

IDP CHAPTER
FOR THE
DIRECTORATE
FINANCIAL
SERVICES

1. INTRODUCTION

The Financial Services Directorate manages the financial affairs of the municipality to ensure the optimum use of all municipal assets. In essence this directorate is the protector and custodian of the public purse as it levies taxes and charges on the public, collects the taxes and charges from the public and administers the expenditure of those taxes and charges on goods, services and assets on their behalf.

The financial processes this directorate manages include budget preparation, budget monitoring, reporting, financial statements, stores/warehousing, investments, loans, valuations, rates, services, credit control and IT support.

A. SERVICE DELIVERY UNIT: HOUSING

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Administration and Finances.

Housing administration and financial management of the housing fund, repayment of housing loans and selling and letting schemes.

Overview of services provided and narrative on performance for the year

Financial management service was provided to enable the collection of and management of housing rental fees and selling scheme payments.

Reconciliations of the housing loans, selling and letting payments and housing fund were completed on a regular basis.

Assistance to customers was rendered by this section continuously.

Issuing of accounts and collection of all amounts rendered for payment.

Performance Indicators

	2004/05 Actual	2005/06 Actual	2006/07 Target
Queries of customers attended to	100 %	100 %	100 %
Accounts rendered to housing customers	100 %	100 %	100 %
Reconciliations completed	100 %	100 %	100 %

B. SERVICE DELIVERY UNIT: RATES

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Administration and Finances.

Administration of property rates register and levying of assessment rates on municipal accounts.

Continuous updating off rates register in accordance with interim valuations completed.

Overview of services provided and narrative on performance for the year

The property rates unit managed to incorporate all interim valuations finalised by the municipal valuer.

All the information received from the deeds office was incorporated in the records of the municipality.

The implementation of the various procedures resulted in an increase in the municipal valuation, land and buildings, with the subsequent increase in revenue.

Performance Indicators

	2004/05 Actual	2005/06 Actual	2006/07 Target
Percentage of registered clients billed prior to last working day of month	100 %	100 %	100 %
% of clients billed per month	65 %	65 %	65%
Owner Property register updated	Quarterly	Quarterly	MONTHLY
Months without 5+ legitimate complaints regarding incorrect accounts	12	10	12
Increase in valuation - Taxable Land	R2,9 Billion	R3,1 Billion	R3,2 Billion
Increase in valuation - Taxable buildings	R5,3 Billion	R5,7 Billion	R6,1 Billion

C. SERVICE DELIVERY UNIT: CREDIT CONTROL

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Credit Control.

The implementation and management of the approved Credit Control and Debt Management Policy and the approved Indigent Policy with the main objective to limit the increase in consumer debtors.

Overview of services provided and narrative on performance for the year

This unit provided the service through a process where the following aspects were, inter alia, addressed:

- ❖ Reporting monthly re collections and outstanding debts;
- ❖ Attending to correspondence and enquiries regularly;
- ❖ Handing over of accounts to credit control agent for collection;
- ❖ Liaising with credit control agent and attorneys and monitoring collections;
- ❖ Ensuring that disconnection of services were made as and when required; and
- ❖ Assist consumers regarding arrangements for payment
- ❖ Administration of indigent register

Performance Indicators

	2004/05 Actual	2005/06 Actual	2006/07 Target
Actual service terminations expressed as a percentage of proposed service terminations	72 %	85%	90%
Indigent applications evaluated	100 %	100%	100%
% of accounts paid	93 %	96%	98%
% of debtors handed over after 150 days	85 %	90%	90%

D. SERVICE DELIVERY UNIT: STORES/WAREHOUSING

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Administration and Finances.

The maintenance of acceptable stock levels and limiting stock surpluses and shortages to acceptable levels.

Rendering a service of high standard to all directorates.

Overview of services provided and narrative on performance for the year

This unit rendered a comprehensive service to all directorates, especially the technical directorates.

The unit succeeded in preventing stock shortages to the users, avoid unacceptable delays and maintained stock levels to acceptable levels.

The unit achieved a result regarding surpluses and shortages far above the acceptable norms.

The unit performed excellently.

Performance Indicators

	2004/05 Actual	2005/06 Actual	2006/07 Target
Value of stock at yearend	R2,642,766	R4,200,000	R6,000,000
Stock surpluses	0,04 %	0,06 %	0,10 %
Stock losses	0,02 %	0,07 %	0,10 %

E. SERVICE DELIVERY UNIT: COMPUTER NETWORK AND MAINFRAME

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Communication; Administration and Finances.

Rendering an acceptable support service to all directorates regarding internal computer network.

Rendering a support service on the financial system to all directorates, especially the Directorate Financial Services.

Overview of services provided and narrative on performance for the year

The computer network unit addressed all requests from the directorates and handled all calls lodged at the call centre by all the directorates.

This unit also managed the maintenance, development and replacement of computer equipment required on the networks.

The computer mainframe unit rendered their services in such a sufficient manner that all deadlines regarding consumer accounts, salary payments, creditor payments, budgeting documentation, financial statement preparation and statistical data capturing could be achieved.

Performance Indicators

	2004/05 Actual	2005/06 Actual	2006/07 Target
Months billing deadlines were achieved	12	12	12
Downtime percentage	0 %	0 %	0 %
Months reporting deadlines achieved	12	12	12

F. SERVICE DELIVERY UNITS: FINANCE, SALARIES, BUDGET OFFICE, FINANCIAL STATEMENTS

IDP Key Performance Areas and Objectives covered by service(s)

Governance/Administration and Finances.

The financial management of the municipality through applying financial controls, standards, formats, guidelines and principles are determined by the relevant financial legislation.

Overview of services provided and narrative on performance for the year

The following services are, inter alia, provided by these service delivery units:

- ❖ Daily receipting;
- ❖ Daily banking;
- ❖ Contract and creditor payments;
- ❖ Risk management;
- ❖ Investment management;
- ❖ Reporting to committees;
- ❖ Payment of salaries;
- ❖ Budget preparation;
- ❖ Budget control;
- ❖ Procurement management;
- ❖ Property valuation;
- ❖ Asset management;
- ❖ Policy maintenance;
- ❖ Financial statement preparation;
- ❖ Audit communications;
- ❖ Statutory reporting; etc.

Performance Indicators

	2004/05 Actual	2005/06 Actual	2006/07 Target
Months during which 100% of all monies were banked daily	12	12	12
Payment of Creditors within 30 days	100 %	100 %	100%
Months that salaries were paid on 25th or last working day prior to 25 th	12	12	12
Salary Related Deductions transferred prior to 7th of current month	100 %	100 %	100%
% of purchases reflected in asset register	100 %	100 %	90%
Asset Management: Depreciation reflected in asset register	Annually	Annually	Annually
Percentage of insurance claims settled within 90 days	95 %	95 %	95%
Number of months without unauthorised spending	12	12	12
Months General Ledger is fully balanced	12	12	12
Months bank reconciliations complete	12	12	12
Financial Statements completed	14/11/2005	14/09/2006	33/08/2007
Cash management and investment policy approved by Council	YES	YES	YES
Budget tabled by 31 March	YES	YES	YES
Budget approved by 31 May	YES	YES	YES