:

Objective 4.3: Building integrated communities
Programme 4.3.h Cross-subsidisation programme
Programme 4.3.h.1 Rebates and indigent project

STRATEGIC FOCUS AREA 5 - WELL-RUN CITY:

Objective 5.1: Operational sustainability
Programme 5.1.a Efficient, responsible and sustainable programme

- ✓ 5.A Opinion of independent rating agency
- ✓ 5.B Opinion of the Auditor-General
- ✓ 5.C Percentage spend of capital budget (NKPI)
- ✓ 5.D Percentage spend on repairs and maintenance
- ✓ 5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)
- ✓ 5.F Net debtors to annual income (NKPI)
- ✓ 5.G Debt (total borrowings)/total operating revenue (NKPI)

3.2. ALIGNMENT TO CITY TRENDS (TREND WATCHLIST)

- ✓ Ease of Doing Business Index
- ✓ Integrated communities
- ✓ Credit ratings by the rating agencies

3.3. GUIDELINES ON DEVELOPING PERFORMANCE INDICATORS

The Finance Directorate indicators, as contained on the scorecard, are a combination of the corporate objectives, other indicators and targets, indicating:

- ✓ What is to be achieved
- ✓ Capable measurement
- ✓ Realistic, given resources and circumstances
- ✓ Related to the mandate of the Directorate

4. PERFORMANCE PROGRESS AND OUTCOMES

4.1. PAST YEAR’S PERFORMANCE

The Finance Directorate’s performance for the past year has been positive, demonstrated by the ongoing good credit ratings received, as well as an unqualified audit opinion with findings, providing financial sustainability to the City. The City has received a clean bill of health for financial sustainability and the pre-determined objectives are evidence-based, and all stakeholders can rely on actual outcomes recorded against the targets that are a true reflection of the City achieving its IDP goals.

4.2. AREAS OF BUSINESS IMPROVEMENT

The concern of the Auditor-General regarding irregular expenditure and the recording of fruitless and wasteful expenditure is noted. The audit findings relate largely to the Auditor-General determining that certain procurement and contract management processes were not properly complied with in terms of the MFMA. Findings of irregular expenditure relate mainly to contracts and quotations awarded to bidders based on functionality criteria that were not stipulated in the original invitation for bidding and quotations; the extension or modification of contracts without the approval of a properly delegated official; failure to monitor the performance of certain contract providers on a monthly basis; failure to stipulate the minimum threshold for local production and content in the procurement of certain commodities; and failure of certain persons in service of the City to declare business interests of close family members in contracts awarded to the City.

The City is addressing the shortcomings identified by the Auditor-General through its specialised Project Management and Performance Unit, and steps are being taken to correct processes. The City’s governance and financial management remain sound and strong, and remedial measures have been taken in line with the administration’s emphasis on being an accountable and transparent government.

5. PARTNERS AND STAKEHOLDERS IN THE STRATEGY PLAN

PARTNERS/ STAKEHOLDERS	ROLES AND RESPONSIBILITIES
Council directorates, departments and branches	Finance is a support service to the City and its directorates and departments
City of Cape Town political and oversight leadership (Mayoral Committee and members, Council, councillors, portfolio committees, Mayor’s Office, Risk Committee, politicians and political leadership, Audit Committee, subcouncils and ward committees, etc.)	Perform an oversight role Monitor progress of the Directorate in achieving its objectives Give guidance and support
Other tiers of government	Republic of South Africa (R.S.A) - National Government Provincial Government of the Western Cape (PAWC) Local Government
Auditor-General	Conduct annual audit and issue audit report
National Department of Co-operative Governance and Traditional Affairs	This department is the custodian of the MPRA, and any Bills or proposed amendments are being discussed with them by the IMFO Valuation and Rating Forum to seek consensus prior to it being submitted to Parliament. However, where consensus cannot be reached, the Forum will seek to present its views to the relevant Committee of Parliament.
External audit firms	Assist Auditor-General
Counterparty banks/ investors	Facilitate loans, investments and banking transactions
JSE	Facilitate bond issues
Cluster working groups: Energy and Climate Change Committee Broadband working group Standard Chart of Accounts (SCOA) NT working group on review of metros’ revenue streams and sources	Representing Finance Department at this committee Plays instrumental role in implementation of mSCOA NT pilot project at the City Member of national working group to review sustainability and levels of metros’ revenue
Credit rating agencies	Facilitate a credit assessment of the City
CIGFARO This includes the Metro CFO Forum and the Valuation and Rating Forum	Provide guidance on matters submitted by the City and other municipalities on technical matters affecting municipal finance. This includes requests to seek amendments to legislation which will be allocated to a committee or forum to drive on behalf of IMFO. The Valuation and Rating Forum consults wide on matters affecting valuation and rating.

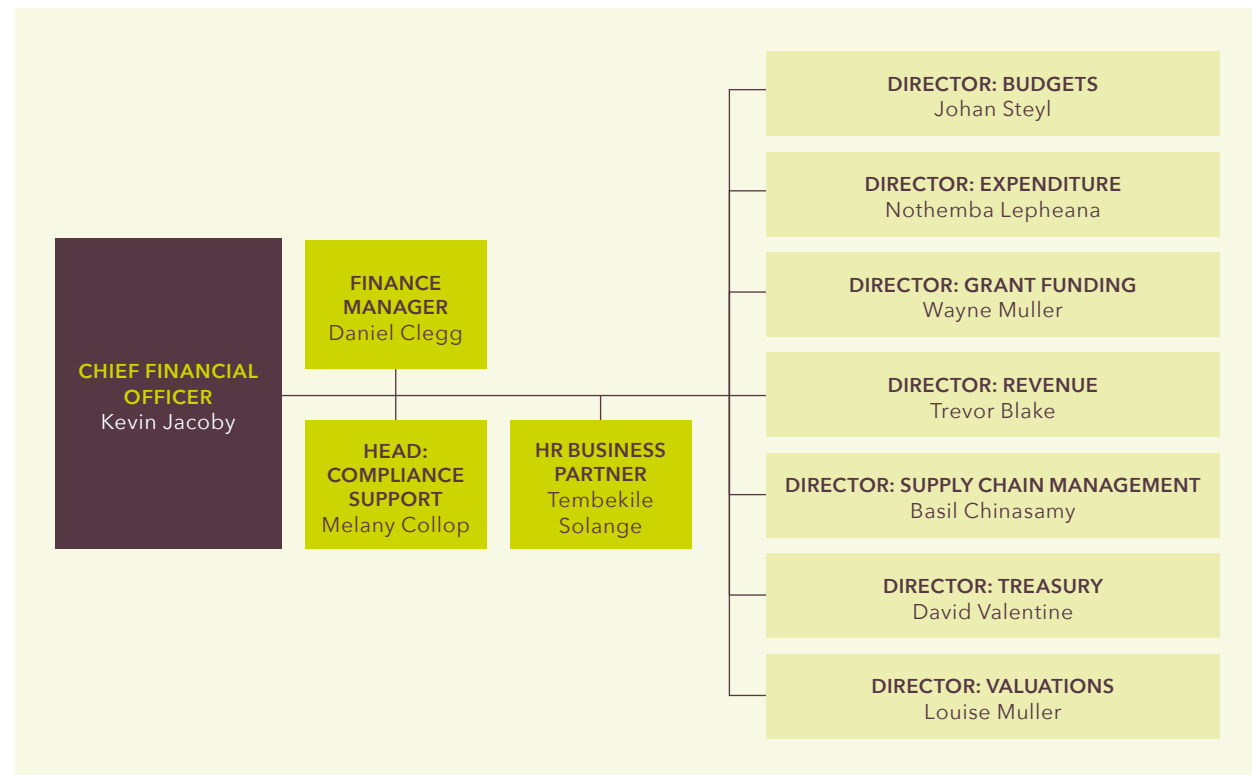
6. RESOURCES

6.1. SENIOR MANAGEMENT CAPABILITY AND STRUCTURE

Finance Directorate's senior management team consists of the Chief Financial Officer and seven directors.

Legislated competency levels: The Chief Financial Officer and all the directors have been through the MFMA Minimum Competency Training and have completed the course.

6.1.1. Directorate organogram



Payment of municipal accounts via third parties, e.g. Pick n Pay, Shoprite, Checkers, SA Post Office, etc.	Responsible for the payments made at all third-party stores and paying funds over to the City.
Project developers	Specific linkage relates to financial control and payments
External providers	Responsible for development of staff
Internal: All departments External: Suppliers vendors/tenderers	To plan their respective departmental future needs with regard to goods and services, and to communicate this to SCM An inter-dependent relationship, which is mutually beneficial, should exist with suppliers
Citizens	The community Customers, account holders and property owners Voters Residents
CTICC	The official lines of communication are between the Executive Mayor and the Chairperson of the Board, as outlined in legislation, but facilitated through Shareholding Management within the Finance Directorate. The CTICC complies with the legislative requirements as outlined in Local Government Legislation; the majority of these are contained in the Municipal Finance Management Act. All roles and responsibilities are outlined in the Service Delivery Agreement between the City and the CTICC.
Internal fora, e.g. BSC/ BSM/BOC, Finance Managers Forum (FMF), GPRC	Sundry financial/budgetary direction, support and guidance
MPAC	Investigate matters referred by Council
Budget Committee	Provide guidance for amendments to budget-related policies, by-laws and tariffs, as well as reviewing the TMA modelling results to determine whether the TMA would be affordable to all the residents
Revenue Management Task Team (RMTT) (previously known as Multi-Disciplinary Debt Management Task Team (MDDMTT))	Responsible for streamlining debt collection
Budget Committee	Responsible to finalise tariffs and amendments to Credit Control and Debt Collection Policy
Audit Committee	Responsible to perform an oversight role to monitor organisation-wide activities
ERP	Provision of reliable and efficient systems

6.1.2. Outsource services

Revenue Department:

- ✓ Printing of monthly invoices, notices, payslips
- ✓ Third parties for payment of municipal accounts, e.g. Pick n Pay, SA Post Office, Shoprite, Checkers, etc.
- ✓ Panel of attorneys for legal actions in debt management
- ✓ The Consumer Protection Bureau (Pty) Ltd – provision of electronic function for tracing, adverse credit listing and related services
- ✓ Armed-carrier services for the collection of all monies taken in at all the City's offices

The above services complement the City's collection ratio and various methods of payments.

Supply Chain Department:

Moore Stephens Forensic Service are contracted to provide professional services: Supplier Due Diligence and SCM Advisory Services to the City.

Valuations Department:

Income producing non-residential properties will be valued during the next General Valuation cycle, using CAMA techniques that are based on market data. The research required to establish the required market data is a specialist function that cannot be undertaken internally. This function is to be outsourced to a suitably qualified and specialist professional valuation company, conversant with market research of this nature.

6.1.3. Lead and contributing Directorate

The Finance Directorate is the lead Directorate for the City pertaining to all finance management related deliverables.

6.2. FINANCIAL INFORMATION

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)									
DESCRIPTION	2016/17	2017/18	2018/19	CURRENT YEAR 2019/20			2020/21 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full-Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating Revenue By Source									
Property rates	8 105 126	8 470 387	9 319 555	9 679 843	9 657 760	9 657 760	10 252 881	11 284 146	12 339 005
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	(324 696)	(298 806)	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	(214 249)	(255 968)	(276 382)	(287 133)	(287 133)	(287 133)	(301 777)	(316 865)	(332 709)
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	12 442	6 631	14	2	2	2	2	2	2
Interest earned - external investments	761 471	877 692	1 120 548	912 296	912 296	912 296	847 340	879 077	911 386
Interest earned - outstanding debtors	81 299	81 672	76 080	108 892	108 892	108 892	115 512	125 036	139 472
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	738	156 734	136 689	488	488	488	513	538	565
Licences and permits	134	(1)	(0)	-	-	-	-	-	-
Agency services	175 296	199 068	216 445	204 906	205 979	205 979	228 818	252 250	270 762
Transfers and subsidies	4 398 142	4 817 578	5 263 605	5 504 854	5 513 480	5 513 480	3 137 157	3 419 919	3 712 198
Other revenue	47 416	189 108	99 580	71 828	70 164	70 164	2 658 458	2 801 988	2 888 269
Gains	38	106	341	-	-	-	-	-	-

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)									
DESCRIPTION	2016/17	2017/18	2018/19	CURRENT YEAR 2019/20			2020/21 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full-Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Operating Revenue (excluding capital transfers and contributions)	13 043 157	14 244 201	15 956 476	16 195 975	16 181 927	16 181 927	16 938 904	18 446 090	19 928 951
Expenditure By Type									
Employee related costs	697 586	888 483	1 470 171	1 031 387	1 344 579	1 344 579	1 093 854	1 163 066	1 264 178
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Debt impairment	105 223	173 556	282 517	396 779	446 376	446 376	1 023 242	450 119	486 638
Depreciation & asset impairment	202 027	205 817	206 508	203 920	201 294	201 294	194 406	202 715	219 762
Finance charges	693 232	742 682	720 090	751 248	761 144	761 144	771 474	1 175 622	1 372 713
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	20 626	19 751	18 816	19 726	19 244	19 244	20 031	21 301	22 101
Contracted services	87 445	73 731	66 864	72 963	68 683	68 683	56 918	67 435	69 941
Transfers and subsidies	1 179	24 167	55 152	113 746	113 746	113 746	80 718	45 515	45 519
Other expenditure	334 654	415 883	543 351	414 648	413 516	413 516	444 443	453 137	482 883
Losses	115	145	156	-	-	-	1 222	1 271	1 322
Total Operating Expenditure	2 142 088	2 544 215	3 363 625	3 004 417	3 368 583	3 368 583	3 686 308	3 580 180	3 965 057
Surplus/ (Deficit)	10 901 070	11 699 986	12 592 851	13 191 558	12 813 344	12 813 344	13 252 597	14 865 910	15 963 894
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	128	1 354	550	679	679	330	110	190

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)									
DESCRIPTION	2016/17	2017/18	2018/19	CURRENT YEAR 2019/20			2020/21 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full-Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Transfers and subsidies - capital (monetary allocations) (Nat / Provincial Department Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) after capital transfers & contributions	10 901 070	11 700 114	12 594 204	13 192 108	12 814 023	12 814 023	13 252 927	14 866 020	15 964 084
Taxation									
Surplus/ (Deficit) after taxation	10 901 070	11 700 114	12 594 204	13 192 108	12 814 023	12 814 023	13 252 927	14 866 020	15 964 084
Attributable to minorities									
Surplus/ (Deficit) attributable to municipality	10 901 070	11 700 114	12 594 204	13 192 108	12 814 023	12 814 023	13 252 927	14 866 020	15 964 084
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	10 901 070	11 700 114	12 594 204	13 192 108	12 814 023	12 814 023	13 252 927	14 866 020	15 964 084
Capital Expenditure	23 989	14 009	26 225	116 957	92 524	92 524	268 787	96 371	25 191

6.2.1. Major projects aligned to PPPM (IDP linkage)

IDP Extract: Cross-subsidisation programme: Rebates and indigent project

Cross-subsidisation: This initiative enhances cross-subsidisation of the poor and ensures the sustainability of the City's rebates and indigent projects. As part of the City's annual budget process, a modelling exercise based on current tariffs and rebates will determine the impact of proposed tariff increases specifically on poor and vulnerable residential clients. The cost and extent of providing relief to the indigent and vulnerable, as well as rebates to the elderly, will also be determined as part of the budget process.

IDP Extract: Efficient, responsible and sustainable programme: Efficient services project

In addition to the ongoing assessment of service delivery efficiency at all levels of the City, a unit will be created in the Directorate of the Mayor to help develop and implement operational efficiency plans. Where appropriate, this unit will also facilitate systems accreditation according to international standards.

6.2.2. Narrative on Directorate capital programme

The Directorate is not capital intensive. The majority of the capital budget over the next medium-term revenue and expenditure framework mainly relates to:

- ✓ Suites Cape Town Stadium
- ✓ Aerial photography
- ✓ Furniture and IT equipment
- ✓ E-Tendering
- ✓ Security at cash offices
- ✓ System enhancements
- ✓ Upgrades to cash offices

7. RISK ASSESSMENT

Management, with the assistance of the Integrated Risk Management (IRM) Department, have applied their minds and due care has been taken to ensure that risks which could impact on them not achieving the Directorate's objectives are identified, addressed and managed on a day-to-day basis in accordance with the City's approved IRM Policy and IRM Framework.

Risk registers are utilised as a management tool in order to manage identified risks of the Directorate. The risks identified and rated equal to or above the Council-approved risk acceptance level will be reported to the Executive Management Team (EMT). The Executive Director to inform/discuss the Directorate's risks with the relevant Mayoral Committee member on a six-monthly basis.

7.1. REVENUE RISKS



Any risks to achieving revenue projections, any expected major shifts in revenue patterns and planned alternative sources of revenue are available in the Finance Directorate Risk Register.

8. OBJECTIVES AND INDICATORS OF THE DIRECTORATE SCORECARD

The Finance Directorate’s objectives and indicators are contained in the 2020/21 Finance Directorate Scorecard.

9. AUTHORISATION

The undersigned do hereby indicate their agreement with the contents of this document and the outcomes.

	Name	Signature	Date
Chief Financial Officer	Kevin Jacoby	 Digitally signed by Kevin Jacoby Date: 2020.05.18 17:53:01 +02'00'	
Mayco Member	Alderman Ian Neilson		20/5/2020

10. APPENDICES

Annexure E: 2020/21 Finance Directorate Scorecard



2020/21 FINANCE DIRECTORATE SCORECARD													
ALIGNMENT TO THE IDP PILLAR, CORPORATE OBJECTIVE NO	CORPORATE OBJECTIVE	LINK TO PROGRAMME	INDICATOR REFERENCE NO. (CSC, CIRCULAR 88, ETC)	LEAD (L)/ CONTRIBUTING (C) DIRECTORATE	INDICATOR (TO INCLUDE UNIT OF MEASURE)	BASELINE 2018/19	ANNUAL TARGET 30 JUNE 2020 2019/20	ANNUAL TARGET 30 JUNE 2021 2020/21	TARGETS				RESPONSIBLE PERSON
									30 SEPT 2020	31 DEC 2020	31 MAR 2021	30 JUNE 2021	
SFA 1: Opportunity city Corporate Objective No. 1.1	1.1 Positioning Cape Town as a forward-looking, globally-competitive City				Percentage of projects screened in SAP PPM	100%	95%	95%	95%	95%	95%	95%	Chief Financial Officer and Directors
SFA 1: Opportunity city Corporate Objective No. 1.1	1.1 Positioning Cape Town as a forward-looking, globally-competitive City				Percentage of PM comments completed in SAP PPM	100%	95%	95%	95%	95%	95%	95%	Chief Financial Officer and Directors
SFA 1: Opportunity city Corporate Objective No. 1.1	1.1 Positioning Cape Town as a forward-looking, globally-competitive City		CSC 1.B		1.B Percentage of rates clearance certificates issued within 10 working days	94,61% = 12 months accumulative 95,54% = quarterly average as at 30 June 2019	90%	93%	90%	90%	90%	93%	Director: Revenue Trevor Blake
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme	CSC 5.A		5.A Opinion of independent rating agency	Baa3 confirmed with a stable outlook	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	High investment rating	Director: Treasury David Valentine
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme	CSC 5.B		5.B Opinion of the Auditor-General	Subject to completion of the audit by the Auditor-General in November 2019	Clean Audit	Clean Audit	Submission of Annual Financial Statements and Consolidated Financial Statements for 2018/19	Clean Audit	Resolved 60% of audit management issues within targeted dates	Clean Audit	Director: Treasury David Valentine
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme	CSC 5.C		5.C Percentage spend of capital budget (City) - NKPI	80,10%	90%	90%	11,53%*	29,38%	51,64%	90%	Director: Budgets Johan Steyl
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme	CSC 5.D		5.D Percentage spend on repairs and maintenance (City)	95,60%	95%	95%	17%	41,2%	62,4%	95%	Director: Budgets Johan Steyl
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme	CSC 5.E		5.E Cash/Cost Coverage ratio (excluding unspent conditional grants) (NKPI)	3,85:1	1:90	2:1	2:3	2:1	1:6	2:1	Director: Treasury David Valentine
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme	CSC 5.F		5.F Net debtors to annual income (NKPI)	19,94%	22,80%	21,50%	18,33%	17,79%	18,72%	21,50%	Director: Treasury David Valentine
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme	CSC 5.G		5.G Debt (total borrowings) to Total Operating Revenue (NKPI)	22,85%	26,11%	30%	26,57%	26,57%	26,57%	30%	Director: Treasury David Valentine
SFA 5: Well-Run City Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)		Circular 88 - GG3.11		Number of repeat audit findings	New	New	5	1	2	1	5	

* Subject to Council approval

2020/21 FINANCE DIRECTORATE SCORECARD													
ALIGNMENT TO THE IDP PILLAR, CORPORATE OBJECTIVE NO	CORPORATE OBJECTIVE	LINK TO PROGRAMME	INDICATOR REFERENCE NO. (CSC CIRCULAR 88, ETC)	LEAD/LV CONTRIBUTING (C) DIRECTORATE	INDICATOR (TO INCLUDE UNIT OF MEASURE)	BASELINE 2018/19	ANNUAL TARGET 30 JUNE 2020 2019/20	ANNUAL TARGET 30 JUNE 2021 2020/21	TARGETS				RESPONSIBLE PERSON
									30 SEPT 2020	31 DEC 2020	31 MAR 2021	30 JUNE 2021	
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme	Circular 88 - GG6.11		Percentage of the municipality's operating budget on free basic services to indigent households: GG6.11(1) - 1. R-value of operating budget expenditure on free basic services GG6.11(2) - 2. Total operating budget for the municipality	4,7%	4%	4%	1%	2%	3%	4%	Director: Budgets Johan Steyl
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			All 3.1.A Treasury-approved credible and measurable financial management improvement strategy to achieve and/or sustain an unqualified audit opinion within a maximum of two financial years (Y/N)	96% automation of the EPWP database not yet completed	Resolved 100% of audit management issues within targeted dates, including emerging risks	Resolved 100% of audit management issues within targeted dates, including emerging risks	Submission of Annual Financial Statements and Consolidated Financial Statements	Prepare a comprehensive Audit Action Plan based on the 2019/20 year audit outcomes	Resolved 60% of audit management issues within targeted dates, including emerging risks	Resolved 100% of audit management issues within targeted dates, including emerging risks	Director: Treasury David Valentine
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Progress against major milestones of budget cycle plan to ensure the submission of the Annual Budget to Council for adoption	2019/20 Budget adopted by Council - May 2019	Submission of 2020/21 Budget to Council for adoption by 31/05/2020	Submission of 2021/22 Budget to Council for adoption by 31/05/2021	Initial budget engagement to various forums (e.g. BSC)	Modelled determination of major budget assumptions, e.g. Tariff increases, growth parameters	Tabled budget at Council by 31/03/2021	Submission of 2021/22 Budget to Council for adoption by 31/05/2021	Director: Budgets Johan Steyl
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Percentage of Operating Budget spent (City)	92,96%	93,9%	93,5%	20,60%	43,50%	64,50%	93,5%	Director: Budgets Johan Steyl
SFA 5: Well-run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Number of reports submitted indicating regular monitoring, assessment and reporting of relevant in-year financial results	Three reports submitted = Annual total of 12 reports	Three reports submitted = Annual total of 12 reports	Annual Total of 12 reports	Three reports	Three reports	Three reports	Three for fourth quarter, making an Annual Total of 12 reports	Director: Budgets Johan Steyl
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Percentage of timeous and accurate payment of Suppliers paid in compliance with relevant legislation, policies and procedures	97%	97%	97%	97%	97%	97%	97%	Director: Expenditure Nothemba Lepheana
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Development of detailed technical submissions and policy/national grant proposals for incorporation into a Nationally approved structure of diverse annual Grant Fund Framework	New	New	100%	25%	50%	75%	100%	Director: Grant Funding Wayne Muller
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Percentage funding alignment of City Conditional grant funding to Division of Revenue Act and Provincial Gazette prescripts and framework allocations	New	100%	100%	20%	45%	70%	100%	Director: Grant Funding Wayne Muller

2020/21 FINANCE DIRECTORATE SCORECARD													
ALIGNMENT TO IDP PILLAR, CORPORATE OBJECTIVE NO.	CORPORATE OBJECTIVE	LINK TO PROGRAMME	INDICATOR REFERENCE NO. (CSC CIRCULAR 88, ETC)	LEAD (L)/ CONTRIBUTING (C) DIRECTORATE	INDICATOR (TO INCLUDE UNIT OF MEASURE)	BASELINE 2018/19	ANNUAL TARGET 30 JUNE 2020 2019/20	ANNUAL TARGET 30 JUNE 2021 2020/21	TARGETS				RESPONSIBLE PERSON
									30 SEPT 2020	31 DEC 2020	31 MAR 2021	30 JUNE 2021	
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Revenue collected as a percentage of billed amount	93.44%	85%	85%	85%	85%	85%	85%	Director: Revenue Trevor Blake
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Percentage of the Rand value of Purchase orders allocated to B-BBEE Suppliers/service providers	94%	60%	60%	60%	60%	60%	60%	Director: Supply Chain Management Basil Chinasany
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Legal Compliance w.r.t. the implementation of an annual Supplementary Valuation Roll	Supplementary Valuation Roll SV03 to GV2015 certified by the Municipal Valuer on 29 June 2019	Supplementary Valuation Roll SV03 to GV2018 certified by the Municipal Valuer by 28 June 2020	Supplementary Valuation Roll SV02 to GV2018 certified by the Municipal Valuer by 30 June 2021	One batch of real-time valuations processed in Q1	One batch of real-time valuations processed in Q2	One batch of real-time valuations processed in Q3	Supplementary Valuation Roll SV02 to GV2018 certified by the Municipal Valuer by 30 June 2021	Director: Valuations Louise Muller supported by Llewellyn Louw, Municipal Valuer and Manager: Valuations Operations
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Management and resolution of GV2018 Objections received	New	50% of GV2018 valuation based objections resolved by 30 June 2020	Management of the GV2018 objections to ensure 99% of valuation based objections are resolved by 30 June 2021	60% of GV2018 value based objections resolved	70% of GV2018 value based objections resolved	80% of GV2018 value based objections resolved	Management of the GV2018 objections to ensure 99% of valuation based objections are resolved by 30 June 2021	Director: Valuations Louise Muller supported by Llewellyn Louw, Municipal Valuer and Manager: Valuations Operations
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Percentage of repeatable contracts with timelines indicating the process to start contract (relating to the Finance Directorate)	New	100%	95%	95%	95%	95%	95%	Director: Supply Chain Management Basil Chinasany
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Percentage of Capex and Opex items (finance) matched to demand plan items (relating to the Finance Directorate)	New	100%	75%	75%	75%	75%	75%	Director: Supply Chain Management Basil Chinasany
SFA 5: Well-Run city Corporate Objective No. 5.1	Operational Sustainability (ODTP 11)	5.1.a Efficient, Responsible and Sustainable City Services Programme			Percentage reduction in the number of SCM deviations (relating to the Finance Directorate)	New	0%	20%	N/A	N/A	N/A	20%	Director: Supply Chain Management Basil Chinasany
KEY OPERATIONAL INDICATORS: (KOs)													
SFA 1: Opportunity city	1.3 Economic inclusion		1.E 1.3.b	Urban Management	Number of Expanded Public Works Programme (EPWP) work opportunities created	161	152	152	38	76	117	152	Executive Director: Philemon Mashoko Contact Person - Salome Sekgonyana: 021 400 9402
SFA 1: Opportunity city	1.3 Economic inclusion		1.F 1.3.b	Corporate Services	Percentage budget spent on implementation of Workplace Skills Plan	100%	95%	95%	10%	30%	70%	95%	Director HR: Lele Sithole Contact Person - Nonzuzo Ntubane: 021 400 4056 083 694 8344
SFA 1: Opportunity city	1.3 Economic inclusion		1.3.a	Urban Management	Number of Full-Time Equivalent (FTE) work opportunities created	60.98	42.95	39	10	20	29	39	Executive Director: Philemon Mashoko Contact Person - Salome Sekgonyana: 021 400 9402

2020/21 FINANCE DIRECTORATE SCORECARD													
ALIGNMENT TO THE IDP PILLAR, CORPORATE OBJECTIVE NO.	CORPORATE OBJECTIVE	LINK TO PROGRAMME	INDICATOR REFERENCE NO. (CSC, CIRCULAR 88, ETC)	LEAD (L)/ CONTRIBUTING (C) DIRECTORATE	INDICATOR (TO INCLUDE UNIT OF MEASURE)	BASELINE 2018/19	ANNUAL TARGET 30 JUNE 2020 2019/20	ANNUAL TARGET 30 JUNE 2021 2020/21	TARGETS				RESPONSIBLE PERSON
									30 SEPT 2020	31 DEC 2020	31 MAR 2021	30 JUNE 2021	
SFA 1: Opportunity city	1.3 Economic inclusion			Corporate Services	Number of unemployed trainees and unemployed bursary opportunities (excluding apprentices)	74	38	37	8	13	26	37	Director HR: Lele Sithole Contact Person - Nonzuzo Ntubane: 021 400 4056 083 694 8344
SFA 1: Opportunity city	1.3 Economic inclusion		1.3.a	Corporate Services	Number of unemployed apprentices	N/A for Directorate	N/A for Directorate	N/A for Directorate	N/A for Directorate	N/A for Directorate	N/A for Directorate	N/A for Directorate	Director HR: Lele Sithole Contact Person - Nonzuzo Ntubane: 021 400 4056 083 694 8344
SFA 3: Caring city	3.1 Excellence in service delivery			Corporate Services	Percentage adherence to citywide service requests	99,61%	90%	90%	90%	90%	90%	90%	Director: Gillian Kenhardt Contact Person - Pat Lockwood: 021 400 2736 084 220 0289
SFA 4: Inclusive city	4.3 Building integrated communities			Corporate Services	Percentage adherence to the EE target of overall representation by employees from the designated groups (see EE act definition)	NEW	90%	90%	90%	90%	90%	90%	Director: Zukiswa Mandlana Contact Person - Sabelo Hlanganisa: 021 444 1338 083 346 5240
SFA 4: Inclusive city	4.3 Building integrated communities			Corporate Services	Percentage adherence of 2% target for people with disabilities (PWD) in compliance with the EE plan	3,58%	2%	2%	2%	2%	2%	2%	Director: Zukiswa Mandlana Contact Person - Sabelo Hlanganisa: 021 444 1338 083 346 5240
SFA 4: Inclusive city	4.3 Building integrated communities		4.C	Corporate Services	Percentage of employees from the EE target (designated) groups employed in the three highest levels of management (NKP)	New	74%	74%	74%	74%	74%	74%	Director: Zukiswa Mandlana Contact Person - Sabelo Hlanganisa: 021 444 1338 083 346 5240
SFA 5: Well-run city	5.1 Operational sustainability			Corporate Services	Percentage of women employed across all occupational levels in line with the annual EE plan targets	New	45,30%	39,71%	39,71%	39,71%	39,71%	39,71%	Director: Zukiswa Mandlana Contact Person - Sabelo Hlanganisa: 021 444 1338 083 346 5240
SFA 5: Well-run city	5.1 Operational sustainability			Corporate Services	Percentage of absenteeism	4,47%	≤ 5%	≤ 5%	≤ 5%	≤ 5%	≤ 5%	≤ 5%	Director HR: Lele Sithole Contact Person - Charl Priesloo: 021 400 9150 060 997 3622
SFA 5: Well-run city	5.1 Operational sustainability		5.C	Finance	Percentage spend of capital budget	98%	90%	90%	11,54% (Subject to Council approval)	43,6% (Subject to Council approval)	71% (Subject to Council approval)	90%	Directorate Finance Manager
SFA 5: Well-run city	5.1 Operational sustainability			Corporate Services	Percentage OHS investigations completed	100%	100%	100%	100%	100%	100%	100%	Director HR: Lele Sithole Contact Person - Jerry Henn: 021 400 9312 084 232 9977

2020/21 FINANCE DIRECTORATE SCORECARD													
ALIGNMENT TO THE IDP PILLAR, CORPORATE OBJECTIVE NO	CORPORATE OBJECTIVE	LINK TO PROGRAMME	INDICATOR REFERENCE NO. (CSC, CIRCULAR 88, ETC)	LEAD (L)/ CONTRIBUTING (C) DIRECTORATE	INDICATOR (TO INCLUDE UNIT OF MEASURE)	BASELINE 2018/19	ANNUAL TARGET 30 JUNE 2020 2019/20	ANNUAL TARGET 30 JUNE 2021 2020/21	TARGETS				RESPONSIBLE PERSON
									30 SEPT 2020	31 DEC 2020	31 MAR 2021	30 JUNE 2021	
SFA 5: Well-run city	5.1 Operational sustainability			Corporate Services	Percentage vacancy rate	8,65%	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	≤ 7% + percentage turnover rate	Director HR: Lele Sithole Contact Person - Yolanda Scholtz: 021 400 9249 084 235 1276
SFA 5: Well-run city	5.1 Operational sustainability			Finance	Percentage of operating budget spent	96%	95%	95%	21,60%	42,30%	63,50%	91%	Directorate Finance Manager
SFA 5: Well-run city	5.1 Operational sustainability			Finance	Percentage of assets verified	100% asset register verified	100%	100%	N/A = ALL Directorates 25% = Finance Directorate	N/A = ALL Directorates 50% = Finance Directorate	60% = ALL Directorates 75% = Finance Directorate	100%	Contact Person - Patrick Lekay: 021 400 2371 Contact Person - Jannie De Ridder: 021 400 5441
SFA 5: Well-run city	5.1 Operational sustainability			Corporate Services	Percentage of internal independent assurance provider's recommendations implemented	New	New	85%	85%	85%	85%	85%	Contact Person - Abduragmaan Karriem: 021 400 5622
SFA 5: Well-run city	5.1 Operational sustainability			Office of the City Manager: Probity - Risk, Ethics and Governance	Percentage of Declarations of Interest completed	100%	100%	100%	25%	50%	75%	100%	Chief: Risk, Ethics and Governance Contact Person - Lisa Anne Coltman: 021 400 9296 083 562 1688
SFA 5: Well-run city	5.1 Operational sustainability			Finance	Percentage completion rate of tenders processed as per the Demand Plan	New	New	80%	20%	50%	70%	80%	Manager: Demand and Disposal Management Contact Person - Peter de Vries 021 4002813 Contact Person - Peter Lynm Relations
SFA 5: Well-run city	5.1 Operational sustainability			Finance	Percentage of external audit actions completed as per Audit Action Plan	New	New	100%	100%	100%	100%	100%	Contact Person - Lynn Fortune 021 4005987
<div><div> Digitally signed by Kevin Jacoby DN: cn=KEVIN JACOBY, o=CAPETOWN, ou=CAPETOWN, email=kevin.jacoby@capetown.gov.za, c=ZA</div><div> Maitso Msimbe 20/5/2020</div></div> <div>CHIEF FINANCIAL OFFICER: KEVIN JACOBY</div> <div>SARE</div> <div>MAYCO MIMBE: AUSTRIAN VAN NELSON</div>													

2020/21 FINANCE DIRECTORATE SCORECARD DEFINITIONS	
KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
Percentage of projects screened in SAP PPPM	<p>Projects Screened in SAP PPPM for the budget (95%) – per budget cycle for the current fiscal year and next fiscal year, measured at adjustment budget stage and at draft budget stages.</p> <p>Measurement: Metrics extracted from SAP PPPM from budget submissions.</p> <p>Screening includes:</p> <ul style="list-style-type: none"> - Screening Questionnaire - Implementation Complexity Questionnaire - Strategic Themes Questionnaire - GIS Location Mapping - Upload photos (at the start of project, at the end of a project, and every six-month interval)
Percentage of PM comments completed in SAP PPPM	<p>Monthly PM Comments completion (95%) – aggregated quarterly and quarterly values averaged for the yearly statistic.</p> <p>Measurement: Metrics extracted from SAP PPPM on a monthly basis.</p>
1.B Percentage of rates clearance certificates issued within 10 working days	<p>This indicator measures the percentage of rates clearance certificates issued within 10 working days, only once the correct payments and required documentation have been received and verified as correct.</p>
5.A Opinion of independent rating agency	<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 The highest rating possible for local government which is also subject to the Country's sovereign rating.</p>
5.B Opinion of the Auditor-General	<p>This indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor-General in determining their opinion. An unqualified audit opinion refers to the position where the auditor, having completed their audit, has no reservation as to the fairness of presentation of financial statements and their conformity 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 statement if these are not prepared in accordance with General Recognised Accounting Practice, or could not audit one or more areas of the financial statements. Future audit opinions will cover the audit of predetermined objectives.</p>
5.C Percentage spend of capital budget (NKPI)	<p>Percentage reflecting year-to-date spend/total budget, less any contingent liabilities relating to the capital budget. The total budget is the Council-approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.</p> <p>Proxy measure for NKPI.</p>

2020/21 FINANCE DIRECTORATE SCORECARD DEFINITIONS	
KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
5.D Percentage spend on Repair and Maintenance	<p>Percentage reflecting year-to-date spend (including second cost)/total repairs and maintenance budget.</p> <p>Note that the “in-year reporting” during the financial year will be indicated as a trend (year-to-date spend).</p> <p>Maintenance is defined as the actions required for an asset to achieve its expected useful life. Planned maintenance includes assets inspection and measures to prevent known failure modes, and can be time or condition based.</p> <p>Repairs are actions undertaken to restore an asset to its previous condition after failure or damage. Expenses on repairs and maintenance are considered operational expenditure.</p> <p>Primary repairs and maintenance cost refer to repairs and maintenance expenditure incurred for labour and materials paid to outside suppliers. Second repairs and maintenance cost refer to repairs and maintenance incurred for labour provided in-house/internally.</p>
5.E Cash/Cost Coverage ratio (excluding unspent conditional grants) (NKPI)	<p>The ratio indicates the ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that month.</p> <p>Proxy measure for NKPI.</p>
5.F Net debtors to annual income (NKPI)	<p>Net current debtors are a measurement of the net amounts due to the City for which the anticipation of the recovery is realistic.</p> <p>Proxy measure for NKPI.</p>
5.G Debt (total borrowings) to Total Operating Revenue (NKPI)	<p>The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities.</p> <p>Proxy measure for NKPI.</p>
Number of repeat audit findings	<p>“Repeat” findings refer to those findings which have persisted from one year of reporting to the next. These are identified as repeat findings by the Auditor-General on the following administrative areas, including, but not limited to:</p> <ul style="list-style-type: none"> (i) Annual Financial Statements and Annual Report (ii) Strategic Planning and Performance (iii) Consequence Management (iv) Human Resource Management
Percentage expenditure of the municipality's operating budget on free basic services to indigent households:	<p>The amount municipal operating budget expended on free basic services to indigent households (R-value) as a percentage of the total operating budget of the municipality, for the period.</p> <p>(Measuring the percentage of the operating budget spent on free basic services is indicative of the portion of the budget expended on poverty alleviation and also of financial viability of the municipality.)</p> <p>GG6.11(1) - 1. R-value of operating budget expenditure on free basic services</p> <p>GG6.11(2) - 2. Total operating budget for the municipality</p> <p>1. The total amount (R-value) of operating budget expended on free basic services to indigent households registered with the municipality, as well as any universal free basic service allocations.</p> <p>2. The total amount (R-value) of operating budget of the municipality for the period under review.</p>
AI1.3.1 A Treasury-approved credible and measurable financial management improvement strategy to achieve and/or sustain an unqualified audit opinion within a maximum of two financial years (Y/N)	<p>This indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor-General to determine whether the City addressed all the potential weaknesses identified in the previous year.</p>

2020/21 FINANCE DIRECTORATE SCORECARD DEFINITIONS	
KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
Progress against major milestones of budget cycle plan to ensure the submission of the Annual Budget to Council for adoption	Submission of affordable, sustainable and balanced Operating and Capital Budget (MTREF) aligned to the IDP to Council for consideration. Managing the drafting and co-ordination of Operating and Capital Budget for the City, ensuring alignment to the IDP.
Percentage of Operating Budget spent (City)	Total actual to date as a percentage of the total budget, including secondary expenditure.
Number of reports submitted indicating regular monitoring, assessment and reporting of relevant in-year financial results	Regular monitoring, assessment and reporting of all relevant financial data sets, advice on corrective action and proposals in respect of variances between budget and progressive actuals. Compliance to relevant legislative frameworks w.r.t. other tiers of government. Under-spending or -recovery of budgetary provisions impacts negatively on municipalities' ability to deliver on their projects and services. Continuous and pro-active steps in monitoring progressive results could address this aspect timeously. In this regard, internal procedures managed by the Budget Department (e.g. FMR and PCER) is key to highlight variances and propose and implement remedial action towards optimum budget implementation and realisation. Ultimate format and mechanism must be in accordance with municipal budget-related legislation and directives.
Percentage of timeous and accurate payment of Suppliers paid in compliance with relevant legislation, policies and procedures	This indicator is in compliance with section 65 (e) of the MFMA, which requires that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.
Development of detailed technical submissions and policy/national grant proposals for incorporation into a Nationally approved structure of diverse annual Grant Fund Frameworks	Development of detailed technical submissions and policy/national grant proposals for incorporation into a Nationally-approved structure of diverse Grant Fund Frameworks with a special focus on the Informal Settlements Upgrade Partnership Grant, Urban Settlements Development Grant, Human Settlements Development Grant, etc.
Percentage funding alignment of City Conditional grant funding to Division of Revenue Act and Provincial Gazette prescripts and framework allocations	Percentage, per each conditional grant as defined in both the Divisions of Revenue Act and Gazette, of funding allocation alignment to City budgets.
Revenue collected as a percentage of billed amount	To measure the receipts as a percentage of billing covering the immediate 12-month period.
Percentage of the Rand value of Purchase orders allocated to B-BBEE Suppliers/service providers	Ratio of the total rand value of purchase orders allocated to B-BBEE suppliers/service providers to the total overall rand value of purchase orders allocated to suppliers/service providers by the City of Cape Town.
Legal Compliance w.r.t. the implementation of an annual Supplementary Valuation Roll	Quarter 1: At least one batch of real-time valuations transmitted to Revenue via the GRM/LUM/ISO interface Quarter 2: At least one batch of real-time valuations transmitted to Revenue via the GRM/LUM/ISO interface Quarter 3: At least one batch of real-time valuations transmitted to Revenue via the GRM/LUM/ISO interface Quarter 4: SV02 to GV2018 certified by the Municipal Valuer. The approval of the SV is an annual process within the three-year GV cycle.
Management and resolution of GV2018 Objections received	Quarter 1: 60% of GV2018 value-based objections resolved and captured on GRM Quarter 2: 70% of GV2018 value-based objections resolved and captured on GRM Quarter 3: 80% of GV2018 value-based objections resolved and captured on GRM Quarter 4: 99% of GV2018 value-based objections resolved and captured on GRM

2020/21 FINANCE DIRECTORATE SCORECARD DEFINITIONS	
KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
Percentage of repeatable contracts with timelines indicating the process to start contract (relating to the Finance Directorate)	Monthly Tender Tracking System (TTS) report indicating the percentage of repeatable contracts with agreed timelines, as agreed with SCM and marked as such in TTS, measured at the end of the quarter (not cumulative). 5% error rate to account for the contracts created in the last week of the quarter. Monthly TTS report will be made available by the Contract Management Unit from the Contract Monitoring System to EMT. Repeatable contracts refer to contracts where the goods and services are recurring as opposed to once-off.
Percentage of Capex and Opex items (finance) matched to demand plan items (relating to the Finance Directorate)	Percentage of operating and capital line items created on this demand plan for MTREF plan.
Percentage reduction in the number of SCM deviations (relating to the Finance Directorate)	The indicator only applies to Supply Chain Management (SCM) deviations above R200 000. Sole/single service provider deviations and deviations relating to disaster such as fires and floods will be excluded from the measurement. This indicator will measure the percentage year-on-year reduction from the previous year's number of SCM deviations. Formula: (No. of SCM deviations for current year - No. of SCM deviations for prior year)/No. of SCM deviations for prior year x 100
KEY OPERATIONAL INDICATORS (KOIs)	
Number of Expanded Public Works Programme (EPWP) work opportunities created	Refers to paid work created for an individual on an EPWP project for any period of time, within the employment conditions of the Code of Good Practice for the Expanded Public Works Programmes.
Percentage budget spent on implementation of Workplace Skills Plan	A Workplace Skills Plan is a document that outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of Local Government's Skills Sector Plan, the IDP, the individual departmental staffing strategies, individual employees' personal development plans and the employment equity plan. Formula: Measured against training budget
Number of Full-Time Equivalent (FTE) work opportunities created	Refers to one person-year of employment. One person year is equivalent to 230 person days of work. The 230 days are effective days of work after subtracting provision for non-productive days in a year (e.g. leave, holidays, etc.). 1 FTE = person days divided by 230
Number of unemployed trainees and unemployed bursary opportunities (excluding apprentices)	This measures the number of learning opportunities created for the unemployed youth as a contribution to the job creation initiative and provision of real world of work exposure to trainees and graduates. This includes, external bursaries awarded, in-service student training opportunities, graduate internships and learnerships. This is an accumulative quarterly measure. The target refers to the fourth quarter final total.
Number of unemployed apprentices	This measures the number of learning opportunities created for the unemployed youth as a contribution to the job creation initiative. This indicator is limited to apprenticeships. This is an accumulative quarterly measure. The target refers to the fourth quarter final total.
Percentage adherence to citywide service requests	Measure the percentage adherence to Citywide service standards based on all external notifications.

2020/21 FINANCE DIRECTORATE SCORECARD DEFINITIONS	
KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
Percentage adherence to the EE target of overall representation by employees from the designated groups (see EE Act definition)	This indicator measures the overall representation of designated groups across all occupational levels at City, Directorate and Departmental level as at the end of the preceding month.
Percentage adherence of 2% target for people with disabilities (PWD) in compliance with the EE plan	This indicator measures the percentage of people with disabilities employed at the end of the preceding month against the target of 2%.
Percentage of employees from the EE target (designated) groups employed in the three highest levels of management (NKPI)	The indicator measures the percentage of employees from the designated groups employed in the three highest levels of management, in compliance with the City's approved EE plan. Management Level 1 - City Manager and Executive Directors Management Level 2 - Portfolio Managers and Directors Management Level 3 - Managers
Percentage of women employed across all occupational levels in line with the annual EE plan targets	This indicator measures the achievement of representation of women in the City of Cape Town across all occupational levels in compliance with the City's approved EE Plan. For the duration of this plan (2018-2023) the City is committed to achieve a target of 40,20%. This target will be achieved on an incremental basis as follows: 39,36% in Year 2018-2019 39,52% in Year 2019-2020 39,71% in Year 2020-2021 39,91% in Year 2021-2022 40,20% in Year 2022-2023
Percentage of absenteeism	The indicator measures the actual number of days absent due to sick, unpaid/unauthorised leave in the department or directorate expressed as a percentage over the number of working days in relation to the number of staff employed. Sick, unpaid/unauthorised leave will include four categories, namely normal sick leave, unpaid unauthorised leave, leave in lieu of sick leave and unpaid in lieu of sick leave.
Percentage spend of capital budget	Percentage reflecting year-to-date spend/total budget less any contingent liabilities relating to the capital budget. The total budget is the council-approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.
Percentage OHS investigations completed	Investigations measure the completed number of incidents investigated within a three-day period, expressed as a percentage. "Completed" will be measured as incident data captured and uploaded on SAP. There will be a one-month lag for both the numerator and denominator for reporting purposes.
Percentage vacancy rate	This is measured as the number of vacant positions expressed as a percentage of the total approved positions on the structure for filling (vacant positions not available for filling are excluded from the total number of positions). To provide a realistic and measurable vacancy rate the percentage turnover is factored in. Vacancy excludes positions where a contract was issued and the appointment accepted. The actual vacancy rate is measured as the number of vacant positions over the total approved for filling. The target vacancy rate is determined at a flat rate of 7% (or less), plus the percentage turnover over a rolling period of 12 months. This indicator will further be measured at a specific point in time.
Percentage of operating budget spent	Formula: Total actual to date as a percentage of the total budget, including secondary expenditure.

2020/21 FINANCE DIRECTORATE SCORECARD DEFINITIONS	
KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
Percentage of assets verified	The indicator reflects the percentage of assets verified annually for audit assurance. Quarter one will be the review of the Asset Policy. In Quarter two, the timetable in terms of commencing and finishing times for the process is to be communicated, and will be completed. Both Quarters will only be performed by Corporate Finance. The asset register is an internal data source, being the Quix system, scanning all assets and uploading them against the SAP data files. Data is downloaded at specific times and is the basis for the assessment of progress. Q1 = N/A for ALL other departments, except Corporate Finance (responsible) Q1 = 25% Corporate Finance Q2 = N/A for ALL other departments, except Corporate Finance Q2 = 50% Corporate Finance Q3 = 75% represents that 60% of the assets have been verified by the directorate/department Q4 = 100% represents all assets have been verified
Percentage Internal independent assurance provider's recommendations implemented	It is the monitoring and reporting of the implementation (expressed as a percentage) of corrective actions to address internal independent assurance providers' recommendations, issued within the directorate. Included in the KOI are the recommendations made by the internal independent assurance providers, i.e. after Internal Audit reviews, Integrated Risk Management engagements, Ombudsman, Ethics and Forensics investigations. Each IAP has their unique definition to this KOI, linked to their specific function in the City. This KOI will be "not applicable" to management when there are no recommendations/action plans for the directorate. E.g. if no IA reports were issued for a directorate in a quarter, there will be no results to include in the calculation.
Percentage of Declarations of Interest completed	"The total number of completed declarations of interest as a % of the total number of staff. The target is cumulative over the year. Each employee needs to complete the declaration of interest as prescribed by City policies/City Executive decisions/applicable legislation." * T14 and above - to declare annually and be 100% complete, as well as key business processes/departments regardless of T-level, i.e. Finance directorate, Probity, Human Resources, Planning and Building Development * T13 and below - to declare once every three years and when their personal circumstances change (including when new/renewed private work applications are processed. [The measuring of the T13 and below will be reported through EMT process and the City Manager dashboard, and not included in 2019/20, 2020/21 SDBIP reporting.
Percentage completion rate of tenders processed as per the Demand Plan	This indicator measures how many tenders were processed and completed (i.e. the number of tenders completed in the financial cycle) as per the demand plan. The Demand Plan represents the total number of tenders needed for a year. Completion will include all cancelled and successfully awarded bids by the BAC (Bid Adjudication Committee).
Percentage of external audit actions completed as per Audit Action Plan	This indicator measures how many actions were completed in the financial cycle within the unique deadline set, as per the audit action plan. The Audit Action Plan sets out the total number audit actions required to address the internal control deficiencies as identified by the Auditor-General in their management report. Completed would mean that the actions, as stipulated in the audit action plan, have been executed by the relevant ED and/or Director. Should there be no actions required for an Executive Director and/or Director, the indicator will not be applicable.

