

NEWCASTLE MUNICIPALITY
ANNUAL PERFORMANCE REPORT 2015/16
BUDGET AND TREASURY OFFICE

SDBP REF NO	IDP/ORG REF No.	OUTCOME 9	IDP PRIORITY	SERVICE/FUNCTION	BUDGET FINAL OPEX JUNE 2016	ACTUAL OPEX 30 JUNE 2016	BUDGET FINAL CAPEX JUNE 2016	ACTUAL CAPEX JUNE 2016	DEPARTMENTAL OBJECTIVE/S	SBU	ACTION PLAN	KEY PERFORMANCE INDICATOR	FREQUENCY	BASELINE	SOURCE OF EVIDENCE	ANNUAL TARGET 2015/16	ANNUAL ACTUAL 2015/16	REASON FOR VARIANCE	RECOMMENDED CORRECTIVE ACTION	ANNUAL DASHBOARD 2015/16	ANNUAL TARGET 2014/15	ANNUAL ACTUAL 2014/15	ANNUAL DASHBOARD 2014/15	RESPONSIBLE MANAGER
BT0001	GP7.1.5	Output6: Administrative and Financial Capability			180,314,364	180,961,032	2,256,029	1,712,536	To ensure that good governance principles are implemented	BTO	Monthly reports on compliance with legislation, implementation of AG, Internal audit and risk management Action plans to Municipal Managers Office	%AGE OF AUDITOR GENERAL QUERIES ADDRESSED AS PER ACTION PLAN	Annual	N/A	Confirmation of receipt by CRO	100%	80%	20% in progress relating to assets	To finalised as part of the AFS process	TARGET INPROGRESS				SED: BUDGET AND TREASURY
BT0002	GP8.1.4	Output6: Administrative and Financial Capability							To ensure that good governance principles are implemented	BTO	Monthly reports on compliance with legislation, implementation of AG, Internal audit and risk management Action plans to Municipal Managers Office	%AGE OF STRATEGIC RISKS ADDRESSED AS PER ACTION PLAN	Annual	N/A	Confirmation of receipt by CRO	100%	38%	Inadequate monitoring mechanisms	Management to improve internal control and monitoring mechanisms	TARGET INPROGRESS				SED: BUDGET AND TREASURY
BT0003	GP7.1.2	Output6: Administrative and Financial Capability							To ensure that good governance principles are implemented	BTO	Monthly reports on compliance with legislation, implementation of AG, Internal audit and risk management Action plans to Municipal Managers Office	%AGE OF OPERATIONAL RISKS ADDRESSED AS PER ACTION PLAN	Annual	N/A	Confirmation of receipt by CRO	100%	35%	N/A	N/A	TARGET INPROGRESS				SED: BUDGET AND TREASURY
BT0004		Output6: Administrative and Financial Capability	Good Governance	Administration					To ensure that good governance principles are implemented	BTO	Monthly meetings to monitor performance information	Monthly meetings to monitor performance information	Quarterly	12	Minutes & Attendance Registers	12	11	N/A	N/A	TARGET MET	12	12	TARGET MET	SED
BT0005		Output6: Administrative and Financial Capability	Good Governance	Administration					To ensure that good governance principles are implemented	BTO	Implement resolutions of Manco/EXCO/Council/MPAC	Monthly reports on execution of resolutions for Manco/EXCO/Council/Audit Committee /MPAC	Quarterly	12	Confirmation of receipt by Manager: Executive Support	12	12			TARGET NOT MET	12	12	TARGET MET	SED
BT0006	FV10.4.2	Output6: Administrative and Financial Capability	Financial Viability	Administration					To ensure implementation of capital programme	BTO	Implementation of capital programme	%age of capital budget spent as per approved cash flows	Annual	90%	Budget Reports	90%	64%	Purchase of Furniture and Equipment was ceased as we were moving to the new building which most employees didn't require new furniture as they are allocated to the new building.	The budget for some equipment is located within the Budget and Treasury Office, however it is for the entire municipality. The allocation and expenditure is made as and when required by different departments, which makes it difficult to plan for. The Budget and Treasury Office is currently working on a plan to distribute the budget allocation proportionately amongst all directorates, in order to allow for	TARGET INPROGRESS	90%	90%	TARGET MET	SED
BT0007	FV10.1.1	Output6: Administrative and Financial Capability	Financial Management	Administration					To ensure sound financial and fiscal management and good governance	BTO	To ensure compliance with financial reporting in terms of the relevant legislative requirements.	%age compliance with MFMA reporting obligations as per MFMA calendar	Quarterly	100%	National Treasury Compliance Report	100%	100%	N/A	N/A	TARGET MET	100%	100%	TARGET MET	SED
BT0008		Output6: Administrative and Financial Capability	Good Governance	Administration					To improve both internal and external communication.	BTO	To implement Public Participation & Communication Strategy	% of Communication Plan implemented	Annual	100%	Communication plan and Presentations/register s/publications/photos / minutes of meeting	100%	100%	N/A	N/A	TARGET INPROGRESS	100%	100%	TARGET MET	SED
BT0009		Output6: Administrative and Financial Capability	Organizational / Institutional Development	BTO - Safety					To promote zero fatality and ensure a health and safe working environment	BTO	To comply with health and safety legislation	Number of safety committee meetings held	Quarterly	10	Registers & Minutes of safety meetings	10	7	N/A	N/A	TARGET INPROGRESS	12	10	TARGET INPROGRESS	SED
BT0010	IT1.3.1	Output 6: Administrative and financial capability	Administration Skills & Development						To develop and participate in knowledge sharing with other municipalities	BTO	To facilitate knowledge sharing activities with other municipalities	Number of knowledge sharing meetings arranged	Annual	0	Attendance registers/ minutes of meetings/invitations	1	1	N/A	N/A	TARGET MET	1	1	TARGET MET	SED
BT0011		Output6: Administrative and Financial Capability	Financial Management	Financial Reporting					To ensure sound financial and fiscal management and good governance	Budget	Preparation of Annual Financial Statements	Submission of Annual Financial Statements to Auditor-General on or before 31 August 2015	Annual	AFS submitted 30 August 2015	Proof of submission from Auditor-General	Submission of Annual Financial Statements to Auditor-General on or before 31 August 2015	Annual Financial Statements was submitted to Auditor-General on 31 August 2015	N/A	N/A	TARGET MET	Submission of Annual Financial Statements to Auditor-General on or before 31 August 2014	Submission of Annual Financial Statements to Auditor-General on or before 31 August 2014	TARGET MET	Director : Budget & Financial Reforms
BT0012	FV11.1.2	Output6: Administrative and Financial Capability	Financial Viability	Financial Reporting					To ensure sound financial and fiscal management and good governance	Budget	Financial Reporting	Financial viability in terms of debt coverage	Quarterly	45%	Loan statements and Section 71 Reports	15%	1.846%			TARGET NOT MET	45%	22%	TARGET MET	Director : Budget & Financial Reforms
BT0013	FV11.1.3	Output6: Administrative and Financial Capability	Financial Viability	Financial Reporting					To ensure sound financial and fiscal management and good governance	Budget	Financial Reporting	Financial viability in terms of cost coverage	Quarterly	3months	Bank Statement and Investment Schedule and Section 71 Reports	2months	0.454months			TARGET NOT MET	3months	3.8months	TARGET MET	Director : Budget & Financial Reforms
BT0014	FV11.1.4	Output6: Administrative and Financial Capability	Financial Viability	Financial Reporting					To ensure sound financial and fiscal management and good governance	Budget	Financial Reporting	Financial viability in terms of outstanding service debtors	Annual	105%	Calculation sheet	100%	82%			TARGET OVER ACHIEVED	152%	84%	TARGET INPROGRESS	Director : Budget & Financial Reforms
BT0015		Output6: Administrative and Financial Capability	Financial Viability	Revenue Enhancement Strategy					To facilitate processes to enhance revenue	Revenue Enhancement	Revise Revenue Enhancement Strategy.	Updated Revenue Enhancement Strategy by March 2016	Annual	Approved Revenue Enhancement Strategy	Council Minutes	Updated Revenue Enhancement Strategy by March 2016	Updated Revenue Enhancement Strategy by March 2016	N/A	N/A	TARGET MET	Updated Revenue Enhancement Strategy by December 2014	UPDATED REVENUE ENHANCEMENT STRATEGY	TARGET MET	Director : Revenue Enhancement

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BT0016	FV11.2.1	Output6: Administrative and Financial Capability	Financial Viability	Revenue Enhancement Strategy					To facilitate processes to enhance revenue	Revenue Enhancement	Mainstream and intergrate Revenue Enhancement throughout the value chain of the organisation.	Number of Revenue Enhancement Meetings facilitated	Quarterly	17	Minutes and registers	4	7	N/A	N/A	TARGET OVER ACHIEVED	4	24	TARGET MET	Director : Revenue Enhancement	
BT0017		Output6: Administrative and Financial Capability	Financial Viability	Revenue Enhancement Strategy					To facilitate processes to enhance revenue	Revenue Enhancement	Analyze and assess reports of various departments as well as reports generated from the financial system and utilizing information/ reports/statistics/ reports on progress made with the implementation of the Revenue Enhancement Strategy.	Quarterly Reports on implementation of the Revenue Enhancement Strategy to Finance Standing Portfolio Committee	Quarterly		Minutes FPSC	4	4	N/A	N/A	TARGET MET	4	4	TARGET MET	Director : Revenue Enhancement	
BT0018	FV10.4.1	Output6: Administrative and Financial Capability	Financial Management	Budget Management					To ensure budget planning and implementation	Budget & Reporting	Preparation of the annual budget	Approval of Annual Budget for 2016/17 by the 31 May 2016	Annual	2015/16 Budget approved in May 2016	Council Resolution	1	1	N/A	N/A	TARGET MET	Approved Budget by 31 May 2015	Budget approved on 29 May 2015	TARGET MET	Director: Budget & Financial Reforms	
BT0019		Output6: Administrative and Financial Capability	Financial Management	Budget Management					To ensure sound financial and fiscal management and good governance	Budget & Reporting	Preparation of the Mid-year Review (section 72)	Submission of the Mid-year Review to the Mayor, National and Provincial Treasuries by 25 January 2016	Annual	Submitted Section 72 by 25 January 2015	Proof of submission to the Mayor; National and Provincial Treasuries	Submission of the Mid-year Review to the Mayor, National and Provincial Treasuries by 25 January 2016	Mid-year Review submitted to the Mayor, National and Provincial Treasuries by 25 January 2016	N/A	N/A	TARGET MET	Submission of the Mid-year Review to the Mayor and National and Provincial Treasuries by 25 Jan 2015	Section 72: Mid year assessment for the period ending 31 December 2014 - 16-01-2015	TARGET MET	Director: Budget & Financial Reforms	
BT0020	FV10.4.1	Output6: Administrative and Financial Capability	Financial Management	Budget Management					To ensure budget planning and implementation	Budget & Reporting	Preparation of adjustment budget	Approval of Adjustment Budget by 28 February 2016	Annual	Adjustment Budget by 28 Feb 2015	Proof of submission to the Mayor	Approved Adjustment Budget by 28 February 2016	Approved Adjustment Budget by 24 February 2016	N/A	N/A	TARGET MET	Approved Adjustment Budget by 28 February 2015	capital adjustment budget: 26 February 2015 stamped by Mayors office 26-02-	TARGET MET	Director: Budget & Financial Reforms	
BT0021		Output6: Administrative and Financial Capability	Financial Management	Financial Reporting					To ensure sound financial and fiscal management and good governance	Budget & Reporting	Preparation of section 52 and 71 reports	Monthly Section 71 reports to the Mayor, National and Provincial Treasuries within 10 working days of each month.	Quarterly	12	Proof of submission to the Mayor	12	12	N/A	N/A	TARGET MET	12	12	TARGET MET	Director: Budget & Financial Reforms	
BT0022		Output6: Administrative and Financial Capability	Financial Management	Investment and Expenditure Management					To ensure sound financial and fiscal management and good governance	Preparation of Quarterly reports on External Loans; Investments; Withdrawals and Staff Benefits	Submission of Quarterly reports on External Loans	Quarterly	4	Minutes of EXCO		4	3	No portfolio committee held in June	To submit in 2016/17	TARGET INPROGRESS	4	4	TARGET MET	Director: Budget & Financial Reforms	
BT0023		Output6: Administrative and Financial Capability			Submission of Quarterly reports on Investments	Quarterly	4	Exco Minutes			4	3	No portfolio committee held in June	To submit in 2016/17	TARGET INPROGRESS	4	4	TARGET MET	Director: Budget & Financial Reforms						
BT0024		Output6: Administrative and Financial Capability			Submission of Quarterly reports on Withdrawals	Quarterly	4	Exco Minutes			4	3	No portfolio committee held in June	To submit in 2016/17	TARGET INPROGRESS	4	4	TARGET MET	Director: Budget & Financial Reforms						
BT0025		Output6: Administrative and Financial Capability			Submission of Quarterly Reports on Conditional Grants	Quarterly	4	Exco Minutes			4	3	N/A	N/A	TARGET INPROGRESS	4	4	TARGET MET	Director: Budget & Financial Reforms						
BT0026		Output6: Administrative and Financial Capability			Submission of reports on Staff benefits to Council	Bi-annually	2	Exco Minutes			4	3	No portfolio committee held in June	To submit in 2016/17	TARGET INPROGRESS	2	4	TARGET MET	Director: Budget & Financial Reforms						
BT0027	FV11.3.1	Output6: Administrative and Financial Capability			Financial Viability						To ensure sound financial and fiscal management and good governance	Expenditure & Financial Accounting	To implement sound cash management practices	Compilation of monthly banks reconciliations within 10 working days of each month	Quarterly	12	Bank Reconciliations	12	12			TARGET MET	12	12	TARGET MET
BT0028	FV10.2.2	Output6: Administrative and Financial Capability	Financial Management	Supply Chain Management					To ensure sound financial and fiscal management and good governance	Supply Chain Management Unit	To review and approve SCM Policy	Review of Draft SCM Policy by 31 March 2016 and be approved on the 31st May 2016	Bi-annually	Approved SCM Policy by March 2015	council minutes	Approval of SCM Policy by the 31st May 2016	Approved SCM Policy by the 31st May 2016	N/A	N/A	TARGET MET	Review of SCM Policy by 31st March 2015 and be Approved by the 31st May 2015	Approval of SCM Policy by the 31st May 2015	TARGET MET	Director : SCM	
BT0029		Output6: Administrative and Financial Capability	Financial Management	Supply Chain Management					To ensure sound financial and fiscal management and good governance	Supply Chain Management Unit	Preparation of Quarterly report on the implementation of the SCM Policy to Council	Quarterly Report on the implementation of the SCM Policy	Quarterly	0	Council resolution	1		1 - Final report submitted to Portfolio Standing Committee dated 15 June 2016	No portfolio committee held in June	To submit in 2016/17	TARGET NOT MET	4	1	TARGET INPROGRESS	Director : SCM
BT0030	FV10.2.1	Output6: Administrative and Financial Capability	Financial Management	Supply Chain Management					To ensure sound financial and fiscal management and good governance	Supply Chain Management Unit	Maintain and monitor a register for bids and quotations	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations)	Quarterly		Turnaround time for bids is 119 days and for quotations is 69 days (Tender/Quotations)	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations)	57 days for quotations & 93 days for bids	The challenges that caused major delays, which resulted in tenders not awarded within the targeted days was mainly on the evaluation of the bids. On specific bids there were delays as the departments were taking longer to finalise technical evaluation. The delays that were experienced from SCM relates to lack of constant follow ups and communication with the department to make sure that, any area of procurement that has not been addressed is attended to. Detailed explanation provided on the PDE for reasons per bid.	Monitoring of bids in the SCM process and report all the delays to the accounting officer	TARGET NOT MET	Turnaround times for bids at 140 days and for quotations 30 days (Tenders/Quotations)	Turnaround times for bids at 140 days and for quotations 67 days (Tenders/Quotations)	TARGET NOT MET	Director : SCM	
BT0031		Output6: Administrative and Financial Capability	Financial Management	Supply Chain Management-Logistics					To ensure sound financial and fiscal management and good governance	Supply Chain Management Unit	Conduct annual stock take	Annual Stock take by 30 June 2016	Annual	Annual Stock take by 30 June 2015	Stock Certificate	Annual Stock take by 30 June 2016	Stock take 22-30 June 2016	N/A	N/A	TARGET MET	Annual Stock take by 30 June 2015	Annual stock count took place as from 22 June 2015 to 30 June 2015	TARGET MET	Director : SCM	
BT0032		Output6: Administrative and Financial Capability	Financial Management	Asset Management					To ensure sound asset management system	Asset and Liability Management	Maintenance of a asset register	Quarterly Updating of asset register	Quarterly		Dated system report	4	4			TARGET MET			N/A	Director : Budget & Financial Reforms	

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BT0033	FV10.3.1	Output6: Administrative and Financial Capability	Financial Management	Asset Management					To ensure sound asset management system.	Asset and Liability Management	Asset Management Plan & Policy	Review & Approval of Asset Management Policy by 31 May 2016	Annual	Approved Asset Management Policy by 31 May 2015	Council Resolution	Approval of Asset Management Policy by 31 May 2016	Draft copy of Asset management policy	was not sent for approval missed the deadline	to have the asset management policy approved	TARGET NOT MET	Approval of Asset Management Policy by 31 May 2015	Asset Management policy approved on 29 May 2015	TARGET MET	Director : Budget & Financial Reforms		
BT0034		Output6: Administrative and Financial Capability	Financial Management	Asset Management					To ensure sound asset management system.	Asset and Liability Management	To ensure integrity of asset information	Quarterly Reports on reconciliation between asset register and general ledger	Quarterly	Monthly asset reconciliation		4	4			TARGET MET			N/A	Director : Budget & Financial Reforms		
BT0035		Output6: Administrative and Financial Capability	Financial Management	Asset Management					To ensure sound asset management system.	Asset and Liability Management	To verify all movable assets using a scanner	Physical verification of assets on a yearly basis	Annual	Physical Verification Report		1	1	N/A	N/A	TARGET MET	1	1	TARGET MET	Director : Budget & Financial Reforms		
BT0036		Output6: Administrative and Financial Capability	Financial Management	Asset Management					To ensure sound asset management system.	Asset and Liability Management	Updating of Asset Register and Annual Financial Statements	Quarterly Scrutinizing of additions of assets	Quarterly	Quarterly additions Reports		4	3			TARGET MET			N/A	Director : Budget & Financial Reforms		
BT0037		Output6: Administrative and Financial Capability	Financial Management	Asset Management					To ensure sound asset management system.	Asset and Liability Management	Disposal of assets	Annual disposal of assets by 30 June 2016	Annual	Council resolution for asset disposal and asset register of 0		Annual disposal of assets by 30 June 2016	Annual disposal of assets was reported in Q3 date of disposal was the 24th February 2016	N/A	N/A	TARGET OVER ACHIEVED	Annual disposal of assets by 30 June 2015	Asset Disposal done in October 2014	TARGET MET	Director : Budget & Financial Reforms		
BT0038	FV11.1.1	Output6: Administrative and Financial Capability	Financial Viability	Credit Control					To ensure a financially viable municipality	Income	Review and update credit control process plan in terms of the policy	Increase of payment factor by 2 percentage basis point by 30 June 2016	Annual	73%	Financial Reports	75%	75%	N/A	N/A	TARGET MET	76%	73%	TARGET NOT MET	Director : Revenue Valuations and Debt Management		
BT0039	SD31.1.1	Output6: Administrative and Financial Capability	Financial Viability	Indigent Management					To ensure sound financial and fiscal management and good governance	Income	Maintain Indigent register for the Municipality	Monthly registrations and deregistrations	Quarterly	12	Monthly summary of movement	12	12	N/A	N/A	TARGET MET	12	12	TARGET MET	Director : Revenue Valuations and Debt Management		
BT0040	SD31.3.1	Output6: Administrative and Financial Capability	Social Development	Indigent Support System					To improve access to basic services	Income	Ensure that the indigent support is processed for the month (Social security grants)	Percentage of households earning less than R1100 per month with access to free basic services (R3500 as per indigent policy)	Quarterly	22% (18809/84270*100)Total No of registered indigents/Total No of household in Newcastle	Monthly income summary together with monthly summary of movement	24% (20 000/84270*100)	23.24% (19592/84270)	There were less application submitted	Cannot help that there were less applications submitted as it is beyond their control. We would like the percentage to go down so that the municipality makes more money instead of having more indigent applications	TARGET MET	19%(20500)	16.56%(18735)	TARGET MET	Director : Revenue Valuations and Debt Management		
BT0041	SD31.2.1	Output6: Administrative and Financial Capability	Social Development	Indigent Support System					To improve access to basic services	Income	To comply with rates policy iro of rebates for pensioners	Compliance with the update of Financial System with pensioners rates tariff	Annual	100%	Printout of rates tariff on account			Pensioners account updated with new tariff in compliance with approved application form	Pensioners account updated with new tariff in compliance with approved application form	N/A	N/A	TARGET MET	Pensioners account updated with new tariff in compliance with approved application form	complete	TARGET MET	Director : Revenue Valuations and Debt Management
TOTAL BUDGET					180,314,364	180,961,032	2,256,029	1,712,536																		