



1. ITEM NUMBER: MC 51/06/11

2. FINAL 2011/2012 DEPARTMENTAL BUSINESS PLANS AND SERVICE DELIVER AND BUDGET IMPLEMENTATION PLANS (SDBIP'S)

IZICWANGCISO EZINGENDLELA YOKUSENBENZA ZOKUGQIBELA ZESEBE KOWAMA 2011/2012 NEZICWANGCISO EZINGOKINIKEZELWA KWENKONZO NOKUZALISEKISWA KOHLAHLO LWABIWO MALIKA (SDBIP'S)

FINALE DEPARTEMENTELE SEKTOR SAKKE PLANNE EN DIENSLEWERINGS EN BEGROTINGSPLANNE (SDBIP'S) VIR 2011/2012

3. RECOMMENDATION FROM FINANCE PORTFOLIO COMMITTEE:
6 MAY 2011 (FIN 19/05/11)

RECOMMENDED that the Executive Mayor in consultation with the Mayoral Committee approves the final 2011/2012 Departmental Business Plans and the Service Delivery and Budget Implementation Plans.

AANBEVEEL dat die uitvoerende Burgemeester in oorleg met die burgemeesterskomitee die finale departementele sakeplanne en dienslewering en begrotingsimplimenteringsplanne vir 2011/2012 goedkeur.

KUNDULULWE ukuba uSodolophu wesigqeba ecebisana kunye neKomiti yolawuo lwakhe makaphumeze iziCwangciso zeSebe zendlela yokusebenza zokugqibela kowama 2011/2012 kunye neziCwangciso zokunikezelwa kweNkonzo nokuZalisekiswa koHlahlo lwabiwo mali.

**REPORT TO
FINANCE PORTFOLIO COMMITTEE
MAYCO**

CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

-
1. **ITEM NUMBER :** **FIN 19/05/11**
 2. **SUBJECT (LSUB0934)**
FINAL 2011/2012 DEPARTMENTAL BUSINESS PLANS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS (SDBIPs)
 2. **ISIHLOKO**
IZICWANGCISO EZINGENDLELA YOKUSEBENZA ZOKUGQIBELA ZESEBE KOWAMA-2011/2012 NEZICWANGCISO EZINGOKUNIKEZELWA KWENKONZO NOKUZALISEKISWA KOHLAHLO-LWABIWO-MALI (SDBIPs)
 2. **ONDERWERP**
FINALE DEPARTEMENTELE SEKTOR-/SAKEPLANNE EN DIENSLEWERING-EN-BEGROTINGSIMPLEMENTERINGSPLANNE (SDBIP's) VIR 2011/2012
 3. **PURPOSE**

The purpose of this report is to submit to the Portfolio Committee for their consideration and recommendation, to the Executive Mayor the 2011/2012 Finance Departmental Business Plans and Service Delivery and Budget Implementation Plans (SDBIPs).

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

The Executive Mayor in consultation with the Mayoral Committee.
-

5. EXECUTIVE SUMMARY

The purpose of this report is to submit the final 2011/2012 Finance Departmental Business plans and SDBIPs to the Portfolio Committee for their consideration and recommendation to the Executive Mayor.

In terms of the MFMA: Municipal Budget and Reporting Regulations, all Directorates are required to compile a "Directorate Executive Summary" of their SDBIPs which will be sent to National and Provincial Treasury. The summary is under a separate report.

The final Finance Departmental Business Plans and SDBIPs are attached as **Annexure A**.

6. RECOMMENDATIONS

- 6.1 That the Portfolio Committee makes recommendation to the Executive Mayor on the contents of the final 2011/2012 Departmental Business Plans and the Service Delivery and Budget Implementation Plans
- 6.2 That the Executive Mayor in consultation with the Mayoral Committee approves the final 2011/2012 Departmental Business Plans and the Service Delivery and Budget Implementation Plans

6. IZINDULULO

- 6.1 Ukuba iKomiti yeMicimbi yeSebe mayenze isindululo kuSodolophu wesiGqeba ngokumalunga nokuqulathwe kwiziCwangciso zeNdlela yokusebenza zokugqibela zeSebe kowama-2011/2012 kunye neziCwangciso zokuNikezelwa kweNkonzo nezokuZalisekiswa koHlahlo-lwabiwo-mali.
- 6.2 Ukuba uSodolophu wesiGqeba ecebisana kunye neKomiti yoLawulo lwakhe, makaphumeze iziCwangciso zeSebe zeNdlela yokusebenza zokugqibela kowama-2011/2012 kunye neziCwangciso zokuNikezelwa kweNkonzo nokuZalisekiswa koHlahlo-lwabiwo-mali.

6. AANBEVELING

- 6.1 Dat die portefeuljekomitee aanbevelings maak by die uitvoerende burgemeester oor die inhoud van die finale departementele sakeplanne en dienslewerings-en-begrotingsimplementeringsplanne vir 2011/2012.

- 6.2 Dat die uitvoerende burgemeester in oorlegpleging met die burgemeesterskomitee die finale departementele sakeplanne en dienslewering-en-begrotingsimplementeringsplanne vir 2011/2012 goedkeur.

7. DISCUSSION/CONTENTS

a. Constitutional and Policy Implications

This process is driven by legislation.

b. Environmental implications

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

c. Legal Implications

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

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

d. Staff Implications

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

No ☒

Yes ☐

e. Risk Implications

Does this report and/or its recommendations expose the City to any risk?
No.

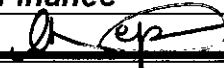
f. Other Services Consulted

All relevant departments consulted.

ANNEXURES

Annexure A: Final 2011/2012 Finance Departmental Business Plans and Service Delivery and Budget Implementation Plans

FOR FURTHER DETAILS CONTACT:

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


LEGAL COMPLIANCE

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

☐ NON-COMPLIANT

NAME RIANA SATED
 TEL 021 400 4508
 DATE 15 / 4 / 2011

Comment:
Certified as legally compliant:
Based on the contents of the report.


EXECUTIVE DIRECTOR
Mike Richardson

Comment:

DATE 14/4/11

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

**2011/2012 Departmental
Business Plans and Service
Delivery and Budget
Implementation Plans**

FINANCE DIRECTORATE

Finance SDBIP Information Pack

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9. Treasury Department **1289**
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9.2 Departmental SDBIP

10. Valuations Department
10.1 Departmental Business Plan
10.2 Departmental SDBIP
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CITY OF CAPE TOWN ISTIXHO SASAKAPA SEAD KAAPSTAD

DEPARTMENTAL BUSINESS PLAN 2011/2012

DEPARTMENT : BUDGETS
DIRECTOR : Johan Steyl
Contact Person : Johan Steyl

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1. EXECUTIVE SUMMARY

2. PURPOSE AND OBJECTIVES

Our vision is to give financial affect to the strategic focus of the City in the form of a medium term financial plan which is credible, viable and sustainable. Our core functions are:

- the formulation of budget strategy;
- coordination of annual budget processes;
- ensuring budgetary data integrity;
- corporate monitoring, controlling and reporting; and
- facilitation of adjustments post adoption of the City's Capital and Operating Budgets.

within the applicable legislative and technical framework.

Our customers are:

- Council directorates, departments and branches;
- political structures such as the Mayoral Committee, portfolio committees, subcouncils, ward fora;
- regulatory and ad hoc stakeholders; and
- other tiers of government

Our customers expect timeous relevant, accurate and reliable input from all staff within the department.

It is the aim of the department to achieve the above with a work ethic commensurate with a budgetary function of a leading city in the country.

3. LEGAL REQUIREMENTS OF THE PLAN

The department performs its duties within the legislative and technical directives relevant statutory and regulatory standards.

4. PARTNERS AND STAKEHOLDERS IN THE STRATEGY PLAN

Partners / Stakeholders	Roles and Responsibilities
Council directorates, departments and branches	Budget controller, setting and monitoring of adherence to corporate guidelines and directives, facilitation of amendments to functional budgets, advisor on budgetary matters
political structures such as the Mayoral Committee, portfolio committees, subcouncils, ward fora	Facilitate adoption of initial budget, adjustments to budget, budget monitoring and reporting, legislative / compliance reporting, advise and provide input to financial reports with budgetary implications
regulatory and ad hoc stakeholders	Legislative / compliance reporting, ad hoc input as and when required
other tiers of government	Legislative / compliance liaison, ensuring budget content linkages where relevant

5. RESOURCES

- Operating Budget
- Capital Budget
- Staff Complement

6. BACKLOGS AND RESOURCES CONSTRAINTS

Not Applicable.

7. ASSUMPTIONS AND RISKS

Not Applicable

8. STRATEGIC ALIGNMENT TO THE IDP

8.1 Linkages to Strategic Focus Areas and Objectives of the IDP

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All activities of the department are linked to strategic focus area "Good Governance and Regulatory Reform".

8.2 Link to programmes

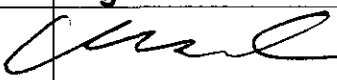
Not Applicable.

9. OBJECTIVES AND INDICATORS OF THE STRATEGY / OPERATIONAL PLAN

Contained in Appendix 1 – Budgets Departmental SDBIP

10. AUTHORISATION

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

	Name	Signature	Date
Executive Director	MIKE RICHARDSON		18/4/11
Director	JOHAN STEYL		

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11. APPENDICES:

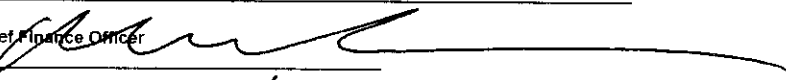
Appendix 1: 2011/2012 SDBIP

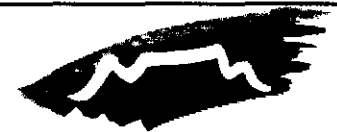
	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1	2011/2012 BUDGETS DEPARTMENT SDBIP												
2	RATING KEY = meets or exceeds target; Currently does not meet target; Information not available or work on hold; Original target to be amended												
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 10/11	Annual Target 2011/2012	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Affordable balanced Operating and Capital Budget for the City (2012/13) aligned to the IDP	Achievement as at 30 June 2011	Affordable balanced Operating and Capital Budget for the City (2012/13) aligned to the IDP adopted by 31 May 2012	Annual	Annual Target 31 May 2012	Annual Target 31 May 2012	Annual Target 31 May 2012	Affordable balanced Operating and Capital Budget for the City (2012/13) aligned to the IDP adopted by 31 May 2012	1. Alignment of budget to MTREF and IDP Processes. 2. Review MTREF Model. 3. Revise financial/budget policies.
7	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Regular reporting, corrective action and proposals in respect of variances between budget and actuals	Achievement as at 30 June 2011	12 reports	Monthly	3 reports	3 reports	3 reports	3 for 4th quarter, making an Annual Total of 12 reports	
8	SFA 1: Shared Economic Growth and Development	1A.1	Finance	1A Create an enabling environment for the economy to grow and become globally competitive	1A.1 Capital Budget spend for the City	Achievement as at 30 June 2011	R5 069 866 927 (100%) year to-date (subject to budget approval)	Quarterly	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	The 4 quarterly targets are subject to change upon adoption of the 3-year 2011/12-2013/14 Budget which is still in draft format. These targets will be amended during the year when adjustment budgets are approved by Council. The quarter 4 target amount represents 95% of the approved capital budget. Capital Expenditure monitored on an on-going basis by EMT and Mayco via the FMR.
9	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of City's capital budget spent	Achievement as at 30 June 2011	95%	Quarterly	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	The 4 quarterly targets are subject to change as the budget is still in draft format. Capital Expenditure monitored on an on-going basis by EMT and Mayco via the FMR

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 10/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
10	SFA 8: Good Governance and Regulatory Reform		Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of City's operating budget spent	Achievement as at 30 June 2011	95%	Quarterly	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	The 4 quarterly targets are subject to change as the budget is still in draft format. Operating Expenditure monitored on an on-going basis by EMT and Mayco via FMR
11	SFA 2: Sustainable Urban Infrastructure and Services	2C.1	Finance	2C.1 Effectively manage the City's Infrastructure and Resources	Amount spent on repairs and maintenance for the City	Achievement as at 30 June 2011	R1,787bn (subject to budget approval)	Annual	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	Subject to budget approval and formulation of spending programmes	The annual target is subject to change, as the budget is still in draft format. Includes reactive maintenance which is difficult to project. This indicator measures the amount of the operating budget spent on repairs and maintenance. The objective is to improve the maintenance of the city's infrastructure. Spending on repairs and maintenance is assumed to increase the lifespan of the asset.
12	KEY OPERATIONAL INDICATORS (KOIs) - Relevant to Budgets Department												
13	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover for Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledge that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attention of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over the preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be ≤12% throughout the financial year.
14	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the Incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy Formula: Number of unplanned absence days <u>divided</u> by the number of planned days of work <u>multiplied</u> by 100. (over 12th month rolling period)

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 10/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
15	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation Formula: % spent against planned training budget.
16	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	BA.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: • The time to close notifications • The closure rate of notifications The indicator is calculated as follows: 1. A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. 2. The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: Target Q1 = 3% improvement against baseline Target Q2 = 6% improvement against baseline Target Q3 = 9% improvement against baseline Target Q4 = 12% improvement against baseline 3. Measure the actual performance against the improvement target using the following formula: % of achievement = [(actual-target)/target]*100 4. Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) +2 = % Data source is SAP Business Intelligence (BI)
17	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male) The following job categories are excluded from this measurement: Councillors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Director	Objective	Indicator (To include unit of measure)	Baseline 10/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
18	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	<u>Formula:</u> Percentage reflecting Actual spend / Planned Spend.
19	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	<u>Formula:</u> Total actual to date as a percentage of the total budget including secondary expenditure.
20	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.
21	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.
22	The Baseline 2010/2011 data will be updated and reflect actuals as at 30 June 2011, once finalised.												
23	Approved by Director: Budgets _____												
24	Date: _____												
25													
26	Approved by Chief Finance Officer 												
27	Date: 18/4/11												



CITY OF CAPE TOWN ISIXHO SASEKAPA STAD KAAPSTAD

DEPARTMENTAL BUSINESS PLAN 2011/2012

DEPARTMENT: EXPENDITURE

DIRECTOR: NOTHEMBA LEPHEANA

Contact Person: Nothemba Lepheana

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1. EXECUTIVE SUMMARY

The Expenditure Department is composed of Accounts Payable, Payroll Management, Payroll Recon & Financial Compliance and Support Services units.

2 PURPOSE AND OBJECTIVES

Vision

To provide effective, efficient, socially responsible and economically sound management of the City's financial resources.

Objectives

- To record, control and process all payments for the City
- To maintain a payroll office to ensure timeous payment to employees, councillors and third parties
- To perform payroll reconciliation for the City, ensuring financial compliance
- To provide support services in regards to human resources, finance, performance management and general administration and logistics.

Core Functions

- Accounts Payable
- Payroll Management
- Payroll Recon & Financial Compliance
- Support Services for the Finance Directorate

Customers

Our customers are both internal and external and can be categorised as follows:

- Councillors
- Council Officials

- Suppliers
- Members of the Public
- Business Sector
- Government Officials
- Other Municipal Officials
- Pensioners, etc.

Customer Demands / Expectations

- Correct and timeous payments
- Information related to payment periods
- Information on Municipal related services

Aim of the Department

To ensure accurate and timeous payment to the City's suppliers, councillors, officials and third parties, as well as the provision of support services to the Finance Directorate.

3.

Legal Requirements for the Plan (if applicable)

- Municipal Finance Management Act 56 of 2003
- Income Tax Act 58 of 1962
- Labour Relations Act 66 of 1995
- Basic Conditions of Employment Act of 1997
- Skills Development Levy Act 9 of 1999
- Medical Aid Act 131 of 1998
- UIF Act 63 of 2001
- Remuneration of Public Bearers Act 20 of 1998

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- Pension Fund Act 24 of 1956
- Magistrate Courts Act 32 of 1944
- VAT Act 89 of 1991
- Local Government: Municipal Systems Act 32 of 2000

Or any other relevant legislation applicable to the functions performed by the Department

4. Partners and Stakeholders in the Strategy Plan (key stakeholders of the plan)

Partners/ Stakeholders	Roles and Responsibilities
City of Cape Town Officials, Councillors, External Businesses, Suppliers, Third Parties and Pensioners	• To provide an effective and efficient service toward officials, councillors, external businesses, suppliers, third parties and pensioners
All Departments of the Finance Directorate	• All HR and Payroll related functions • Control of Assets for the Department • Purchasing • Co-ordinating Operating and Capital Budget • Budgetary control for Expenditure, Valuations, Supply Chain Management and Shareholding Management
Corporate Services (HR and Technical Services)	• Corporate HR and Payroll functions • Logistics regarding accommodation and parking
Service Delivery Integration (IDP, Performance Management, etc.)	• Control of Business Plans, Organisational Performance, Annual Reports and SDBIP's

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5. RESOURCES (Financial and Staff)

Opex - R55 283 973 (*Budget not yet adopted by Council*)
Capex - R283 703 (*Budget not yet adopted by Council*)
Staff complement - 104 funded posts

6. BACKLOGS AND RESOURCE CONSTRAINTS (if applicable)

Limited accommodation within the Civic Centre
Finance to fund ERP Projects (e.g. automated reconciliations and portal development)
Budget constraints

7. ASSUMPTIONS AND RISKS

7.1 Assumptions

That the Vendor Master details will be strictly controlled
The Goods Received Notes are done correctly and that goods and services have been received
Prevention of duplicate payments on the system
Correct SAP roles authorisations are put in place

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7.2 Risk Assessment

<u>No</u>	<u>Risks</u>	<u>Action</u>	<u>Resp.</u>
1.	<u>Accounts Payable</u>		
	Non compliance with the MFMA in terms of the 30 day payment period.	All invoices received are entered on the system as soon as possible. Regular follow-ups are done on all invoices where the goods received notes have	All Accounts Payable Staff and staff responsible for completing the good received notes (corporate)

<u>No</u>	<u>Risks</u>	<u>Action</u>	<u>Resp.</u>
		not been confirmed	
	Duplication and/or fruitless expenditure due to the incorrect information captured or paid via the Sundry Payment process.	All invoices to be carefully scrutinised before capturing.	Accounts Payable Staff
		All Sundry Payments to be checked by Senior staff.	Senior Staff
		Preferably make use of vendors that are registered on the Vendor Master Database.	All staff involved in procuring
2.	<u>Payroll</u>		
	Duplicate or fruitless expenditure due to incorrect information captured	System put in place to prevent the payment of projects from the Payroll System	HR and Payroll Staff
	Proper authorisation on the SAP system.	All necessary change request forms to be completed.	Heads and Payroll Manager
3.	<u>Support Services</u>		
	Incorrect or late HR/Payroll information handed in at Corporate HR for capturing.	Close interaction with staff, Management and Corporate HR.	HR Support Services, line Management and Corporate HR
	Financial risk due to loss of assets	Close control of all assets by summarising the content of the office and displaying the list for easy control	Support Services Finance Head and Line Departments

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<u>No</u>	<u>Risks</u>	<u>Action</u>	<u>Resp.</u>
	Due to the loss of key staff and the change to the organogram, the workload on certain staff members increased and therefore deadlines sometimes difficult to meet	Finalise new organogram and appointment of middle management staff	Support Manager
	Over/under spending of Expenditure budget and various others	Constant control of expenses	- Cost Centre Manager, Managers and Directors - Finance Head and Staff

8. STRATEGIC ALIGNMENT TO THE IDP

8.1 The Departmental mandate assists the City in achieving its objective of good governance and regulatory reform.

8.2 LINK TO PROGRAMMES

The Department aligns all programmes to promote the objectives as summarised in the Departmental Service Delivery Business Implementation Plan (SDBIP).

9. OBJECTIVES AND INDICATORS OF THE STRATEGY / OPERATIONAL PLAN

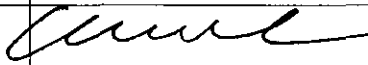
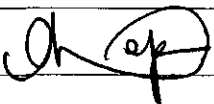
Contained in Appendix 1 – Expenditure Departmental SDBIP

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10.

AUTHORISATION

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

	Name	Signature	Date
Executive Director	Mike Richardson		14/4/11
Director	Nothemba Lepheana		29/3/11

11.

APPENDIX: Appendix 1: 2011/2012 SDBIP

1305

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1													
2													
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7													
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2011/2012 EXPENDITURE DEPARTMENT SDBIP

RATING KEY =
 meets or exceeds target;
 Currently does not meet target;
 Information not available or work on hold;
 Original target to be amended

4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	TARGETS vs ACTUALS				General Comments
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
5	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Suppliers and Vendors paid in accordance with relevant policy and procedures	Achievement as at 30 June 2011	96%	Monthly	96%	96%	96%	96%	
6	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Electronic fund transfer payments vs cheque payments	Achievement as at 30 June 2011	99% EFT vs 1% cheque	Monthly	99% EFT vs 1% cheque	99% EFT vs 1% cheque	99% EFT vs 1% cheque	99% EFT vs 1% cheque	
7	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage correct payments made to Councillors, officials and third parties, timeously and in accordance with policy and legislative requirements for the City's Payroll	Achievement as at 30 June 2011	100%	Ongoing	100%	100%	100%	100%	
8	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Number of monthly reports on the Finance Directorate's cost centres including variance reporting	Achievement as at 30 June 2011	12	Monthly	3 per quarter	3 per quarter	3 per quarter	Annual Target = Total of 12 (3 per quarter)	
9	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management									

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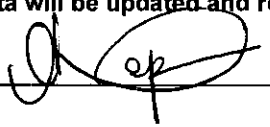
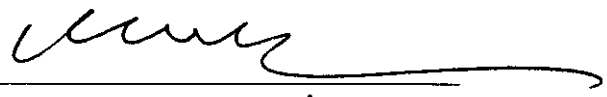
	A	B	C	D	E	F	G	H	I	M	Q	U	Y
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
10	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage co-ordinated input for the Finance Directorate to achieve an approved balanced budget by 31 March 2010	Achievement as at 30 June 2011	100% as per Corporate Budget Schedule	As per Corporate Budget schedule	100% as per Corporate Budget Schedule	100% as per Corporate Budget Schedule	100% as per Corporate Budget Schedule	100% as per Corporate Budget Schedule	
11	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	Ensuring enhanced service delivery with efficient institutional arrangements	Percentage Workplace Skills Plan 13 complied for Finance Directorate (compilation for 2012/13 financial year)	Achievement as at 30 June 2011	100% compilation and submission of WSP13 for Finance Directorate as per corporate instructions and	Annual	100%	100%	100%	100% compilation and submission of WSP13 for Finance Directorate as per corporate instructions and requirements	
12	SFA 8: Good Governance and Regulatory Reform	8A	Finance & Corporate Services	Ensuring enhanced service delivery with efficient institutional arrangements	Percentage Budget spent on implementation of WSP12 for Finance Directorate	Achievement as at 30 June 2011	90%	Quarterly	Directorate projected % spend	Directorate projected % spend	Directorate projected % spend	90%	
13	SFA 8: Good Governance and Regulatory Reform	8A	SDI	Ensuring enhanced service delivery with efficient institutional arrangements	Percentage implementation of Organisational Performance Management for Finance Directorate as per Corporate principles and policies	Achievement as at 30 June 2011	100% as per Corporate Plan	Annual and Dngong	100% as per Corporate Plan	100% as per Corporate Plan	100% as per Corporate Plan	100% as per Corporate Plan	
14	SFA 8: Good Governance and Regulatory Reform	8A	SDI	Ensuring enhanced service delivery with efficient institutional arrangements	Percentage implementation of Individual Performance Management for Finance Directorate as per Corporate principles and policies	Achievement as at 30 June 2011	100% as per Corporate Plan	Annual and Ongoing	100% as per Corporate Plan	100% as per Corporate Plan	100% as per Corporate Plan	100% as per Corporate Plan	
15	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	Ensuring enhanced service delivery with efficient institutional arrangements	Percentage adherence to all HR and IR procedures, processes and practices for the Finance Directorate	Achievement as at 30 June 2011	100%	Ongoing	100%	100%	100%	100%	

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequent	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
16	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage annual asset verification process completed for Finance Directorate	Achievement as at 30 June 2011	100% as by 30 June 2012	Annual	Annual Target	Annual Target	Annual Target	100% by 30 June 2012	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.
17	KEY OPERATIONAL INDICATORS (KOIs):												
18	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover for Expenditure Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledge that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be ≤12% throughout the financial year.
19	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Expenditure Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the Incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. Formula: Number of unplanned absence days <u>divided</u> by the number of planned days of work <u>multiplied</u> by 100 (over 12th month rolling period)

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
20	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Expenditure Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation Formula: % spent against planned training budget.
21	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	BA.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: - The time to close notifications - The closure rate of notifications The indicator is calculated as follows: - A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. - The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: Target Q1 = 3% improvement against baseline Target Q2 = 6% improvement against baseline Target Q3 = 9% improvement against baseline Target Q4 = 12% improvement against baseline - Measure the actual performance against the improvement target using the following formula: % of achievement = [(actual-target)/target]*100 - Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) ÷ 2 = % Data source is SAP Business Intelligence (BI)
22	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male) The following job categories are excluded from this measurement: Councillors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Director	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
23	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of Capital Budget spent for Expenditure Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Percentage reflecting Actual spend / Planned Spend.
24	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Expenditure Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Total actual to date as a percentage of the total budget including secondary expenditure.
25	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Expenditure Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.
26	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Expenditure Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.
27	The Baseline 2010/2011 data will be updated and reflect actuals as at 30 June 2011, once finalised.												
28	Approved by Director: Expenditure 												
29													
30	Date: 08/04/11												
31													
32	Approved by Chief Finance Officer 												
33	Date: 14/4/11												



CITY OF CAPE TOWN ISIXEKO SASERAPA STAD KAAPSTAD

DEPARTMENTAL BUSINESS PLAN

2011/2012

DEPARTMENT: **Housing Finance and
Leases**

DIRECTOR: **Wayne Muller**

Contact Person: **Wayne Muller**

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1. EXECUTIVE SUMMARY

The vision and primary role of the Department: Housing Finance and Leases is the provision of a comprehensive and reliable financial control and financial management service to all facets of the various housing development operations, major reconstructive maintenance and hostels upgrade projects; housing debtor (rental/selling/hostels) and operational funding programs of the City as aligned to specific Housing and Financial Legislation and the various National Housing Programs as contained in the Housing Code/s.

Besides the management and control of all housing data systems (financial and debtor billing, invoicing and grant), Housing Finance and Leases also operates the various ERP/SAP billing systems and financial debt management procedures associated with the City's Property Management debtors portfolio.

Flowing from the movement of the Urban Renewal and Development Services Departments (incl MIG/NDPG/EPWP) to the Housing Directorate, the Housing Finance and Leases Department also manages and controls all elements of these Departments financial functions (Capital and Operating Budgets) and, where applicable, projects funding and financial controls.

2 PURPOSE AND SERVICE MANDATE OF DEPARTMENT

The primary role of the Directorate: Housing Finance and Leases is the provision of a comprehensive financial service, aligned to specific Housing and Financial Legislation and National Housing Programs, to all facets of the various City suites of housing development (incl housing subsidies, MIG, NDPG), housing debtor management and operational funding programs of the City.

Housing Finance and Leases further operates the various ERP/SAP systems and financial procedures associated with the City's Property Management debtor portfolio.

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The data contained within the current property portfolio of the City Of Cape Town is being reviewed by the Property Management Department with the objective of ensuring accurate and reliable billing and debt management information. The procedures and content of this review is contained in the Property Management Leases Renewal/Business Improvement Process.

The movement of the Urban Renewal and Development Services Departments to the Housing Directorate has further added to the responsibilities of the Housing Finance and Leases Department which now also manages and controls these Departments various financial functions (budgeting, project cash flows and external/internal funding et al)

The aforementioned financial roles (as encapsulated in the overall departmental objectives) include, inter alia:

- The establishment of all elements of housing development funding/financing for the City's housing programmes (National funding allocation – R904,8 million for 2011/12; R902 million for 2012/13)
(Note the implications of the recently announced Urban Settlements Development Grant (R824m 2011/2012) and Human Settlements Development Grant (R471m 2011/2012) will impact on these quantum's and the funding structure for all housing delivery and bulk infrastructure projects)
- The financial development and control of alternative housing delivery models (eg CRU major upgrade program – estimate R1,1 billion; hostels upgrade – estimate >R2,0 billion; private sector partnership developments)
- Housing project financial control and project financial structure negotiation and co-ordination with external development contractors and funders
- The financial structuring and control of National Housing Programs
- The financial control, forecasting and management of the Housing Statutory and other Funds (R438,0 million)
- Development and control of the Housing Directorate Operating and Capital budgets as aligned to the City Integrated Development Plan

- Establishment of appropriate financial statements for Housing in terms of Housing Legislation for submission to the State
- The management and control of the full housing debtors and debt management program aligned to the national housing programs (incl the National Subsidy Phase Out Program, Enhanced Extended Discount Benefit Scheme etc)
- Funding arrangements (internal and external) for the City's land acquisition programmes for future integrated housing development. (2011/2012 – R48,0 million. This quantum may increase significantly in the event of appropriate land being sourced)
- IT and financial systems management related to housing/property management/ development services and urban renewal
- The management and systems control for all property management debtors (including debt management)
- The negotiation of contracts and the establishment of external financial mechanisms for housing beneficiaries (eg GAP housing – Banks Co-operation Agreement)
- Intra and inter-organisational financial negotiation (incl, inter alia, various National Government Departments, Provincial Departments, Financial Institutions) for funding and public/private relationships.
- Urban Renewal Programme – Operating Budget and Project Financial review.
- Development Services – Operating Budget and Project Financial review.
- Accreditation – The legislative (financial and housing) imperatives of the accreditation process will directly impact on the operations of the Department. (The City of Cape Town was granted Levels 1 and 2 accreditation on 4 March 2011)
- Financial reporting – National, Provincial, City Of Cape Town.
- Financial modelling – rentals, indigent relief, cash flow projections
- Management of the housing fixed asset register

The above processes and programs are structured to ensure the City's continued interaction with all National and Provincial Government sector departments (eg National Department of Human Settlements, National Treasury; COGTA) in terms of the varied housing funding mechanisms and available financial

resources coupled with the imperative of the financial management of the City's resources as aligned to the various City Programs relating to the financing of, inter alia, new housing development, maintenance of existing housing, hostels redevelopment, affordable housing programs and integrated housing land and related funding.

The management and control of City debtor and debt management processes (housing and property management) linked to City specific policy is a further imperative of the Department. Innovations and new developments instituted to advance the collection of housing and property debt results in the necessity to upgrade and implement the City's Treasury and Real Estate ERP functionalities, this process is control by Housing Finance and Leases.

As part of a further expansion of the housing collection initiatives, the Housing Finance and Leases Department recently launched the Consistent Payers Incentive Scheme as well as the Door to Door Collections process. Following the appointment of IDP Tracing Services (Pty) Ltd (housing debt collection pilot project) whose mandate is the high level collection of occupant information coupled with the collection of outstanding accounts, the Housing Finance and Leases Department is planning, based on lessons learnt; on expanding a process with external service providers which directly focuses on off-site collections with respect to all housing arrears for all housing property types.

The City has recently been granted Levels 1 and 2 Housing Accreditation and, as a consequence, the structure of the Department of Housing Finance and Leases will, in terms of the requirements (financial and operational) of the Housing Accreditation phases process, be impacted to ensure targeted and audit appropriate operation of the City's accreditation programmes as per the applicable legislation. The net impact of the accreditation process will have a significant strategic impact of the mandates and service delivery menu's of the City. The final details of this impact is being finalised with the Province and City at the time of drafting this Business Plan.

3. **LEGISLATIVE IMPERATIVES:**

Municipal Finance Management Act (Act 56 of 2000)

Housing Act (Act 107 of 1997), including all amendments

Housing Development Agency Act

Division of Revenue Act (National and Provincial)

Municipal Systems Act (Act 32 of 2000)

Housing Code and National Housing Programmes

4. **Partners and Stakeholders in the Strategy Plan**

Partners/ Stakeholders	Roles and Responsibilities
Commercial Banks	Affordable housing funding and development in terms of comprehensive funding structures and Council approved frameworks.
Mixed Use Developers (Private Land)	The development of integrated housing/commercial developments requires the involvement of private land owners coupled with the City Of Cape Town.

National Human Settlements Department	Development and implementation of appropriate housing finance strategy and development appropriate funding programmes and policies.
Provincial Department of Local Government and Housing	Provision (pending City Of Cape Town accreditation) of subsidy funding (including, inter alia, land acquisition funds, housing subsidy development funds, access to statutory resources and funds)
Project developers	Specific linkage relates to financial control and payments (subsidy allocation R904 million for 2011/2012) (Note the implications and funding increase due to the announcement, effective 1 July 2011, of the Urban Settlements Development Grant (R824m 2011/2012) and Human Settlements Development Grant (R471m 2011/2012))
Housing Debtors (rental and selling)	Interactive role viz City's charging of affordable and transparent rental/instalment charges coupled with the debtor's payment of the charges. Linkage to indigent grants for housing and national housing transfer programmes (eg EEDBS)
Property Management Debtors	Interactive role viz City's billing of lease charges.

5. **RESOURCES (Financial and Staff)**

Draft Capital Budget allocation 2011/2012: R 50 000

Staff number: 40

6. **BACKLOGS AND RESOURCE CONSTRAINTS**

The key resource constraint relates to the general availability of appropriately qualified and skilled staffing (especially staff skilled in project finance operations and housing debtor data systems). Given the nature of the function, training programmes only serve to make the project finance staffing attractive to other internal/external employers resulting in a high turnover in, especially, the housing project finance section.

Actions have been taken, and proved successful, in, through creating a challenging environment, retaining trained staff. These actions, involving training and mentoring coupled with performance management.

The impact of the recent housing accreditation of the City Of Cape Town is being assessed following the formal approval (defining the level of accreditation) by the MEC and the National Housing Minister on 4 March 2011. The general implications for Housing Finance and Leases, given its pivotal financial role within an accreditation environment, will be significant.

Housing Finance and Leases have however, within the context of various approval levels, developed plans for the rapid implementation of accreditation based financial systems.

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7 ASSUMPTIONS AND RISKS

7.1 Risk Assessment

Refer Risk Register and Treatment Action Plans for Housing Finance and Leases

8. STRATEGIC ALIGNMENT TO THE IDP

The Department's financial programs are aligned to respond, inter alia, to the City's IDP in terms of the flexible funding mechanisms applicable to new housing development, the funding of the housing maintenance and hostel redevelopment programs coupled with the upgrading of the City's assets (CRU major maintenance projects) and the establishment of funding opportunities to promote the development of affordable housing via, inter alia, partnerships with private organisations.

The Department is further aligned to ensure a rapid response to the various City and State funding and project financial structuring programs.

The Department is directly linked to, inter alia, the financial aspects of the following Provincial/National Projects all of which are key ingredients viz ensuring the delivery imperatives associated with the City's IDP:

- National Housing Subsidy Schemes (incl all housing development funding programs)
- National Enhanced Extended Discount Benefit Program
- National Maintenance Funding mechanisms (Community Residential Units)

- National Housing Rental mechanisms (new) (Community Residential Units)
- Social Housing Program (Funding with social housing partners – SOHCO, Communicare, Cape Town Community Housing Company (Pty) Ltd)
- Land Funding mechanisms
- Statutory Fund management
- Housing accreditation (establishment and DORA based operational funds)

It must also be noted that the Department: Housing Finance and Leases is a member of National and Provincial Housing Legislative/Program projects and initiatives as well as providing assistance (focus on specialist housing finance) to other Authorities.

OUTCOMES WHICH THE DEPARTMENT: HOUSING FINANCE AND LEASES AIMS TO ACHIEVE

The following are the primary outcomes that the Department proposes to achieve during 2011/2012:

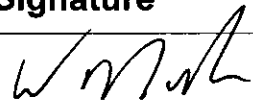
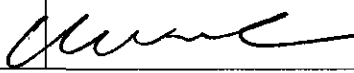
- Expansion of housing funding mechanisms in terms of specific financing structures for both new housing development and existing housing (maintenance) as per the national programs
- Review of the City's entire housing related infrastructure and housing subsidy funding mechanism in terms of the Urban Settlements Development Grant and Human Settlements Development Grant processes and structures.
- Continue with project initiatives with private land owners to investigate the development of integrated, sustainable housing development projects.
- Establish land funding mechanisms for the acquisition of land for, inter alia, new housing developments
- Engage with the National Department of Human Settlements and Province and ensure operational and functional readiness for housing accreditation
- Roll out the affordable housing financial programs in terms of enhanced linkages with commercial financial institutions (Banks Agreement).
- Manage the roll out of the Consistent Payers Incentive Scheme.
- Continue with the comprehensive insurance review and revaluation process for the City's rental properties.
- Oversee and amend the recently launched process for the on-site collection of housing arrears.
- Provide data to allow the Property Management to purify the property management debtor and contract database (subject to Property Management contract and related processes).
- Review the financial procedures and funding mechanisms for Urban Renewal and Service Delivery Integration (MIG, NDPG et al) grants and budget provisions.

9. OBJECTIVES AND INDICATORS OF THE DEPARTMENTAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

Contained in Appendix 1 – Housing Finance and Leases Departmental SDBIP

10. AUTHORISATION

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

	Name	Signature	Date
Director	Wayne Muller		16 March 2011
Chief Finance Officer	Mike Richardson		14/4/11

11. APPENDIX:

Appendix 1: 2011/2012 Draft SDBIP.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1		2011/2012 HOUSING FINANCE AND LEASES DEPARTMENT SDBIP											
2	RATING KEY = meets or exceeds target; Currently does not meet target; Information not available or work on hold; Original target to be amended												
3													
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Comprehensive management of the housing debtor billing systems and data leading to the submission of monthly accounts to all occupants of Council housing properties (%)	Departmental achievement as at 30 June 2011	Invoicing data systems error rate <1.5%	Quarterly	Invoicing data systems error rate <1.9%	Invoicing data systems error rate <1.7%	Invoicing data systems error rate <1.6%	Invoicing data systems error rate <1.5%	Scoring defined by number of billing errors as per SAP
7	SFA B: Good Governance and Regulatory Reform	BB	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Negotiate and conclude funding agreements (subject to DORA availability) for the acquisition of housing land in support of City funding for housing land acquisition (rand value)	Departmental achievement as at 30 June 2011	R40 million (subject to Division of Revenue Act and MEC approval)	Annual	n/a	n/a	n/a	R40 million (subject to Division of Revenue Act and MEC approval)	
B	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Submission of monthly accounts to all property lease-holders (as per debtor data load ex regional property managers and property business improvement process) (%)	Departmental achievement as at 30 June 2011	Invoicing data systems error rate <1.5%	Quarterly	Invoicing data systems error rate <1.9%	Invoicing data systems error rate <1.7%	Invoicing data systems error rate <1.6%	Invoicing data systems error rate <1.5%	Scoring defined by number of billing errors as per SAP
10	SFA 8: Good Governance and Regulatory Reform	BB	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Contractual and operational roll out of Door to Door collections process within 3 pilot areas (Atlantis; Retreat; Elsie's River)	n/a	Completion of contractual appointment of service provider; project implementation in all 3 areas	Quarterly	Communications and contracting of service provider process completed	Implementation of project in all 3 areas underway	Implementation of project in all 3 areas underway	Implementation of project in all 3 areas underway	

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
11	SFA 8: Good Governance and Regulatory Reform	88	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Development of structured multi-year Capital and Operating budget for Housing aligned in terms of internal and external funding, MFMA/MTREF and corporate financial processes (%)	Departmental achievement as at 30 June 2011	100% funded ex State and internal resources	Annual	n/a	n/a	n/a	100% funded ex State and internal resources	Flexed development budget fully funded ex State (DORA and Gazette); Statutory (SOA) and City funds
12	KEY OPERATIONAL INDICATORS (KOIs):												
14	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. <u>Formula:</u> Number of unplanned absence days divided by the number of planned days of work multiplied by 100. (over 12th month rolling period)
15	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Department	Achievement as at 30 June 2011	90% (subject to identification and availability of appropriate and relevant courses for staff within the Housing Finance and Leases environment)	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90% (subject to identification and availability of appropriate and relevant courses for staff within the Housing Finance and Leases environment)	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation. <u>Formula:</u> % spent against planned training budget.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
16	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	8A.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	3% improvement against baseline	6% improvement against baseline	9% improvement against baseline	12% improvement against baseline	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: • The time to close notifications • The closure rate of notifications The indicator is calculated as follows: 1. A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. 2. The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: Target Q1 = 3% improvement against baseline Target Q2 = 6% improvement against baseline Target Q3 = 9% improvement against baseline Target Q4 = 12% improvement against baseline 3. Measure the actual performance against the improvement target using the following formula: % of achievement = [(actual-target)/target]*100 4. Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) +2 = % Date source is SAP Business Intelligence (BI)
17	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male) The following job categories are excluded from this measurement: Councillors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.
18	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	90%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	90%	<u>Formula:</u> Percentage reflecting Actual spend / Planned Spend.
19	SFA 8: Good Governance and Regulatory Reform	BB	Finance	BB Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Housing Finance and Leases (General Expenses; Repairs and Maintenance subjective bands only)	Achievement as at 30 June 2011	90%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	90%	<u>Formula:</u> Total actual to date as a percentage of the total budget including secondary expenditure.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
5	SFA & Directorate Objective No.	Corporate Scorecard indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
20	SFA 8: Good Governance and Regulatory Reform	88	Finance	88 Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	95% completed by 30 June 2012	Annual	0%	0%	0%	95% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.
21	SFA 8: Good Governance and Regulatory Reform	88	Internal Audit	88 Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.
22													
23													
24	Approved by Director: Housing Finance 												
25													
26	Date: 14 April 2011												
27													
28													
29	Approved by Chief Finance Officer 												
30	Date: 14/4/11												



CITY OF CAPE TOWN ISIXEHO SASEKAAPA STAD KAAPSTAD

DEPARTMENTAL BUSINESS PLAN 2011/2012

DEPARTMENT: INTEGRATED RISK MANAGEMENT

CHIEF RISK OFFICER: LUDWIG GELDENHUYS

Contact Person : AMANDA SWANEPOEL

1. EXECUTIVE SUMMARY

To maintain an effective and efficient Integrated Risk Management (IRM) Department by providing the service aligned to the Vision, Mission and Objectives of the IRM Department.

2 PURPOSE AND SERVICE MANDATE OF DEPARTMENT

2.1 Vision

To contribute to the achievement of the City's overall strategic objectives by managing the governance issues and risks that could detract from achieving its strategic objectives.

2.2 Mission

The mission of IRM is to:

- Increase the City's "resilience" in its service delivery processes and targets;
- Provide a formalised Risk Management Framework and Policy that will assist the City in achieving its goals and objectives;
- Embed a Risk Management process, where all employees are responsible for managing the potential risks and opportunities faced by the City; and
- Develop practical and cost effective Treatment Action Plans with management to manage and treat risks, via the risk assessment process.

2.3 Aims and Objectives

- To reduce financial losses;
- To improve performance i.e. service delivery through the optimal use of the City's scarce resources;
- To integrate the stakeholder's expectations of the IDP and Performance Management of the City's Officials;
- To assist in governance and regulatory compliance;
- To increase accountability and responsibility;
- To increase internal collaboration and coordination (addressing 'silo' mentality);

- To follow industry leading practice; and
- To embed a risk management “culture” of “everyone is responsible for risk management”.

2.4 **Core functions**

- Monitoring risks equal to and above the risk appetite of the organisation;
- Considering the internal and external environment and risk management context;
- Identifying potential threats and opportunities to the achievement of the objectives of the City;
- Implementation of the Risk Management Policy and Framework to enhance risk assessment, responsiveness and control effectiveness of risks.
- Communicating and consulting with the risk community and other stakeholders in a consistent manner at all levels in the organisation;
- Centrally monitoring and coordinating the risk management processes and the outcomes; and
- Incorporating Directorate Internal Audit's feedback into reporting dashboards.

2.5 **Stakeholders and their expectations**

Our stakeholders include City Officials at all levels throughout the organisation.

Our stakeholders expect to be regularly informed of risk management activities and limitations. Stakeholders demand risk information that is reliable to enhance risk based decision making.

3. **LEGISLATIVE IMPERATIVES: (if applicable)**

Local Government: Municipal Finance Management Act, 2003

King III report on Corporate Governance

Public Sector Risk Management Framework

ISO 31000 Standard on Risk Management

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4. **Partners and Stakeholders in the Strategy Plan (key stakeholders of the plan)**

Partners/ Stakeholders	Roles and Responsibilities
Partners/ Stakeholders	Roles and Responsibilities
Council	The Council is responsible for the total process of risk management
Mayor / MayCo	To provide strategic support to the Risk Management Department and ensure that Mayco also subject themselves to the risk management process to determine the political strategic risk exposures for the City
Audit Committee	To provide Assurance Oversight
Chief Audit Executive	To provide assurance that the City's risk management, controls and governance processes are adequate
EMT (Executive Management Team)	To implement and monitor the process of risk management and integrating it into the day-to-day activities of the City.
Accounting Officer (City Manager)	The City Manager is ultimately accountable for the overall management of risk within the City.
Governance EMT Sub Committee	To ensure that good governance is applied in the City, including the Risk Management Department in terms of operational demands and interventions that may be required to ensure the efficiency and effectiveness of the integrated function.
Risk Committee (RiskCo)	To provide the governance structure for the City's Integrated Risk Management process
CFO (Chief Financial Officer)	The accountability for Integrated Risk Management in the City is delegated to the CFO.
Risk Owners	Officials responsible for their business unit need to ensure that action is taken to treat risk exposure.

Action Owners	Officials responsible to execute risk treatment action plans to the satisfaction of Risk Owners and could include Risk Owners.
Risk Community (Risk Champions and Coordinators)	Actively prompts Risk Owners to address their risk exposures.
Provincial Government Western Cape Risk Management Forum	To assist municipalities in the Western Cape to design and implement a risk management program for their municipality.
National Treasury	To provide guidance via the Risk Management Forum to a municipality on how to maintain a sustainable risk management program.

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5. **RESOURCES** (Financial and Staff)

CAPEX: R30,000

OPEX: R6,328,176

Staff Complement:

Designation (number of posts)	Incumbent
Chief Risk Officer (1)	Ludwig Geldenhuys
Principal Professional Officer (2)	Amanda Swanepoel Ben Basson
Senior Professional Officer (4)	Cindy Pierce Roshaan Narker Nicola Anderson 1 x vacant
Professional Officer (2)	Maurisha Barros 1 x vacant
Project Administrator	Mary-Ann Fransman

6. **BACKLOGS AND RESOURCE CONSTRAINTS** (if applicable)

Maintain a workable organisational structure for IRM

Improve organisational commitment to the IRM process

Implementation of the IRM Framework

IRM Sharepoint Software not fully operational

Improve reporting dashboards to RiskCo

7 ASSUMPTIONS AND RISKS (Cross-reference to Risk Register)

7.1 Assumptions

7.2 Risk Assessment

<u>No</u>	<u>Risks</u>	<u>Action</u>	<u>Resp.</u>
1	Integrated Risk Management (IRM) in-house software solution does not support IRM process	Regular meetings with IS&T re system inadequacies Explore other risk management tools Continue to stress test the electronic system	IRM team

8. STRATEGIC ALIGNMENT TO THE IDP

8.1 The following strategic Focus Areas and Objectives in the IDP were identified –
Strategic focus area 8: Good Governance and Regulatory reform.

8.2 LINK TO PROGRAMMES

Refer Department 2011/2012 SDBIP

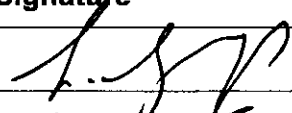
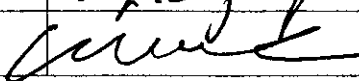
9. OBJECTIVES AND INDICATORS OF THE STRATEGY / OPERATIONAL PLAN

Refer Draft 2011/2012 Integrated Risk Management SDBIP

10. AUTHORISATION

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

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	Name	Signature	Date
CHIEF RISK OFFICER	LUDWIG GELDENHUYS		31/3/2011
CHIEF FINANCE OFFICER	MIKE RICHARDSON		14/4/11

11.

APPENDICES: IF ANY

Appendix 1: 2011/2012 INTEGRATED RISK MANAGEMENT DEPARTMENT SDBIP

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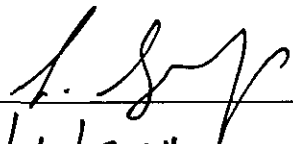
	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1	2011/2012 INTEGRATED RISK MANAGEMENT DEPARTMENT SDBIP												
2	RATING KEY = meets or exceeds target; Currently does not meet target; Information not available or work on hold; Original target to be amended												
3													
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual risk register updates completed	Departmental achievement as at 30 June 2011	100%	Quarterly	50%	100%	-	100%	
7	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Treatment Action Plans completed	Departmental achievement as at 30 June 2011	100%	Quarterly	-	-	50%	100%	
8	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Obtain an optimum rating from National Treasury with regards to the embedding of Risk Management in the City	Departmental achievement as at 30 June 2011	4	Annual	-	4	-	-	1335
9	KEY OPERATIONAL INDICATORS:												
10	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover for Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledge that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be <12% throughout the financial year.
11	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. Formula: Number of unplanned absence days divided by the number of planned days of work multiplied by 100. (over 12th month rolling period)

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
12	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation. Formula: % spent against planned training budget.
13	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	8A.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: - The time to close notifications - The closure rate of notifications The indicator is calculated as follows: 1. A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. 2. The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: Target Q1 = 3% improvement against baseline Target Q2 = 8% improvement against baseline Target Q3 = 9% improvement against baseline Target Q4 = 12% improvement against baseline 3. Measure the actual performance against the improvement target using the following formula: % of achievement = $\frac{(\text{actual} - \text{target})}{\text{target}} \times 100$ 4. Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) ÷ 2 = %
14	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male) The following job categories are excluded from this measurement: Councilors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
15	SFA 8: Good Governance and Regulatory Reform	88.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	88.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	<u>Formula:</u> Percentage reflecting Actual spend / Planned Spend.
16	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	<u>Formula:</u> Total actual to date as a percentage of the total budget including secondary expenditure.
17	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
18	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.
19	The Baseline 2010/2011 data will be updated and reflect actuals as at 30 June 2011, once finalised.												
20	Approved by Chief Risk Officer: 												
21													
22	Date: 6/4/2011												
23	Approved by Chief Finance Officer: 												
24	Date: 14/4/11												

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CITY OF CAPE TOWN ISIXEKO SASEKAAPA STAD KAAPSTAD

DEPARTMENTAL BUSINESS PLAN 2011/2012

DEPARTMENT : Inter-Services Liaison
DIRECTOR : G D van Schalkwyk

Contact Person : Bonita Ascott

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1. EXECUTIVE SUMMARY

Assisting departments experiencing difficulties with processes, tariffs or financial viability, especially where more than one department has a role to play, as well as the provision of financial control and administrative support for grants-in-aid and central improvement districts. Managing the rates policy development, tariff setting and impact on all residents. Modelling the TMA distribution to ensure a fair distribution of all billed municipal charges and the collectability thereof.

2. PURPOSE AND OBJECTIVES

Vision

It is the vision of ISL to add value to processes and interactions between departments to improve service delivery to residents by:

Resolving inter personal issues between different role-players.

Recommending improved processes.

Sharing knowledge and experience via training and development of staff in Cape Town and other Councils.

Providing input to legislation and regulations published for comments.

Ensuring that the impact of tariffs on all residents, especially the less fortunate, are understood.

Updating on an annual basis all budget related policies and tariffs to meet Council objectives.

Ensuring that Councils budget related documents are published for public participation in terms of legislation.

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Customers:

- Staff
 - ISL
 - City of Cape Town spread over more Departments.
- Councillors
 - City of Cape Town
 - Other Councils requesting assistance.
- Residents
 - Those with complex or extraordinary municipal accounts.
- Management
 - ISL
 - CFO
 - Municipal Manager
 - EMT
- Decision Making
 - Budget Steering Committee
 - Mayoral Committee
 - Finance Portfolio Committee
 - Sub-Councils
 - Political Party caucuses

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- Institutional
- IMFO (Provincial and National).
 - IMFO Metro and Emerging Metro Forum
 - IMFO Financial Handbook Forum
 - SALGA
 - COGTA
 - National Treasury
 - Ward Committees

What are their demands/expectations?

Residents demand fair treatment with the best level of service for the most beneficial tariff.

Political and decision making structures expect solutions and tariffs that can be applied with confidence.

Management expect that the advertising and public participation on the budget, budget related policies, By-Laws and tariffs meet the legal requirements.

Overarching aim of the department.

To ensure that:

The budget, budget related policies, By-Laws and tariffs are published in a legally compliant manner to allow Revenue Department to implement these and to collect the resultant revenue.

Other Councils are given guidance and advice (when required) to ensure a successful implementation of the Municipal Property Rates Act and to protect the integrity of Cape Town's rating system as we were the first Metropolitan Council to implement the said act.

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Staff who are responsible for implementing the policies and tariffs understand these and to provide them with interpretation guidelines where required.

Financial viability in the Water services are maintained and improved by reducing issues that prevent the accurate billings and timely collections of amounts due.

Special Rating Areas (including Central Improvements Districts) add value to their members in a sustainable manner.

Grants made to institutions are used for the purposes that the grants were allocated by Council.

3. **Legal Requirements for the Plan (if applicable)**

The Constitution

Relevant Acts impacting on Local Government

Council By-Laws

4. **Partners and Stakeholders in the Strategy Plan (key stakeholders of the plan)**

Partners/ Stakeholders	Roles and Responsibilities
SRA's	Responsible for improving conditions in their geographical area
Institutions	Responsible and accountable for spending the Grants-in-Aid in accordance with Council's Decisions
Budget Steering Committee	Responsible to provide guidance for amendments to budget related policies and tariffs and to recommend the final drafts to MAYCO and Council for adoption.
IMFO & the IMFO Metro CFO Forum	To provide guidance on and support for solutions based on submissions by Cape Town.
CFO	Responsible to guide ISL and support solutions where business processes are being improved

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5. RESOURCES (Financial and Staff)

<i>Draft Capex</i>	:	R	
<i>Draft Opex</i>	:	Salaries, Wages & Allowances	- R3 542 226
	:	General	- R166 469
		Secondary/Recharges	- R2 319 500
Staff	:	Complement	- 9

6. BACKLOGS AND RESOURCE CONSTRAINTS (if applicable)

The Grants-in-Aid for 2011/12 must be allocated by the Sub-Councils and Departments, concurred by the Grants Committee, approved by Council and be paid to organisations by December 2011 to ensure that they spend the funds prior to June 2012. Simultaneously the 2012/13 allocations must be allocated by the Sub-Councils and Departments, concurred by the Grants Committee and be included in the Draft Budget for submission to the March 2012 Budget Meeting. The risks are that the administration must do two years work in one year, but that will be managed to meet deadlines.

7. ASSUMPTIONS AND RISKS

7.1. Assumptions

That ISL will retain reasonable office accommodation in close proximity to the Director: ISL and the role-players involved with Budget Steering Committee and the departments that must be consulted regarding policies and tariff amendments and interpretations.

That no further additional tasks be allocated to ISL without the necessary staff capacity.

That all departments in Council will work together as a unit to maintain and improve corporate service levels.

That the training and development of the existing ISL staff will be maintained to improve efficiency and value adds.

7.2. Risk Assessment

<u>No</u>	<u>Risks</u>	<u>Action</u>	<u>Resp.</u>
1	De-motivation of senior staff due to placement objections continuously being delayed, hollow performance bonus promises and JD evaluations not being finalised.	All parties to do their best to finalise these long outstanding issues.	HR.
2	Silo mentality amongst departments that must work together.	Appreciation for contributions and involving all parties when amending processes and structures.	EMT.
3	Losing the specialised skills before proper transfer to others.	Skills transfer sessions amongst ISL staff, other relevant Council staff and staff from other Councils and entities.	ISL staff

8. STRATEGIC ALIGNMENT TO THE IDP

8.1 Identify and describe the linkages to the strategic Focus Areas and Objectives in the IDP.

ISL supports the following Strategic Focus Areas:

- Strategic Focus Area 1 - Share Economic Growth and Development.
- Strategic Focus Area 2 - Sustainable Urban Infrastructure and Services.
- Strategic Focus Area 7 - Good Governance and Regulatory Reform.

8.2 LINK TO PROGRAMMES (Programme Layout and description linked to Directorate objective)

ISL actions are not linked to programme but to the following Objectives.

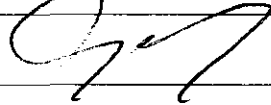
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9. **OBJECTIVES AND INDICATORS OF THE STRATEGY / OPERATIONAL PLAN**

Contained in Appendix 1: Inter-Service Liaison Departmental SDBIP

10. **AUTHORISATION**

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

	Name	Signature	Date
Executive Director	Mike Richardson		14/4/11
Director	George van Schalkwyk		6/4/2011

11. **APPENDICES: Appendix 1 - 2011/2012 SDBIP**

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1	2011 / 2012 INTER-SERVICE LIAISON DEPARTMENT SDBIP												
2	RATING KEY = meets or exceeds target; Currently does not meet target; Information not available or work on hold; Original target to be amended												
3													
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Improve Financial Viability of Water Services to ensure long term sustainability by enhancing debt management actions resulting in increased payment ratio	Departmental achievement as at 30 June 2011	85%	Annual	n/a	n/a	n/a	85%	Information available after year-end
7	Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Model, monitor and administer the rates policy development process of ensuring a fair and equitable treatment of all ratepayers by evaluating the impact of proposed policy amendments on especially the indigent and less affluent ratepayers and to submit such policy amendments to the Budget Steering Committee (BSC) for review and ultimate approval by Council. (This includes sharing experiences with other Councils to influence the national implementation of the MPRA, to seek amendments to the MPRA that are implementable and fair to all ratepayers and to guard against unrealistic regulations being gazetted).	Departmental achievement as at 30 June 2011	31-May-12	Annual	n/a	n/a	n/a	31-May-12	Information available after year-end

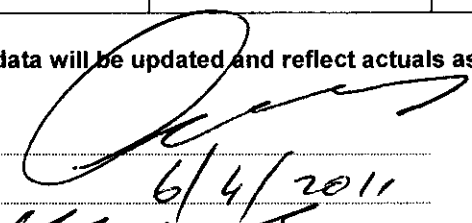
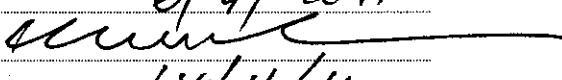
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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.	Link to Lead Director	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
8	Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Model, monitor and administer the setting of Tariffs and Rates by developing a tariff and rating structure to ensure a more even spread of the total municipal account (TMA) burden over all properties. The resultant spread of the financial burden must result in billings that can be collected and must protect the indigent and less fortunate against unrealistic increases in municipal accounts.	Departmental achievement as at 30 June 2011	31-May-12	Annual	n/a	n/a	n/a	31-May-12	Information available after year-end
9	Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Manage the administration, internal control and legal compliance of the Grants-in-Aid functions to ensure that all the transfer payments approved by Sub-Councils and Council are in compliance with all Council's policies and relevant acts and to include their outcomes in the Financial Statements	Departmental achievement as at 30 June 2011	30-Jun-12	Annual	n/a	n/a	n/a	30-Jun-12	Information available after year-end
10	Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Manage the administration of the Special Rating Area (Central Improvement District) functions and the financial management exercised by Council and the SRA boards to include their outcomes in the annual Consolidated Financial Statements	Departmental achievement as at 30 June 2011	30-Jun-12	Annual	n/a	n/a	n/a	30-Jun-12	Information available after year-end
11	KEY OPERATIONAL INDICATORS (KOI's):												
12	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover for Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledged that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be ≤12% throughout the financial year.

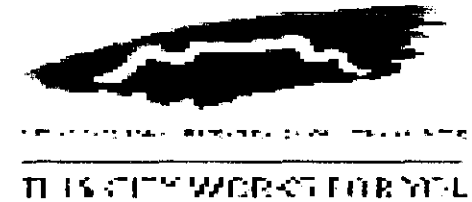
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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.	Link to Lead Director	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
15													
13	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. Formula: Number of unplanned absence days <u>divided</u> by the number of planned days of work <u>multiplied</u> by 100. (over 12th month rolling period)
14	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WSP is a collaborative plan, involving employees and the unions in its formulation Formula: % spent against planned training budget.
15	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	8A.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: • The time to close notifications • The closure rate of notifications The indicator is calculated as follows: 1. A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. 2. The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: Target Q1 = 3% improvement against baseline Target Q2 = 6% improvement against baseline Target Q3 = 9% improvement against baseline Target Q4 = 12% improvement against baseline 3. Measure the actual performance against the improvement target using the following formula: % of achievement = [(actual - target) / target] * 100 4. Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) * 2 = % Data source is SAP Business Intelligence (BI)

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.	Link to Lead Director	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
16	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male) The following job categories are excluded from this measurement: Councilors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.
17	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	<u>Formula:</u> Percentage reflecting Actual spend / Planned Spend.
18	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	<u>Formula:</u> Total actual to date as a percentage of the total budget including secondary expenditure. 1350
19	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	This indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.	Link to Lead Director	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
20	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.
21	The Baseline 2010/2011 data will be updated and reflect actuals as at 30 June 2011, once finalised.												
22													
23	Approved by Director: 												
24	Date: 6/4/2011												
25													
26	Approved by ED: 												
27	Date: 14/4/11												
28													
29													
30													
31													

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DEPARTMENTAL BUSINESS PLAN 2011/2012

REVENUE DEPARTMENT

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1. EXECUTIVE SUMMARY

The Revenue Department is a customer focussed Department, comprising competent and dedicated staff, providing accountable revenue services and informing citizens through council structures as to their responsibility in creating a solvent and prosperous City.

2 PURPOSE AND OBJECTIVES

Vision:

It is the vision of the Revenue Department to provide:

- A sustainable service.
- Accessible Contact Centres.
- Services, with approachable, sensitive, dignified and competent staff.
- A Credible service through efficient work procedures, best practice, dedication and modern technology.

Who are your customers?

Primary:

- | | | |
|--------------------|---|-----------------------|
| • Staff | - | Revenue Department |
| | - | City of Cape Town |
| • Mainstream Media | - | Radio |
| | - | Paper |
| • Customer | - | Citizen |
| | - | Homeowner/Tenant |
| | - | Business |
| | - | Landlord |
| | - | Provincial Government |
| | - | National Government |

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- Management
 - Tourist
 - Revenue Department
 - City Manager
 - Executive Management Team
 - Top 300/500 Managers
- Decision Making (Direct)
 - Mayoral Committee
 - Finance Portfolio Committee
 - Sub Councils
- Institutional
 - SALGA
 - COGTA
 - Universities and colleges
 - IMFO
- **Secondary:**
 - Decision Making (Indirect)
 - Portfolio Committees (excluding finance)
 - Ward Committees
 - Community based organisations
 - Rate-payers Associations
 - Religious
 - Civic
 - Youth
 - Sport Bodies
 - Institutions
 - Political Parties
 - Organized Labour

- Business Community
 - Rural Development and Land Reform (Deeds Office)
 - Estate Agents
 - Telkom
 - Law Societies
- Media
 - Online (Internet)
 - Specialized (Magazine)
 - Electronic (Sms & E-mail)

Tertiary:

- Education
 - Schools

What are their demands/expectations?

The Revenue Department believe that the citizens' demands/expectations can be summarized as the delivery of a sustainable and affordable service.

These demands and expectations were recorded in the following legislation/documentation.

Batho Pele principles:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Openness and transparency
- Redress
- Value for money

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King Report II and III Outcomes:

- Discipline
- Transparency
- Independence
- Accountability
- Responsibility
- Fairness
- Social responsibility

Overarching aim/purpose of the department:

The aim/purpose of the Revenue Department is to ensure that:

- Funds due to the City are correctly billed and collected.
- Accurate and transparent accounting processes and policies are in place and compliant with relevant legislation.
- There is management and control over the funds received by the City.
- Elected officials can confidently take accountability for the public funds due and payable to the City.
- Financial reporting is provided to the City, other stakeholders and the community in general.
- All outstanding monies are efficiently collected in a dignified and humane manner in terms of the Council's Credit Control and Debt Collection Policy and By-Law with Indigent Relief.
- Business processes are in place and regularly updated in order to align itself with the City's objectives.

3. Legal Requirements for the Plan (if applicable)

- Constitution of Republic of South Africa
- Local Government Municipal Structures Act (Act 117 of 1998)
- Local Government Municipal Systems Act (Act 32 of 2000)

- Local Government Municipal Finance Management Act (Act 56 of 2003)
- Local Government Municipal Property Rates Act (Act 6 of 2004)
- Prevention and Combating of Corrupt Activities Act (Act 12 of 2004)
- Promotion of Access to Information Act (Act 2 of 2000)
- Promotion of Administrative Justice Act (Act 3 of 2000)
- National Credit Act (Act 34 of 2005)
- Prescription Act (Act 68 of 1969)
- Batho Pele Principles
- King Report II and III on Corporate Governance

4. Partners and Stakeholders in the Strategy Plan (key stakeholders of the plan)

Partners/ Stakeholders	Roles and Responsibilities
Council and other decision making institutions	Responsible for the approval of Policy and By-Laws.
Multi-Disciplinary Debt Management Task Team (MDDMTT)	Responsible to streamline Debt Collection.
Budget Committee	Responsible to finalise tariffs.
ERP & IT	Responsible to provide reliable and efficient systems.
Electronic Service providers / vendors	Responsible for electronic rates clearance system/interaction.
External Providers	Responsible for Development of Staff.
Top 300/500	Operational roles and responsibilities.

5. **RESOURCES** (Financial and Staff)

Capex *(draft)*: R1 720 890 *(to be finalised with the adoption of the 2011/2012 Annual Budget)*

Opex *(draft)*: Salaries, Wages & Allowances – R205 827 341 *(to be finalised with the adoption of the 2011/2012 Annual Budget)*

General – R84 988 252

Secondary/Recharges – R25 956 736

Income - R116 377 599

Staff : Complement - 823

Vacancies – 58

6. **ASSUMPTIONS AND RISKS : Risk Assessment : See Appendix 2**

Assumptions

The following assumptions are critical to the maintaining of service delivery and service standards:

- Legislation – permitting the ongoing and day-to-day activities of the Revenue Department, as per the Business Plan, SDBIP, and Strategic issues.
- Decision making – supporting the continuation of activities and programmes by means of decisions, policies and by-laws.
- Funding – provide stable stream of funding and high collection rate, in order to ensure effective and efficient service delivery to the citizens of Cape Town.
- Systems – supporting systems to enable the Department to continue with operational activities.
- Accommodation – ample provision of secure, safe and healthy accommodation for staff and customers.

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- Staff – availability of well trained and competent staff in order to meet the daily requirements of the department and its customers.

7. STRATEGIC ALIGNMENT TO THE IDP

The Revenue Department is linked to the following Strategic Focus Area:

Strategic Focus Area 8 - Good Governance and Regulatory Reform

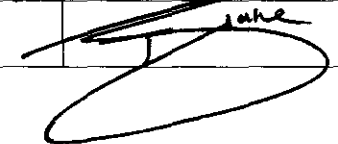
The Revenue Department supports all the other seven Strategic Focus Areas.

8. OBJECTIVES AND INDICATORS OF THE STRATEGY / OPERATIONAL PLAN

Contained in Appendix 1 – Revenue Departmental SDBIP

9. AUTHORISATION

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

	Name	Signature	Date
Executive Director	Mike Richardson		14/4/11
Director	Trevor Blake		22/3/2011

10. APPENDICES:

- Appendix 1 – Revenue Departmental SDBIP
- Appendix 2 - Risk Register
-

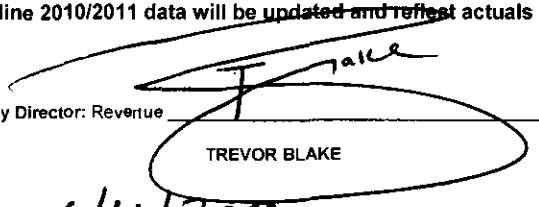
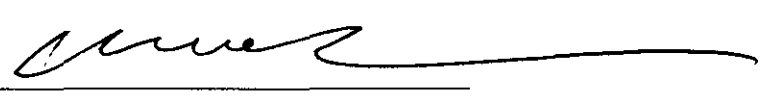
	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1	2011/2012 REVENUE DEPARTMENT SDBIP												
2	RATING KEY = meets or exceeds target; Currently does not meet target; Information not available or work on hold; Original target to be amended												
3													
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	SFA 8: Good Governance and Regulatory Reform	8B.6	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Revenue collected as a percentage of billed amount (8B.6)	Achievement as at 30 June 2011	95%	Annual	95%	95%	95%	95%	Due to the current economic climate, it would be unrealistic to expect a higher collection rate.
7	SFA8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Services timeously billed	Achievement as at 30 June 2011	PAMMS Certification 97%	Monthly	PAMMS Certification 97%	PAMMS Certification 97%	PAMMS Certification 97%	PAMMS Certification 97%	PAMMS Certificate received advising that services accounts posted timeously. Maximum PAMMS Certification that can be achieved = 97% • thereby resulting in savings on the City's bulk postage
8	SFA8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Customer focus in regard to payment facilities	Achievement as at 30 June 2011	Effective payment facilities to suit customer requirements	Ongoing	Effective payment facilities to suit customer requirements	Effective payment facilities to suit customer requirements	Effective payment facilities to suit customer requirements	Effective payment facilities to suit customer requirements	Ongoing analysis and implementation of customer requirements in regard to payment facilities.
9	SFA8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	%Payments receipted and banked timeously	Achievement as at 30 June 2011	98%	Daily	98%	98%	98%	98%	* 98% = National Norm

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
10	SFA8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Effective security measures implemented to safeguard staff and assets	Achievement as at 30 June 2011	Continuous safeguarding of staff and assets	Ongoing	Continuous safeguarding of staff and assets	Continuous safeguarding of staff and assets	Continuous safeguarding of staff and assets	Continuous safeguarding of staff and assets	Constant monitoring and upgrading when found to be necessary, of security measures at Revenue offices of the City, in order to safeguard the City's staff and assets
11	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Effective internal control measures to safeguard the City's revenue, contributing towards an unqualified audit for the City	Achievement as at 30 June 2011	Regular and effective reviews and investigations	Ongoing	Regular and effective reviews and investigations	Regular and effective reviews and investigations	Regular and effective reviews and investigations	Regular and effective reviews and investigations	Revenue Department Internal Control Team carrying out regular investigations and reviews, in order to prevent and discover any fraudulent activities which could occur in regard to protecting the collection of income for the City. Serious findings are reported to the City's Forensic Unit for further investigation and action.
12	SFA 8: Good Governance and Regulatory Reform	8A	Health and Corporate Services	Ensuring enhanced service delivery with efficient institutional arrangements	Promotion of HIV/AIDS Programme in line with Corporate Plan and Guidelines for the Revenue Department	Achievement as at 30 June 2011	Ongoing effective functioning of Plan	Ongoing	Ongoing effective functioning of Plan	Ongoing effective functioning of Plan	Ongoing effective functioning of Plan	Ongoing effective functioning of Plan	1361
13	SFA 8: Good Governance and Regulatory Reform	8A	Finance and Corporate Services	Ensuring enhanced service delivery with efficient institutional arrangements	Effective implementation of learning and coaching interventions within Revenue Department	Achievement as at 30 June 2011	Well-trained, accountable and enabled Revenue Department workforce	Ongoing	Ongoing training and learning interventions for Revenue staff	Ongoing training and learning interventions for Revenue staff	Ongoing training and learning interventions for Revenue staff	Ongoing training and learning interventions for Revenue staff	Ensuring Revenue Staff are well-trained and enabled to deliver high standard of performance to clients, promoting "The City Works for You"

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
14	KEY OPERATIONAL INDICATORS (KOIs):												
15	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover for Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledge that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be ≤12% throughout the financial year
16	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the Incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. Formula: Number of unplanned absence days divided by the number of planned days of work multiplied by 100. (over 12th month rolling period)
17	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on Implementation of WSP for Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation Formula: % spent against planned training budget

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
18	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	8A.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: • The time to close notifications • The closure rate of notifications The indicator is calculated as follows: 1. A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. 2. The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: Target Q1 = 3% improvement against baseline Target Q2 = 6% improvement against baseline Target Q3 = 9% improvement against baseline Target Q4 = 12% improvement against baseline 3. Measure the actual performance against the improvement target using the following formula: % of achievement = [(actual-target)/target]*100 4. Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) ÷ 2 = % Data source is SAP Business Intelligence (BI)
19	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male) The following job categories are excluded from this measurement: Councilors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.
20	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Percentage reflecting Actual spend / Planned Spend.
21	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Total actual to date as a percentage of the total budget including secondary expenditure.

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
22	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.
23	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.
24	The Baseline 2010/2011 data will be updated and reflect actuals as at 30 June 2011, once finalised.												
25	 Approved by Director: Revenue												
26	TREVOR BLAKE												
27	Date: 6/4/2011												
29													
30	 Approved by Chief Finance Officer												
31	MIKE RICHARDSON												
32	Date: 14/4/11												

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Finance> Revenue Services - Risk Register Update as at 27 August 2010

Business objectives referred to:

- Good governance and regulatory reform
- To establish a Department supplying a sustainable service
- To establish a Department supplying services, with approachable, sensitive, dignified and competent staff
- To establish a Department supplying credible service through efficient work procedures, best practice, dedication and modern technology

Id	Risk	Consequences	Root Cause	Root Causes and Actions		Action	Owner	Due Date	Impact Likelihood	Rating	Ver
				Current Controls	CE						
3	Corporate dependencies to render an effective and efficient Revenue Service	- Ineffective and inefficient Revenue Service - Negative impact on the collection rate e.g. HR (filling of vacancies), IT, IR, SCM, Services - Negative impact on the credit rating of the City - Additional work by handling complaints out of scope - Reputation risk - Wastage of resources and expenditure - Net working towards a central goal within the City (misaligned SDBIP) - Budget cuts (linked to drop in the collection rate) - Involved in non core business via workflow of the C3 notifications - Non sustainable debt management	- Dependencies on other Departments - corporate red tape e.g. HR (filling of vacancies), IT, IR, SCM, Services - departments, valuations etc - Additional work by handling complaints out of scope - Reputation risk - Wastage of resources and expenditure - Net working towards a central goal within the City (misaligned SDBIP) - Budget cuts (linked to drop in the collection rate) - Involved in non core business via workflow of the C3 notifications - Non sustainable debt management	- Constant communications - Multi Disciplinary Debt Management Task Team meetings - EMT has approved a priority project called "Increased Payment Rate sub project" - Monthly / bi-monthly / quarterly reporting - Business plans - Representation at strategic meetings e.g. sub council / Budget Committee - One on one meetings with Directors	40	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30	7	63	R0
			Ineffective Corporate Call Centre	- Assisted Call Centre with training - Annual tariffs and Revenue changes training workshop - Communication to Call Centre start on changes - Disciplinary Debt Management meetings - proactive basis (attended by CEO, Director Valuations, Director Revenue & Manager Communications) - Multi Disciplinary Debt Management Task Team meetings	50	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30			
	Red tape in finalising Corporate solution and system to deal with correspondence			Revenue representative on the corporate accommodation team	40	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30			
	Inability to manage / strategise corporate accommodation (lack of project management e.g. Buildings)			Revenue representative on the corporate accommodation team	30	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30			
	Duplication of services - fragmented revenue business (e.g. Utility Services)			EMT has approved a priority project called "Increased Payment Rate sub project"	40	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30			
	Misaligned corporate SDBIP's failing to meet corporate collection rate			EMT has approved a priority project called "Increased Payment Rate sub project"	40	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30			
	Dependency on Water and Electricity to increase the number of restrictions / disconnections per day (limited restrictions / disconnections per day are currently done)			EMT has approved a priority project called "Increased Payment Rate sub project"	40	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30			
	Inability of Water Services to drastically increase the number of installations of water management devices (WMD), resulting in billing being inflated and impacting on collection ratio and credit rating			EMT has approved a priority project called "Increased Payment Rate sub project"	40	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30			
	Lack of integration of data and following a layed down processes			ISIS project	40	Follow-up on previous communications / engagement with relevant Directors / Departments e.g. IS&T, Utility Services and CRM	Revenue Managers	2011-06-30			

Id	Risk	Consequence	Root Causes and Actions		Impact	Likelihood	Rating	V@R
			Root Cause	Current Controls				
10	Potential corruption, fraud and misconduct	• Reputation risk • Audit queries • Increased insurance claims • Increased turnover of staff • Financial losses	Non adherence to the code of conduct re a.g. declaration of interests and gifts (non compliance with legislation)	• Rotation of staff • Independent Hotline • Internal control and investigations unit • Legislation • City policy and procedures on declarations and gifts • Staff circulars • Disciplinary processes for transgressors • Revenue Disciplinary Forum for preventative and consistent applications and awareness • Fraud related training • Code of conduct for officials and counsellors • Segregation of duties • Monthly reporting and statistics • Council approved cash management policy	CE 80			
			Non compliance with cash management policy (e.g. in non revenue cash functions by staff not sufficiently / specifically trained on the cash management policy)	• Rotation of staff • Independent Hotline • Internal control and investigations unit • Legislation • City policy and procedures on declarations and gifts • Staff circulars • Disciplinary processes for transgressors • Revenue Disciplinary Forum for preventative and consistent applications and awareness • Fraud related training • Code of conduct for officials and counsellors • Segregation of duties • Monthly reporting and statistics • Council approved cash management policy	80			
			Forensic effort is reactively focused and due to resource constraints proactive effort is limited	• Delegations and City Manager sub delegations • Independent Hotline • Internal control and investigations unit • Legislation • City policy and procedures on declarations and gifts • Staff circulars • Staff ethic (organisational culture) • Disciplinary processes for transgressors • Disciplinary and management forum for preventative purposes and awareness • Fraud related training • Code of conduct for officials and counsellors • Segregation of duties • Cash management policy and procedures • Monthly reporting and statistics • Council approved cash management policy • Internal controls and accounts interface branch in revenue investigates alleged fraud/corruption/theft etc	80			

Id	Risk	Consequence	Root Causes and Actions	Impact Likeli hood	Ratin g	V@R
		Economic climate resulting in opportunity (staff wellness programmes over demand and external training options investigated - corporate)	• Delegations and City Manager sub delegations • independem Hotline • Internal control and investigations unit • Legislation • City policy and procedures on declarations and gifts • Staff circulars • Staff ethic (organisational culture) • Disciplinary processes for transgressors • Disciplinary – and management forum for preventative purposes and awareness • Fraud related training • Code of conduct for officials and counselors • Segregation of duties • Cash management policy and procedures • Monthly reporting and statistics • Council approved cash management policy • Internal controls and accounts interface branch in revenue investigates all alleged fraud/corruption/theft etc	80		

Id	Risk	Consequence	Root Causes and Actions			Impact	Likelihood	Rating	V@R
			Root Cause	Current Controls	CE				
5	Failure to meet budget expectations in terms of revenue collections	- Adverse collection ratio impacts - Credit rating of the City is negatively impacted - Customers failing to honour their arrangements - Budgets cuts due to reduced revenue income - City's ability to deliver services are impacted (less revenue)	Increased urbanisation	- Internal awareness of staff and engagement with politician of challenges associated with urbanisation - Trend analysis	40	5	6	30	R0
			Inherent nature of revenue function (City's obligation to render service despite possible community's inability to pay for services)	Constitutional obligation to deliver basic services	50				
			Economy challenges and unemployment	- Offering indigent relief and child headed households relief - Rates rebates for elderly and disabled people - Make affordable arrangements with people	70				
			Global economic crisis	- Offering indigent relief and child headed households relief - Rates rebates for elderly and disabled people - Make affordable arrangements with people	70				
13	Onerous legislation resulting in legal challenges	- Legal costs and preparation time for legal challenges - Fruitless and wasteful expenditure - Increase audit queries - Reputation risk	Root Cause Alleged non compliance / interpretation of legislation (perceived non compliance)	Current Controls - Each Director responsible for training on relevant legislation - Registration with professional bodies - Use of Lexus Nexus - Council, Mayo, Portfolio, City Manager, CFO decisions (register) - Dedicated section looking at all Government Gazettes - Revenue legal opinion register - including relevant judgements - All reports are reviewed by and signed off by Legal Department - Disciplinary action for non compliance (internally) and Legal action (externally) - National Revenue Forum to align and be consistent nationally	CE 80	3	7	21	R0
Actions									

Council is ultimately responsible and the City Manager is accountable for Risk Management. Risk Management is delegated to Executive Management and Management. IRM's responsibilities are limited to the facilitation of risk assessments, which includes identification, evaluation and treatment processes.

Director: Revenue and Debt Management - Trevor Blake

Signature: _____

Date: _____

DEPARTMENTAL BUSINESS PLAN

2011/2012

DEPARTMENT : Shareholding Management
DIRECTOR : Louise Muller

Contact Person : Louise Muller

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1. EXECUTIVE SUMMARY

In order to achieve its constitutional and legislative obligations, in mitigating governance and financial risks and in complying with various legislative instruments, the City of Cape Town has institutionalised shareholder management matters through the establishment of the Shareholding Management Department (SMD).

2 PURPOSE AND SERVICE MANDATE OF DEPARTMENT

The City must comply with the legal imperatives of its enabling legislation in that it is obligated to exercise shareholder, statutory and contractual rights it may have in respect of its municipal entities. The City must ensure that both it and its entities comply with all relevant legislation as well as ensuring that the municipal entity is managed responsibly and transparently and meets its statutory and contractual obligations. Regulation and monitoring of Municipal Entities is thus essential for giving effect to the developmental role of local government from an economic, environmental and social development perspective. In the interests of maximising its shareholding and client interests in various Municipal Entities, and in order to achieve its constitutional and legislative obligations, in mitigating governance and financial risks and in complying with various legislative instruments, the City of Cape Town has institutionalised shareholder management matters through the establishment of the Shareholding Management Department (SMD).

- The SMD is responsible for regulating, managing and monitoring Municipal Entities for maximum shareholder returns, financial performance, legislative and policy compliance.
- The SMD will ensure that municipal entities operate openly and transparently and that the community and the City receive a return on the services provided by each entity.
- Municipal entities are obliged to operate within a legislative framework which requires monthly returns which will be evaluated and submitted through the necessary reporting channels, whereas the strategic partners' relationship with the City is governed by funding agreement and discussion on business focus areas may be facilitated once per year.
- The SMD will act as advisor, where there is the potential of Council to use external mechanisms for achieving the local government objectives, advising on the structure of new entities and assisting, where necessary, with the establishment or de-registration and/or liquidation of entities.

The SMD functions within the following areas:

- **Business Strategy and Legal / Corporate Governance**
- **Financial Analysis and Evaluation**

Business Strategy and Legal / Corporate Governance encompasses amongst other things -

- Facilitating entity and partner business plan development and analysis;

- Facilitating entity programme and project integration with City strategies and Plans;
- Advising on the establishment, disestablishment or growth and expansion opportunities of Municipal Entities and partners;
- Monitoring business performance of Municipal Entities;
- Being involved in or annually facilitate the discussion of business focus areas for strategic partners;
- Evaluating the shareholder and client value derived from Municipal Entities and strategic partners;
- Engaging Municipal Entities, partnerships and City departments on resolution of ad hoc problems related to line function matters and other issues for entities and other strategic partners as they arise;
- Developing and implementing shareholder mandating processes and procedures for Municipal Entities;
- Researching and benchmarking best practice business development models and legal / corporate governance models;
- Policy formulation for ensuring legislative compliance; exercising oversight over implementation and monitoring compliance thereof;
- Facilitating and overseeing the alignment of constitutional documents of Municipal Entities with legislation and policy prescripts of the City of Cape Town.

Financial analysis and evaluation encompasses amongst other things -

- Establishing and monitoring compliance with framework for reporting of financial performance against approved budget;
- Facilitating agreement on key financial performance indicators and monitoring compliance thereof;
- Facilitating and monitoring progress against the process for annual budgeting and financial reporting;
- Engaging the Auditor-General on process for appointment of external auditors in keeping with the Municipal Finance Management Act (MFMA) provision;
- Engaging with Office of the Auditor-General regarding external audit of entities and the City consolidation, as and when required;
- Ensuring Municipal Entities give effect to the financial governance processes and procedures as set out in the MFMA;
- Facilitating process for appointment of Audit committees of Municipal Entities in line with MFMA provisions;
- Researching and benchmarking best practice financial monitoring models;
- Providing input and guidance on financial aspects of potential or proposed new entities of companies where the City will have shareholding.

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The SMD monitors the current municipal entities, being the Cape Town Convention Centre Company (Pty) Ltd (Convenco) and the Khayelitsha Community Trust (KCT) – which is scheduled to be de-registered as a ME before the start of the 2011/12 financial year.

- The mandate of Convenco is to operate a world class convention centre with the concomitant spin off of increasing tourism, creating jobs and increasing economic benefits for Cape Town and the Western Cape.
- KCT was established during 2003 to initiate the development of the Khayelitsha Central Business District through the establishment of commercial, residential and community facilities in the area; ploughing back the proceeds of any investments into the empowerment of the community of Khayelitsha. It is expected that the Khayelitsha Community Trust will no longer be a municipal entity, but rather a strategic partner, of the City.

3. LEGISLATIVE IMPERATIVES

The SMD engages in monitoring, as well as various due diligence exercises with regard to the Municipal Entities in order to determine compliance with key legislative and policy prescripts. This empowers the City of Cape Town to report on such agreement to the relevant Provincial and National bodies and departments, and to advise on timeous corrective action thereby ensuring that the City, as shareholder and facilitator of services from municipal entities, is at all times compliant with legislative prescripts of the Municipal Systems Act, the Municipal Finance Management Act (MFMA), Good Corporate Governance Practices and City Policies as adopted from time to time.

From a legislative perspective the following key obligations are placed on local government and thus the need for the SMD to ensure compliance:

- Section 93A of MSA requires the parent municipality (the City) to exercise shareholder, statutory and contractual rights and powers to ensure that municipal entities comply with legislation and are managed responsibly and transparently.
- Section 81 of MSA requires regulation of service provision and the formulation of service delivery agreements.
- To provide an institutional mechanism through which section 93D of the MSA can be given effect to as it relates to the designation by Council of a councillor and/or an official to act as non-participating shareholder representative at board meetings and to attend and exercise the rights and responsibilities of the shareholder at shareholder's meetings.
- To facilitate compliance with Section 93D (2(a) of the MSA which provides that the official lines of communication between a municipal entity and the parent municipality should exist between the Chairperson of the board and the Executive Mayor.

- Part 6 Chapter 8A of the MSA, pertaining to the governance of Municipal Entities must be given effect to- this provides for the appointment of directors, disqualifications of directors, removal and recall of directors and ensuring that directors exercise their duties in respect of the Act.
- Section 56 of the MFMA which imposes the obligation on the Mayor of ensuring that the Municipal Entities comply with the MFMA and that the entity at all times remains accountable to the municipality. In terms of s 54(2) the Executive Mayor may also monitor the operational functions of the Municipal Entities without interfering in the performance of such functions.
- Chapter 10 of the MFMA sections 85 to 109 - dealing with financial governance ranging from regulating bank accounts of Municipal Entities to setting up limits of salaries for senior management in those Municipal Entities to imposing a recovery plan for a poor performing entity.
- The City must also ensure that its municipal entities comply with any regulation or circular issued by National Treasury.
- Compliance by municipal entities and strategic partners of good governance principles as required by the King Report and the Companies Act.

4. PARTNERS AND STAKEHOLDERS IN THE STRATEGY PLAN (key stakeholders of the plan)

Partners/ Stakeholders	Roles and Responsibilities
Convenco	To operate a world class convention centre
Line Departments	Monitor service delivery
Strategic Partners (including Khayelitsha Community Trust)	Assist the City in achieving its service delivery mandate through effective, economical and efficient governance systems KCT - Develop the Khayelitsha CBD on behalf of the Community

5. RESOURCES (Financial and Staff)

Capex: 2011/12 – R 30 000

Opex: 2011/12 – R5 626 455.99

Staff Complement: 4, being:

Director: Shareholding Management; Business and Development Strategist; Financial Analyst and PA to the Director/Administrative Support to the Department.

6. BACKLOGS AND RESOURCE CONSTRAINTS (if applicable)

- There are no backlogs identified at this time due to the 2 year window afforded by the introduction of the Companies Act and Companies Amendment Bill;
- Resource constraints may be experienced if there are legal challenges or if the City establishes more municipal entities;
 - The Department may be responsible for taking up new shares in any expansion project to retain the municipal entity status, and at this time, no funding source has been identified and no funding made available on the City budget.
 - A new entity has been proposed but there is no clarity on timeframes for establishment and limited support for the establishment.
 - National government strategy is to encourage the development of public private partnerships.

7. ASSUMPTIONS AND RISKS (Cross-reference to Risk Register)

7.1 Assumptions

- Potentially one new entity to be established and operational by end of June 2012 or earlier;
- King III to be fully implemented by end of June 2011 with ongoing reporting on compliance or an explanation of the deviations;
- Requirements of new Companies Act to be implemented as from 1 April 2011 over a two year period, resulting in changes in existing procedures and compliance with the establishment of any new entities;
- The proposal of a Single Public Service and the related legislation may have an impact on processes, depending on the contents of the Act.

7.2 Risk Assessment

Please refer to Appendix 1.

8. **STRATEGIC ALIGNMENT TO THE IDP**

8.1 The Departmental mandate assists the City in achieving its objective of Good Governance and Regulatory Reform.

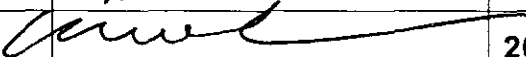
8.2 The outputs from this department include: Management of key financial areas such as good governance, income control, cash flow, balance of economic and social responsibilities including indigent support, alternative income opportunities, efficient asset management and risk management; establishment of any new entities in alignment with legislative requirements in order to achieve legislated local government objectives; monitoring changes to City shareholding and advising on the impact of expansion programmes, legislation or changes in composition on the municipal entity status.

9. **OBJECTIVES AND INDICATORS OF THE DEPARTMENTAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)**

Please refer to Appendix 2.

10. **AUTHORISATION**

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

	Name	Signature	Date
Director	Mrs Louise Muller		2011-04-08
Executive Director: Finance	Mr Mike Richardson		2011-04-14

11. **APPENDICES:**

Appendix 1: Risk Register

Appendix 2: Service Delivery and Budget Implementation Plan for the Shareholding Management Department

Finance> Shareholding Management - Risk Register Update as at 25 August 2010

Business objectives referred to:

Financial viability and good governance

Delivery of the Council's strategic plan and the wider financial and economic environment in which it operates and a dynamic market place for station

Minimise the risk of reputational damage and negative publicity for the Council and its staff and potential entities

Additional objectives are to ensure appropriate governance and financial management of the Council and its staff and potential entities

Financial viability and good governance and the wider financial and economic environment in which it operates and a dynamic market place for station

Delivery of the Council's strategic plan and the wider financial and economic environment in which it operates and a dynamic market place for station

Minimise the risk of reputational damage and negative publicity for the Council and its staff and potential entities

Additional objectives are to ensure appropriate governance and financial management of the Council and its staff and potential entities

Financial viability and good governance and the wider financial and economic environment in which it operates and a dynamic market place for station

Id	Risk	Consequence	Root Causes and Actions				Impact	Likelihood	Rating	V@R
			Root Cause	Current Controls	CE	Actions				
1	Interaction of National Policies resulting in changes	• Increased risk of reputational damage and negative publicity for the Council and its staff and potential entities • Additional objectives are to ensure appropriate governance and financial management of the Council and its staff and potential entities • Financial viability and good governance and the wider financial and economic environment in which it operates and a dynamic market place for station	Root Cause Different priorities or priorities could change Legislative changes (e.g. 17th Constitution Amendment, RLTA, Single Public Service, GRAP 6, Investigation by Treasury (Application and Enforcement))	• Interaction with MAYCO Council • Interaction with the Executive Mayor and City Manager • Regular reporting and monitoring of the National Political environment • Comments on legislative changes	60		7	5	35	RD
2	Operational vulnerabilities and reliance on corporate processes to meet legislative requirements	• Reputation damage and negative publicity for the Council and its staff and potential entities • Additional objectives are to ensure appropriate governance and financial management of the Council and its staff and potential entities • Financial viability and good governance and the wider financial and economic environment in which it operates and a dynamic market place for station	Root Cause Internal Audit - inappropriate emphasis Slow service delivery from internal corporate services (Human Resources - Fit and proper tests for directors, Setting of upper limits for remuneration (Section 89), Assistance with other functions AND Legal Opinions) Property Management / Leases - Identification and making the property available for ME's, Management of leases	• No control identified • Ongoing meetings with appropriate Departments with approved minutes • Logging Systems (Legal Services) - Turn around time / reference number • Ongoing meetings with appropriate Departments with approved minutes	CE		5	7	35	RD
7	Inadequate human resources and financial resources to cater for existing and future expansion of ME's	• Reputation damage and negative publicity for the Council and its staff and potential entities • Additional objectives are to ensure appropriate governance and financial management of the Council and its staff and potential entities • Financial viability and good governance and the wider financial and economic environment in which it operates and a dynamic market place for station	Root Cause Current staff complement does not make provision for future creation of ME's New entities created to counteract the inadequate resources within Council negatively impacting on the size of the Department (additional workload to IRT Entity and KLED)	• Approved organogram linked to operational budget • Submission for additional costing and staffing • Training interventions for employees • Non routine working environment • Part 7 run with section 78 processes	CE		3	5	15	RD

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Id	Risk	Consequence	Root Causes and Actions	Impact	Likelihood	Rating	VeeR
1	The City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance	The City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance	The City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance	The City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance	The City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance	The City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance	The City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance

City Manager is responsible and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance and the City Manager is responsible for the City's financial performance. Risk Management is delegated to Executive Management and Management. IRM's responsibilities are limited to the facilitation of risk assessments, which includes identification, evaluation and documentation of risks.

Director, City Manager Management - Louise M. Miller

Signature L. Miller

Date: 10-09-2010

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1	2011 / 2012 SHAREHOLDING MANAGEMENT DEPARTMENT SDBIP												
2	RATING KEY = meets or exceeds target; Currently does not meet target; information not available or work on hold; Original target to be amended												
3													
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial areas such as income control, cash flow, indigent support, alternative income opportunities, asset management and risk management	Compliance, as far as is within City's influential ability, with the financial reporting requirements as outlined in current and any new municipal legislation	Departmental achievement as at 30 June 2011	Full compliance by all entities in new format or exemption in place	Monthly	Financial reporting by all municipal entities on a monthly basis; setting upper limits of Board Allowances for entities	Financial reporting by all municipal entities on a monthly basis	Financial reporting by all municipal entities on a monthly basis	Financial reporting by all municipal entities on a monthly basis; setting upper limits of salaries for entities	
7							Compliance with deadlines on budgeting and financial reporting	Monthly	Financial statements of entities to be completed and submitted to the Auditor-General	Assist with any consolidation queries and respond to Auditor-General queries on AFS/ Consolidated AFS	Entity Annual reports to have been tabled by end January	Entity budgets to have been approved by Boards by the end of this quarter. City approved allocations where necessary	
8	Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial areas such as income control, cash flow, indigent support, alternative income opportunities, asset management and risk management	Minimise negative impact on City's shareholding and rates base for funding entities or expansion of entities and potential entities	Departmental achievement as at 30 June 2011	Maintain effective control as per definition in the MSA	As required	Evaluate impact of expansion programmes and new proposals on City's shareholding or operating subsidy required	Evaluate impact of expansion programmes and new proposals on City's shareholding or operating subsidy required	Evaluate impact of expansion programmes and new proposals on City's shareholding or operating subsidy required	Evaluate impact of expansion programmes and new proposals on City's shareholding or operating subsidy required	1378
9	Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial areas such as income control, cash flow, indigent support, alternative income opportunities, asset management and risk management	Advise, through various means, on any applicable legislation including the implementation of the new Companies Act and King III, provide input into legislative changes/ regulations, etc.	Four quarterly newsletters	Four quarterly newsletters and, where necessary, induction or training sessions, submissions on proposed legislative changes	Quarterly	Quarterly newsletter for Directors of entities, comments on legislation as required	Quarterly newsletter for Directors of entities, comments on legislation as required	Quarterly newsletter for Directors of entities, comments on legislation as required	Quarterly newsletter for Directors of entities, comments on legislation as required	
10	Good Governance and Regulatory Reform	8A	Finance	8A Ensuring enhanced service delivery with efficient institutional arrangements	Facilitate the implementation or maintenance of effective & efficient reporting processes relating to City shareholding	Report, where necessary, on the Board meetings to the relevant Councilor, obtain mandate and provide feedback on AGM	Providing relevant information before and feedback after representing the municipality at shareholder and Board meetings (S93D of MSA)	As required	Attend all Board Meetings	Obtain mandate for AGM, attend Board meetings	Report on AGM mandate exercised, attend all Board Meetings	Attend all Board Meetings	

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
4	ALIGNMENT TO IOP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	TARGETS vs ACTUALS				General Comments
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
5													
11	Good Governance and Regulatory Reform	8A	Finance	8A Ensuring enhanced service delivery with efficient institutional arrangements	Agreeing and monitoring key financial and non financial performance objectives with municipal entities	Facilitate quarterly report on performance; annually submit AFS, Annual Report and Mid-year assessment.	Performance on track or recovery plan in place	Quarterly	Final performance report on the 2010/11 financial year to be submitted	First quarterly performance report for 2011/12 financial year to be submitted	Annual review of the 2010/11 performance of entities and second quarterly performance report for 2011/12 to be submitted	Third quarterly performance report for 2011/12 financial year to be submitted	
12	Good Governance and Regulatory Reform	8A	Finance	8A Ensuring enhanced service delivery with efficient institutional arrangements	Implement and monitor good corporate governance and legal compliance by municipal entities	Mid-year report on entity corporate governance and legal compliance	Improvement in reporting on legislative compliance in Annual Legislative Compliance Checklist	Annually	Facilitate Performance Review of Board members and Committees as well as submission of implementation plans to ensure legislative compliance	Ensure Annual Report is submitted to the City for tabling at January Council Meeting	Revise Annual Legislative Compliance Checklist and Board Performance Reporting Requirements	Ensure Budget process is Develop the Khayelitsha CBD on behalf of the Community completed as required	
13	Good Governance and Regulatory Reform	8A	Finance	8A Ensuring enhanced service delivery with efficient institutional arrangements	Advise on the structure of existing or new entities and finalise liquidation procedures for companies being disestablished	De-registration process of KCT as a ME started in 2010/11, involvement in various S78 processes and related aspects of potential entity governance	Facilitate legislative compliance of current entities. Set up new entities/facilitate the closing in accordance with legislative requirements	Annually	Provide input and guidance on new business processes, advise on structuring of new entities or revision of current structures	Provide input and guidance on new business processes, advise on structuring of new entities or revision of current structures	Provide input and guidance on new business processes, advise on structuring of new entities or revision of current structures	Provide input and guidance on new business processes, advise on structuring of new entities or revision of current structures	
14	KEY OPERATIONAL INDICATORS:												
15	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover for Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledged that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be ≤12% throughout the financial year. SUPPORTED - BUT IMPOSSIBLE TO IMPLEMENT IN SUCH A SMALL DEPARTMENT. EXEMPTION REQUESTED.
16	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an international Benchmark. In so doing managers must apply the Time and Attendance policy, the incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. Formula: Number of unplanned absence days divided by the number of planned days of work multiplied by 100. (over 12 month rolling period) FULLY SUPPORTED - BUT IMPOSSIBLE TO IMPLEMENT IN SUCH A SMALL DEPARTMENT. EXEMPTION REQUESTED.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (Ta include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
17	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Expenditure Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental steering strategies and individual employees' Personnel Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation Formula: % spent against planned training budget. NOTE: Should also include the Conferences and Seminars budget, as numerous training interventions are classified as conferences or seminars - CHANGE IN FORMULA REQUESTED
18	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	8A.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: - The time to close notifications - The closure rate of notifications The indicator is calculated as follows: - A Baseline is determined for each of the components using a rolling average of the source of information for this is the SAP Notification system. - The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: - Target Q1 = 3% improvement against baseline - Target Q2 = 5% improvement against baseline - Target Q3 = 9% improvement against baseline - Target Q4 = 12% improvement against baseline - Measure the actual performance against the improvement target using the following formula: % of achievement = $\frac{(\text{actual} - \text{target})}{\text{target}} \times 100$ - Calculate the performance against the target at 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) + 2 = % Data source is SAP Business Intelligence (BI)
19	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male). The following job categories are excluded from this measurement: Councilors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.
20	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Percentage reflecting Actual spend / Planned Spend.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
21	SFA 8: Good Governance and Regulatory Reform	88	Finance	88 Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow of controllable expenditure	Dir/Depart projected cash flow of controllable expenditure	Dir/Depart projected cash flow of controllable expenditure	95% of controllable expenditure	Formula: Total actual to date as a percentage of the total budget including secondary expenditure. Fully Supported - but impossible to implement on uncontrollable portions of the Budget. Change in formula requested to cover only controllable expenditure.
22	SFA 8: Good Governance and Regulatory Reform	88	Finance	88 Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress. Department is not in full control of this process.
23	SFA 8: Good Governance and Regulatory Reform	88	Internal Audit	88 Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.
24	Approved by Director: <u>LM Muller</u> <u>LOUISE MULLER</u> Date: <u>2011-04-08</u> Approved by Chief Finance Officer: <u>MIKE RICHARDSON</u> Date: <u>2011-04-14</u>												
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CITY OF CAPE TOWN ISIXENQ SASAKAPA STAD KAAPSTAD

DEPARTMENTAL BUSINESS PLAN 2011/2012

DEPARTMENT : SUPPLY CHAIN MANAGEMENT
DIRECTOR : LEONARD SHNAPS

Contact Person : Leonard Shnaps

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1. EXECUTIVE SUMMARY

The Supply Chain Management Department provides for the acquisition of goods and services on demand in respect of user directorate requirements as defined in legislation. This Department directly impacts on service delivery, economic development and community empowerment.

2 PURPOSE AND SERVICE MANDATE OF DEPARTMENT

The vision of this department is to be a leading edge Supply Chain Management Service Provider to the City of Cape Town and our mission is to provide a cost effective, efficient and sustainable service to our customers, adding measurable value to the City of Cape Town's strategic objectives.

This department is committed to:

- satisfy the needs of our customers
- promote the socio-economic and environmental well being of the City to achieve best value
- ensure compliance to all relevant legislation and policies
- continually improve the operational efficiency with derived community benefits
- promote competence and knowledge, supported by effective communication and team functioning
- implement and sustain a Quality Management System compliant with the ISO 9001:2000 standard

OBJECTIVES

- to improve financial sustainability, the quality of services delivered and social economic development
- to implement the performance scorecard system
- to implement a revised organisational structure

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- to be successful in maintaining the ISO accredited certification
- to transform the procurement environment to 80/20 principle (80% procurement off contracts)
- to improve the current throughput time of Tenders, Procurement and contracts

STRATEGIC SUPPORT ROLES

The Supply Chain Management Directorate performs a strategic support role to all major operational branches delivering internal and external service, through key areas:

- Supply Chain Management Policy
- Formal Contracts
- Procurement
- Inventory & Stores
- Database Management
- Demand and Risk Management

3. LEGISLATIVE IMPERATIVES:

The Supply Chain Management Policy as adopted by Council on 27 March 2008 and the Municipal Finance Management Act No 56 of 2003 and Delegations of authority as approved by Council governs the operations, roles and responsibilities of the SCM department.

4. Partners and Stakeholders in the Strategy Plan (key stakeholders of the plan)

Partners/ Stakeholders	Roles and Responsibilities
Internal: All departments	To plan their respective departmental future needs with regards to goods and services and to communicate this to SCM

External: suppliers vendors/tenderers	An inter-dependant relationship which is mutually beneficial should exist with suppliers
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5. **RESOURCES** (Financial and Staff)

The number of staff employed in the SCM Department is 301.

CAPEX: R1 271 000

OPEX: R147 677 988 (CAPEX and OPEX – subject to Budget approval by Council)

6. **BACKLOGS AND RESOURCE CONSTRAINTS** (if applicable)

The reliance of the Supply Chain Management Department on the Line Departments for appropriate planning of requirement for goods, services and consultant services remains a huge challenge. This impacts directly on the service delivery of the SCM Department, and to the community at large.

Lack of specifications of projects, goods and services result in huge delays in advertising and processing and ultimately lack in service delivery.

7. **ASSUMPTIONS AND RISKS** (Cross-reference to Risk Register)

7.1 **Risk Assessment**

<u>No</u>	<u>Risks</u>	<u>Action</u>	<u>Resp.</u>
1	Data , fraudulent and/or inaccurately captured	Staff to be given adequate functional training and to be continuously monitored	Branch Manager
2	BEC & BSC , making poor recommendations drafting inadequate specification	BSC & BEC to be adequate training	Line Department

No	Risks	Action	Resp.
3	Contracts , price escalations, terminations, poor vendor performance, orders placed on expired contracts, sureties not received	All Contracts to be loaded on SAP. Vendors to be performance managed, Project Managers to be trained	Contracts Head, Line Department
4	Deviations , not following procurement process, petty cash used to circumvent purchasing process, using emergency procedure for normal procurement, parcelling	Procuring of goods and services to be managed . Demand Management to be implemented	Dir: Supply Chain Management
5	Unauthorised and irregular expenditure	Procuring of goods and services to be managed	Line Departments
6	Legal , non-adherence to MFMA and Policy	Procuring of goods and services to be managed	Line Departments, SCM Managers
7	Stores , cost of maintaining function	Reviewed, ongoing monitoring and applicable improvements	Inventory & Stores Manager and Dir: SCM
8	Vendors/Tenderers , not performing, non-conformance of product or service	Currently vendors are being managed by SCM. Project Managers to utilise system	SCM Managers and Director, Line Departments
9	Budget , under or over spends	Budgets to be managed	SCM Managers and Director,
10	Personnel , shortages, lack of skill	Filling of vacancies is a high priority.	SCM Managers

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8. STRATEGIC ALIGNMENT TO THE IDP

8.1 The SCM Departmental mandate and objectives are aligned to the Strategic Focus Areas of Shared Economic Growth and Development (SFA 1), and Good Governance and Regulatory Reform (SFA 8) in the City's Integrated Development Plan (IDP).

The primary goals of the strategy are to:

- Ensure that SCM policy, planning and practices supports Council's corporate strategy and strategic objectives

- Encourage long-term thinking and commitment to a strategic approach to SCM issues to become a leading edge service provider
- Recognise the contribution of SCM to achieving the City's community, corporate, directorate and service objectives
- Establish a mechanism to measure SCM performance and promote the continuous improvement of SCM services within the organisation, service providers and the community

8.2 LINK TO PROGRAMMES

The Department aligns all programmes to promote the objectives as summarised in the SCM Departmental Service Delivery Business Implementation Plan (SDBIP).

Name and description	Outputs
Loading of SAP Contracts	All contracts are to be loaded in SAP Contract Module for control purposes.

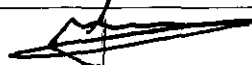
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9. OBJECTIVES AND INDICATORS OF THE DEPARTMENTAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

Contained in Appendix 1 – Supply Chain Management Departmental SDBIP

10. AUTHORISATION

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

	Name	Signature	Date
Director	Leonard Shnaps		12.4.11
Executive Director	Mike Richardson		14/4/11

11. APPENDICES: (1) Draft SCM SDBIP (2) Supply Chain Management: Business System Manual

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1	2011 / 2012 SUPPLY CHAIN MANAGEMENT DEPARTMENT SDBIP												
2	RATING KEY = meets or exceeds target; Currently does not meet target; Information not available or work on hold; Original target to be amended												
3													
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	SFA 8: Good Governance and Regulatory Reform	8A	Finance	8A Ensuring enhanced service delivery with efficient institutional arrangements	Development and Implementation of Contractor Performance Management System - Phase 2	Departmental achievement as at 30 June 2011	Implemented as per Plan	Quarterly	Documentation completed	Submitted to EMT for approval	Pilot Project	Implemented as per Plan	The Contractor Performance Management System is initially implemented as a Pilot Project, and thereafter will, over a period of time, be rolled out to all Departments within the City
7	SFA 8: Good Governance and Regulatory Reform	8A	Finance	8A Ensuring enhanced service delivery with efficient institutional arrangements	Improved average turnaround time of tender procurement processes in accordance with procurement plan.	Departmental achievement as at 30 June 2011	7 weeks	Quarterly	7 weeks	7 weeks	7 weeks	7 weeks	There are 2 measures to be taken into account: (1) Tenders are believed to be completed in 8 weeks from the closing to award - this is the norm. (2) Orders are based on a norm of not having any unprocessed requisitions calculated on a 22-day working month.
8	SFA 1: Shared Economic Growth and Development	1A	Finance	1A Create an enabling environment for the economy to grow and become globally competitive	Percentage of the Rand value of Purchase orders allocated to SMME/HDI Suppliers/service providers	Departmental achievement as at 30 June 2011	55%	Annual	55%	55%	55%	55%	
9	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Maintain service excellence in quality management by compliance to ISO 9001	Departmental achievement as at 30 June 2011	100% Action Plan Completed - Accreditation and Roll out to further stores Maintain ISO9001	Quarterly	40%	60%	70%	100% Action Plan Completed - Accreditation and Roll out to further stores Maintain ISO9001	Ongoing process to maintain ISO9001
10	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Implement SCM Policy and relevant legislation	Departmental achievement as at 30 June 2011	100% implementation	Quarterly	100% implementation	100% implementation	100% implementation	100% implementation	
11	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Improved Stock turn	Departmental achievement as at 30 June 2011	5	Quarterly	4	4,5	5	5	

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.	Link to Lead Director	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
12	KEY OPERATIONAL INDICATORS (GENERIC INDICATORS):												
13	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover per Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledged that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition or staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be ≤12% throughout the financial year.
14	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. Formula: Number of unplanned absence days <u>divided</u> by the number of planned days of work <u>multiplied</u> by 100 (over 12th month rolling period)
15	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation. Formula: % spent against planned training budget.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.	Link to Lead Dir	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
16	SFA B: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	8A.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: - The time to close notifications - The closure rate of notifications The indicator is calculated as follows: 1. A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. 2. The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: Target Q1 = 3% improvement against baseline Target Q2 = 6% improvement against baseline Target Q3 = 9% improvement against baseline Target Q4 = 12% improvement against baseline 3. Measure the actual performance against the improvement target using the following formula: % of achievement = $\frac{(\text{actual}-\text{target})}{\text{target}} \times 100$ 4. Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) + 2 = % Data source is SAP Business Intelligence (BI)
17	SFA B: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male). The following job categories are excluded from this measurement: Councilors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.
18	SFA B: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Percentage reflecting Actual spend / Planned Spend.
19	SFA B: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Total actual to date as a percentage of the total budget including secondary expenditure.

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No.	Link to Lead Director	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target (by June 2012)	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
20	SFA 8: Good Governance and Regulatory Reform	88	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.
21	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.

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

Approved by Director:


LEONARD SHNAPS

Date: 12.4.11

Approved by Chief Finance Officer:


MIKE RICHARDSON

Date: 14/4/11

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CITY OF CAPE TOWN ISIXENZO SASAHLAPA SIQO KAAPETOL

DEPARTMENTAL BUSINESS PLAN

2011 / 2012

DEPARTMENT	: Treasury
DIRECTOR	: D A Valentine
Contact Person	: C Swart

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1. EXECUTIVE SUMMARY

Maintain an effective and efficient Treasury department by providing the following functions:

Accounting and Asset management, Treasury and Insurance.

2 PURPOSE AND OBJECTIVES

Vision core functions of the Department:

- 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.
- To build a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City.
- To ensure asset management is pro-active for accountability over an extensive array of assets.
- To manage the City's banking, investments, borrowings and cash flow (including municipal bond issues) in the most cost effective and efficient manner possible.
- 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.
- Increase the city's "resilience" in its service delivery process and targets.

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Who are your customers?

- Council
- Other Directorates
- Auditor- General
- External Service Providers
- General Public
- Government
- Provincial Government
- SCOPA
- RISCO
- Audit Committee
- Investors / Lenders

What are their demands/expectations?

- To sustain an affordable service delivery
- To ensure compliance with relevant legislation

Overarching aim of the Department:

- To achieve the strategic and operational objectives of the Treasury department in an efficient, effective and economic manner as well as to be compliant, report timeously and to safeguard assets.

3. LEGAL REQUIREMENTS FOR THE PLAN

- The Municipal Finance Management Act (56 of 2003)
- The Compensation for Occupation Injuries and Diseases Act (130 of 1993)
- The Road Accident Fund Act (56 of 1996)
- The Institution of Legal Proceedings against certain organs of State Act (40 of 2002)
- The Prescription Act (68 of 1969)
- National Treasury Guidelines and Regulations
- PFMA
- Accounting Standards
- Municipal Systems Act (32 of 2000)
- King III Report on Corporate Governance
- VAT Act
- Labour Relations Act
- Municipal Structures Act (117/1998)

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4. PARTNERS AND STAKEHOLDERS IN STRATEGY PLAN

Partners/ Stakeholders	Roles and Responsibilities
Council	Responsible for the approval of Policy in the City
Audit Committee	Responsible to perform an oversight role to monitor organization wide activities
SCOPA	Investigate matters referred by Council
Auditor-General	Conduct annual audit and issue audit report
External Audit Firms	Assist Auditor-General
Counterparty banks / Investors	Facilitate loans, investments and banking transactions
JSE	Facilitate Bond issues
ERP	Provision of reliable and efficient systems
External Consultants	Advisory service
Directors and line management	Ongoing interaction
Medical profession	Settlement of accounts

5. RESOURCES (Financial and Staff)

As per approved budget

6. BACKLOGS AND RESOURCE CONSTRAINTS

- Accounting Standards implementation
- COIDA Claims Settlements

7. ASSUMPTIONS AND RISKS

7.1 Assumptions

It is assumed that the management, operations and finances of the City will proceed in accordance with budgets and the IDP.

7.2 Risk Assessment

As per Departmental Risk Register and Action Plan

8. STRATEGIC ALIGNMENT TO THE IDP

8.1 The following strategic Focus Areas and Objectives in the IDP were identified –

Strategic focus area 8: Good Governance and Regulatory reform.

8.2 LINK TO PROGRAMMES

Refer Department 2011/2012 SDBIP – Appendix 1

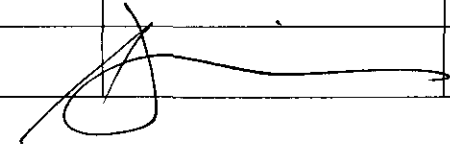
9. OBJECTIVES AND INDICATORS OF THE STRATEGY / OPERATIONAL PLAN

Refer Department 2011/2012 SDBIP – Appendix 1

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10. AUTHORISATION

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

	Name	Signature	Date
Executive Director	Mike Richardson		14/4/11
Director: Treasury	David Valentine		29/3/2010

11. APPENDICES:

Appendix 1: 2011/2012 Treasury Departmental SDBIP

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1	2011/2012 TREASURY DEPARTMENT SDBIP												
2	RATING KEY = meets or exceeds target; Currently does not meet target; Information not available or work on hold; Original target to be amended												
3													
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	SFA 8: Good Governance and Regulatory Reform	BB	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Renewal and placement of outside insurance cover	100%	100% by June 2011	Annual	N/a	N/a	N/a	100% Completion of renewal and placement of outside insurance cover	
7	SFA B: Good Governance and Regulatory Reform	8B.1	Finance	8B.1 Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	All Audit queries attended to timeously during the audit in response to the Auditor General	100%	100% Audit queries attended to	Ongoing	80%	100%	100%	100%	
8	SFA 8: Good Governance and Regulatory Reform	8B.8	Treasury	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Timeous completion of annual financial statements for 2010/11 financial year	Submitted by the set deadline	Submitted by the set deadline	Annual	Submitted	N/a	N/a	N/a	
9	SFA 8: Good Governance and Regulatory Reform	8B.8	Treasury	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Timeous completion of consolidated annual financial statements for 2010/11 financial year	Submitted by the set deadline	Submitted by the set deadline	Annual	Submitted	N/a	N/a	N/a	
10	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	VAT return submitted by 25th of each month	12 VAT returns annually by 25th of each month	12 VAT returns annually by 25th of each month	Monthly	3 VAT returns timeously submitted	6 VAT returns timeously submitted	9 VAT returns timeously submitted	12 VAT returns timeously submitted	Correct application and accounting for VAT

1400

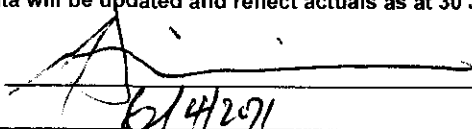
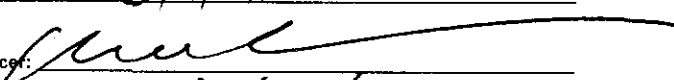
	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
11	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Provision and maintenance of a fully integrated Accounting System to provide management information with month-end reports available on target date	6 working days after month-end	6 working days after month-end	Monthly	6 working days after month-end	6 working days after month-end	6 working days after month-end	6 working days after month-end	
12	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	% Reduction in number of unreconciled accounts	100% completed	Reduction in number of unreconciled accounts	Monthly	98% of all accounts reconciled by 25th of each month for preceding month	98% of all accounts reconciled by 25th of each month for preceding month	98% of all accounts reconciled by 25th of each month for preceding month	98% of all accounts reconciled by 25th of each month for preceding month	Improved operational efficiency
13	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Readiness and fully balanced financial information as per Asset Register for disclosure in the financial statements of the City	100% verification completed	100% Completed by 30 June	Annual	Annual Target	Annual Target	Annual Target	100% Completed	Year-end closure of balanced asset register
14	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Ratio of cost coverage maintained	Achievement as at 30 June 2011	Calculation from approved budget	Annual	N/A	N/a	N/a	Calculation from approved budget	Perform calculation. Total cash and investments (short term) to monthly operating expenditure. Cash and cash equivalents refer to the short term investments and cash available as at the period ending. Operating expenditure: includes all expenditure that will be debited to the income statement for financial statement purposes in accordance with prescribed financial statement formats. It excludes capital expenditure. The mid-year calculations for expenditure are based on the actuals up to the current period plus the budget for the remaining period.
15	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Net Debtors to Annual Income [Ratio of outstanding service debtors to revenue actually received for services]	Achievement as at 30 June 2011	Calculation from approved budget	Annual	N/A	N/a	N/a	Calculation from approved budget	Perform Calculation. Net Current debtors: Is the balance of debtors that are classified as current for financial statement purposes, but excluding the short-term portion of long-term debtors. The provision for bad debts is deducted from the current debtors' balances. Provision for bad debts: Is the amount set aside as a provision in the accounting records to take into account the possible non-payment by debtors. Total Annual Operating Income: Income from all sources that will be credited to the income statement for financial statement purposes in accordance with prescribed financial statement formats but excluding conditional grants for capital expenditure, housing receipts attributable to the Housing Development Fund, new housing subsidy scheme receipts, public contributions and gains on the disposal of property, plant and equipment. The mid-year calculations for operating income are based on the actuals up to the current period plus the budget for the remaining period.

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
16	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Debt coverage by own billed revenue	Achievement as at 30 June 2011	Calculation from approved budget	Annual	N/A	N/a	N/a	Calculation from approved budget	Perform calculation. Own billed revenue to loans outstanding. Total own billed income: Income from all sources that will be credited to the income statement for financial statement purposes in accordance with prescribed financial statement formats. Total debt: Aggregate of long-term liabilities, short-term liabilities including bank overdrafts, hire purchase liabilities and finance lease liabilities but excluding trade creditors, consumer deposits, payments in advance from consumers and provisions, debt related to sinking fund investments is reduced by the investment. The mid-year calculations for own billed revenue are based on the actuals up to the current period plus the budget for the remaining period.
17	Good Governance and Regulatory Reform	8B.2	Treasury	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Facilitate Annual Credit rating review	Review completed and rating issued	Review completed and rating issued	Annual	N/a	N/a	N/a	Review completed and rating issued	A report which reflects credit worthiness of an institution to repay long-term and short-term liabilities.
18	Good Governance and Regulatory Reform	8B	Treasury	Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Successful raising of funds to support the capital budget	Successful bond/ loan funding opportunities	By June 2012	Annual	Depending on cash flow projections and diversification strategy	Depending on cash flow projections and diversification strategy	Depending on cash flow projections and diversification strategy	As per approval	Depending on the diversification strategy, and best funding opportunity to support the capital budget
19	KEY OPERATIONAL INDICATORS:												
20	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover for Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledge that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be ≤12% throughout the financial year.

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
21	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the Incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. Formula: Number of unplanned absence days <u>divided</u> by the number of planned days of work <u>multiplied</u> by 100. (over 12th month rolling period)
22	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation. Formula: % spent against planned training budget.
23	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	8A.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: - The time to close notifications - The closure rate of notifications The indicator is calculated as follows: - A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. - The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: - Target Q1 = 3% improvement against baseline - Target Q2 = 6% improvement against baseline - Target Q3 = 9% improvement against baseline - Target Q4 = 12% improvement against baseline - Measure the actual performance against the improvement target using the following formula: % of achievement = [(actual-target)/target]*100 - Calculate the performance against the target of 100% as follows: (% of achievement for Ave days to close) + (% of achievement for closure rate) +2 = % Data source is SAP Business Intelligence (81)

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
24	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male) The following job categories are excluded from this measurement: Councillors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.
25	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	8B.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	<u>Formula:</u> Percentage reflecting Actual spend / Planned Spend
26	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	<u>Formula:</u> Total actual to date as a percentage of the total budget including secondary expenditure.
27	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.
28	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.

29	The Baseline 2010/2011 data will be updated and reflect actuals as at 30 June 2011, once finalised.												
30	Approved by Director: Treasury 												
31	Date: 6/4/2011												
32													
33	Approved by Chief Finance Officer: 												
34	Date: 14/4/11												



CITY OF CAPE TOWN ISIXENQ SASAKAPA STRAALKAAPSTAD

DEPARTMENTAL BUSINESS PLAN

2011/2012

DEPARTMENT : VALUATIONS
DIRECTOR : CHRISTOPHER GAVOR

Contact Person : CHRISTOPHER GAVOR

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1. EXECUTIVE SUMMARY

The City of Cape Town levies rates on properties to part-finance its service delivery programmes. These rates are based on the market value of the properties as reflected in the City's Valuation Roll. The Valuation Department is responsible for the production and maintenance of this Valuation Roll in terms of prescribed legislation.

The Local Government Municipal Property Rates Act No 6 of 2004 requires that a general valuation roll is prepared at regular intervals and the City has chosen to prepare a general valuation roll every three years, to take care of the very dynamic nature of the property market in the City of Cape Town.

The City of Cape Town is also preparing to produce at least three supplementary valuation rolls for the 2011/12 financial year. The supplementary valuation roll is prepared to account for new properties and changes to existing properties.

2 PURPOSE AND SERVICE MANDATE OF DEPARTMENT

Vision: The Department's vision is to be a world leader in the valuations of property with a reputation for delivering impartial, accurate and understandable appraisals in a prompt and courteous manner to our communities.

Mission: The Department's mission is to continuously improve our processes, systems and the capacity of our staff to enable the City of Cape Town to sustain a just and accurate valuation roll, thereby supporting the City's vision of a sustainable and well-governed municipality

Core functions:

Maintenance of the City's property register.

Production and maintenance of the City's valuation roll

Valuation board administration

Valuation support to inform property rates modelling and budget preparation

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Direction and intent :

In order to achieve its mission the valuation department adheres to best-practices so that it exceeds statutory requirements and guidelines as well as the expectations of the City's communities.

The strategic objectives for the 2011/12 financial year are:

- Managing cost effective and accurate Supplementary Valuation Rolls
- Embed a culture of Quality Assurance and review
- Initiate planning for the 2012 general valuation
- Embed technology to support real-time processing of valuations
- Ensuring prudent financial management and accounting practices in line with national guidelines
- Implementation of personal development plans for improved service delivery

3. LEGISLATIVE IMPERATIVES:

Municipal Property Rates Act No 6 of 2004 (as amended)

Municipal Systems Act

Municipal Finance Management Act

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4. Partners and Stakeholders in the Strategy Plan (key stakeholders of the plan)

Partners/ Stakeholders	Roles and Responsibilities
Revenue Department	Consume valuation roll; Provide technical master data
Budget Department	Provide financial support; Consume valuation data for budget preparation
Strategy & Planning Department	Provide building plan data; Provide GIS and aerial photography support; Distribute valuation data spatially
Treasury Department	Consume valuation of City owned properties
Ratepayers	Participate during the public inspection / objection phase of the valuation process

5. RESOURCES (Financial and Staff)

Capital Expenditure:	R500 000
Operating Expenditure:	R45 000 000
Total staff compliment:	140
Valuation Management Team:	4
Valuation Operations:	36
Valuation Surveys & Quality:	54
Valuation Business Environment:	25
Valuation Data & Systems:	21

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6. BACKLOGS AND RESOURCE CONSTRAINTS (if applicable)

As part of the valuation initiatives to achieve real-time valuation processing the following projects have been defined:

- Outsourcing of physical inspection of about 70 000 building plans
- Investigation and elimination of historic interface transaction errors related to land status changes and sales
- Indexing and tracking of all filed building plans pending completion and valuation

7 ASSUMPTIONS AND RISKS (Cross-reference to Risk Register)

7.1 Assumptions

It is assumed that the current resources will be available and will perform at least at the same level of production.

7.2 Risk Assessment

<u>No</u>	<u>Risks</u>	<u>Action</u>	<u>Resp.</u>
1	Inability of City to deal with property growth rate	Continued focus on business improvement; Focus on personal development planning	Valuation Management Team
2	Incorrect values generated based on poor quality of data	Coherent quality control plan; Work flow implementation	Valuation Management Team

8. STRATEGIC ALIGNMENT TO THE IDP

8.1 Identify and describe the linkages to the strategic Focus Areas and Objectives in the IDP.

The strategic focus area is Good Governance and regulatory reform:

- Management of key financial and governance areas, such as, income control, cash flow, indigent support, alternative income opportunities, asset and risk management.
- Enhanced service delivery with efficient institutional arrangements

8.2 LINK TO PROGRAMMES (Programme Layout and description linked to Directorate Objective)

Programme	Key projects and initiatives	Output
Managing cost effective and accurate Supplementary Valuation Rolls	Valuation Surveys & Quality: Outsourcing of physical inspection of about 70 000 building plans; Real-time data processing of land status changes.	3 Supplementary valuations
	Valuation Operations: Real-time supplementary valuation value review and value finalisation	
	Valuation Business Environment: Improved supplementary valuation roll publication objection processing	
	Valuation Data & Systems: Improvement of supplementary valuation system functionality to support multiple supplementary valuation and objection processing	

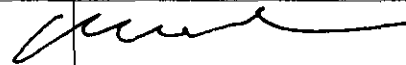
Programme	Key projects and initiatives	Output
Embed a culture of Quality Assurance and review	Valuation Surveys & Quality: Formal implementation of data quality management plan in terms of set standard for lot by lot data quality acceptance control	Improved acceptance of the valuation roll
	Valuation Operations: Formal implementation of value review plan in terms of set standard of value review and value acceptance control	
	Valuation Business Environment: Setup and implement a standard by which the quality of customer service can be improved	
	Valuation Data & Systems: Setup and implement a standard by which the quality of the support offered by the branch can be improved	
Initiate planning for the 2012 general valuation	GV Policy / Procedure to be drafted, with roles & responsibilities. Have a plan in place to address shortcomings from previous GVs to include corrective action plans, to prevent the recurrence of the shortcomings. Quantify the performance criteria to measure the quality of a GV.	GV 2012 valuation roll produced and implemented in terms of the legislative imperatives

9. OBJECTIVES AND INDICATORS OF THE DEPARTMENTAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

Attached as Appendix 1

10. **AUTHORISATION**

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

	Name	Signature	Date
Director	Christopher Gavor		14 / 04 / 2011
Executive Director	Mike Richardson		14 / 4 / 11

11. **APPENDICES:**

Appendix 1: DEPARTMENTAL SDBIP

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	A	B	C	D	E	F	G	H	I	M	Q	U	Y
1	2011/2012 VALUATIONS DEPARTMENT SDBIP												
2	RATING KEY = meets or exceeds target; Currently does not meet target; Information not available or work on hold; Original target to be amended												
3													
4	ALIGNMENT TO IDP		Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	TARGETS vs ACTUALS				General Comments
5	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate							30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	
6	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage value of budget spent on Supplementary Valuations	Achievement as at 30 June 2011	100%	Quarterly	20%	40%	60%	100%	
7	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Signed Supplementary Valuation Rolls submitted to the City Manager	Achievement as at 30 June 2011	31-May-12	Ongoing	n/a	31-Oct-11	29-Feb-12	31-May-12	
8	SFA 8: Good Governance and Regulatory Reform	8B	Finance	Management of key financial and governance areas such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Valuation Rolls published in the press	Achievement as at 30 June 2011	30-Jun-12	Ongoing	n/a	30-Nov-11	31-Mar-12	30-Jun-12	1413
9	KEY OPERATIONAL INDICATORS (KOIs):												
10	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Retention of scarce Skills as measured by staff turnover for Department	Achievement as at 30 June 2011	< 12% within skilled categories	Quarterly	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	< 12% within skilled categories	People are the City's most valuable asset. Whilst it is acknowledge that all staff performing at acceptable levels in the organisation are valuable, irrespective of their profession, specific interventions and strategies need to be applied to retain high potential individuals in scarce skills professions. This is measured by a % attrition of staff in these categories over a 12 month period against an acceptable benchmark % turnover of 12%. Formula: Total terminations as % of staff complement each month, as measured over a preceding 12 month period (i.e. 12 month rolling average). This will be limited to the following occupational categories: Legislators & senior managers, Professionals, Technicians and other professionals. Target: the staff turnover % must be ≤12% throughout the financial year

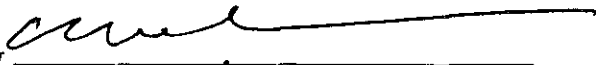
	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Dir	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
11	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Staff availability as measure by % absenteeism for Department	Achievement as at 30 June 2011	<4% (average over 12-month rolling period)	Quarterly	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	<4% (average over 12-month rolling period)	Absenteeism is defined as being absent from the workplace due to unplanned absences as a result of ill health, unauthorised absences (AWOL), injury on duty and illegal strike action. All line managers must manage employees' time and attendance with a view to reducing unplanned absenteeism to less than or equal to 4% average for the 12 month period. This is an International Benchmark. In so doing managers must apply the Time and Attendance policy, the incapacity policy and the Leave Management framework to monitor and evaluate employees' attendance and absence trends and take remedial action where required in terms of such policy. Formula: Number of unplanned absence days <u>divided</u> by the number of planned days of work <u>multiplied</u> by 100. (over 12th month rolling period)
12	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	Percentage budget spent on implementation of WSP for Department	Achievement as at 30 June 2011	90%	Quarterly	Departmental projected % spent	Departmental projected % spent	Departmental projected % spent	90%	The Workplace Skills Plan is the approved Education Training and Development plan of an organization that supports the achievements of the organization's strategic goals and operational requirements by identifying prioritized training needs and beneficiaries. Its purpose is to formally plan and allocate budget for appropriate training interventions which will address the needs arising out of the City's strategic requirements as contained in the IDP, the individual departmental staffing strategies and individual employees' Personal Development Plans and Local Government's Skills Sector Plan. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. The WPSP is a collaborative plan, involving employees and the unions in its formulation Formula: % spent against planned training budget.
13	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	8A.2 Percentage improvement of responsiveness in service delivery	New measure	100%	Quarterly	100%	100%	100%	100%	The notification system is an electronic recording system to capture service requests received from customers (internal and external). The indicator measure, the % achievement against a set improvement target, as an average of the following two components: • The time to close notifications • The closure rate of notifications The indicator is calculated as follows: 1. A Baseline is determined for each of the components using a rolling average. The source of information for this is the SAP Notification system. 2. The Target for improvement is calculated based on the baseline. The targets for improvement are as follows: - Target Q1 = 3% improvement against baseline - Target Q2 = 6% improvement against baseline - Target Q3 = 9% improvement against baseline - Target Q4 = 12% improvement against baseline 3. Measure the actual performance against the improvement target using the following formula: % of achievement = ((actual-target)/target)*100 4. Calculate the performance against the target of 100% as follows : (% of achievement for Ave days to close) + (% of achievement for closure rate) ÷2 = % Data source is SAP Business Intelligence (BI)

	A	B	C	D	E	F	G	H	I	M	Q	U	Y
	SFA & Directorate Objective No.	Corporate Scorecard Indicator No. and Lead Directorate	Link to Lead Directorate	Objective	Indicator (To include unit of measure)	Baseline 2010/11	Annual Target 2011/2012	Frequency	30 Sept 2011 Target	31 Dec 2011 Target	31 March 2012 Target	30 June 2012 Target	General Comments
5													
14	SFA 8: Good Governance and Regulatory Reform	8A	Corporate Services	8A Ensuring enhanced service delivery with efficient institutional arrangements	% Compliance with EE approved plan per directorate/department in terms of new appointments for the current financial year	Achievement as at 30 June 2011	% compliance as determined by Departmental EE plan	Quarterly	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	% compliance as determined by Departmental EE plan	This indicator measures the number of appointments across all directorates over the preceding 12 month period. Appointments are benchmarked against Statistics SA's Economically Active Population benchmark demographics for the Western Cape based on the 2001 census data. The benchmark demographics are used to measure compliance in terms designated groups i.e. (African Female, Coloured Female, Indian Female, White Female, African Male, Coloured Male, Indian Male). The following job categories are excluded from this measurement: Councilors, students, apprentices, contractors and non-employees. The indicator pertains to the current financial year.
15	SFA 8: Good Governance and Regulatory Reform	8B.3	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk	8B.3 Percentage of Capital Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Percentage reflecting Actual spend / Planned Spend.
16	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of Operating Budget spent for Department	Achievement as at 30 June 2011	95%	Quarterly	Dir/Depart projected cash flow	Dir/Depart projected cash flow	Dir/Depart projected cash flow	95%	Formula: Total actual to date as a percentage of the total budget including secondary expenditure.
17	SFA 8: Good Governance and Regulatory Reform	8B	Finance	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage of annual asset verification process completed for Department	Achievement as at 30 June 2011	100% completed by 30 June 2012	Annual	0%	0%	0%	100% completed by 30 June	The indicator reflects the percentage of assets verified annually for audit assurance. It is an internal data source being the Quix system scanning all assets and uploading them against the SAP data files. Data are downloaded at specific times and are the bases for the assessment of progress.
18	SFA 8: Good Governance and Regulatory Reform	8B	Internal Audit	8B Management of key financial and governance areas, such as income control, cash flow, indigent support, alternative income opportunities, asset and risk management	Percentage Internal Audit findings resolved for Department	Achievement as at 30 June 2011	70%	Quarterly	70%	70%	70%	70%	It is the reporting and monitoring of the reduction (in percentage) of the findings of audit follow-ups performed in the quarter. The timing for corrective action implementation is normally provided by line. Audits / follow-ups will always only take place after agreed implementation dates of corrective action. It will either be 'Not Applicable' to Management if an audit or follow-up hasn't taken place at the time of reporting or there will be a percentage change / status quo if an audit has taken place and there has been improvement / no change respectively in the situation since the last audit.

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

21 Approved by Director: Valuations 

22 Date: 14/04/2011

24 Approved by Chief Finance Officer 

25 Date: 14/4/11