

**MTSF Outcome 9
FINANCIAL MANAGEMENT CAPABILITY
MATURITY MODEL (FMCMM) AND 32
FINANCIAL RATIOS
PROGRESS UPDATE**

30 MARCH 2017

MFMA Implementation

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Metros FMCMM Progress Reporting requirements

Municipality	Has the municipality developed a FMCMM action plan to address findings from the assessment	Was the action plan submitted to council	Is the action plan implemented by the municipality	How often is the action plan updated with progress to date	Is the progress reported to council
Buffalo City	Yes	No information provided (muni to update)			
Nelson Mandela Bay	Yes	No	A new FMCMM is presently being updated by the COO's office. The updated version to address the items on the current action plan		
Mangaung	No action plan in place yet. No date provided when it will be developed (muni to update)				
City of Johannesburg	No action plan in place yet. No date provided when it will be developed (muni to update)				
City of Tshwane	Yes	No information provided (muni to update)			
Ekurhuleni	In progress	No action plan in place yet (muni to update)			
Ethekwini	In progress	Will be tabled as soon as it is finalised March/April	Action plan is not finalised (muni to update)		
City of Cape Town	Yes	No	Yes	Quarterly	Progress will be reported via the Finance Transversal Committee next meeting

Metros FMCM Focus Areas

Reporting requirements

Municipality	Indicate the modules and ratios the municipality will be addressing over the next three years (2017-2019)	Critical Modules identified in the FMCM not addressed
Buffalo City	Capacity Building, Human Resources, AFS, Asset Management, ICT, Internal Audit and Reporting	All critical modules to be addressed
Nelson Mandela Bay	Human resources, Revenue Management, Risk Management, SCM, Asset Management, ICT	All critical modules to be addressed except BTO
Mangaung	No information provided	Capacity Building, Annual Reports, Compensation of employees, Grants and Transfers, Liability Management
City of Johannesburg	All the modules with weaknesses identified. The City is constantly addressing negative impact on all ratios defined as performance indicators on the City's financial development plan.	All critical modules to be addressed
City of Tshwane	Reassessed Risk Management Module and Internal audit module, but no portfolio of evidence was submitted	Annual Reports, Asset Management, and PPP
Ekurhuleni	No information provided	Compensation of employees, Grants and Transfers, ICT, SCM
Ethekwini	All modules and ratios	All critical modules to be addressed
City of Cape Town	All ratios are considered when compiling the MTREF. The modules are being addressed on a regular basis to ensure progress.	All critical modules to be addressed

Secondary Cities FMCMM Progress Reporting requirements

Municipality	Has the municipality developed a FMCMM action plan to address findings from the assessment	Was the action plan submitted to council	Is the action plan implemented by the municipality	How often is the action plan updated with progress to date	Is the progress reported to council
OR Tambo	No Information (muni to update)				
Msunduzi	Partially – Only addressing Ratios	No Information (muni to update)			
Umhlatuze	In progress	Action plan will be developed by 31 March 2017			
Polokwane	No plan developed but reassessed modules	No	No	No	No
Mbombela	Partially – Only addressing Ratios	Yes (combined plan)	Yes	Monthly	Yes, on a quarterly basis
Sol Plaatje	Yes	No	Yes	Bi -Annually	No
Rustenburg	Partially	No information (muni to update)			
Mafikeng	Yes	No	No	No date provided when plan will be implemented (muni to update)	
George	No action plan in place yet. No date provided when it will be developed (muni to update)				

Secondary Cities Focus Areas

Reporting requirements

Municipality	Indicate the modules and ratios the municipality will be addressing over the next three years (2017-2019)	Critical Modules identified in the FCMCM not addressed
OR Tambo	No information	ICT, Risk Management, Revenue Management, SCM, BTO, transfers and grants, reporting
Msunduzi	All ratios	Capacity Building, Asset Management, Risk Management
Umhlathuze	No information provided	ICT, Asset Management, SCM and budget
Polokwane	Municipality re assessed modules and resubmitted to NT. Requested the municipality to outline which areas (questions) were addressed after reassessment and submit a portfolio of evidence	All critical modules to be addressed
Mbombela	All ratios	Capacity Building, Human Resources, Internal audit, Revenue Management, Risk Management
Sol Plaatje	19 Modules and Repairs and maintenance, Debt management ratios, Distribution losses, Trade creditors, UIFW and capital expenditure	All critical modules to be addressed
Rustenburg	No information provided	Human Resources, Expenditure Management, Grants and Transfers, ICT, Internal Audit, Risk Management, SCM
Mafikeng	All modules and ratios	All critical modules to be addressed
George	No information	Capacity Building, Human Resources, AFS, Compensation of employees, Expenditure management, Risk management

Resolutions - FMCMM

- Note the contents of the presentation and the Outcome 9 Indicator;
- Municipalities to:
 - Expedite the development and implementation of the action plans to address FMCMM findings and financial ratios;
 - Review progress on action plans more frequently;
 - Submit action plan to mfma@treasury.gov.za by **14 April 2017**;
 - Report on a quarterly basis to NT a progress (next report due on **21 April 2017**);
 - Submit progress to council;
 - Submit updated modules that have been re-assessed;
 - Prioritise 2016/17 FMG allocations to address FMCMM findings and financial ratios.

Metros Ratios – 3 Year Trends

Financial Position

			Norm	Buffalo City			Nelson Mandela			Mangaung			Ekurhuleni			
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	
FINANCIAL POSITION	Asset Management/Utilisation	Capital Exp % Total Exp	10% - 20%	16%	15%	18%	19%	15%	15%	20%	20%	23%	10%	11%	12%	
		Impairment % Carrying Value	0%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		R&M % Carrying Value	8%	3%	2%	3%	4%	4%	3%	2%	3%	4%	3%	3%	3%	3%
	Debtors Management	Collection Rate	95%	94%	90%	91%	88%	90%	87%	74%	66%	75%	88%	90%	89%	
		BD W/O Prov BD	100%	52%	41%	6%	93%	64%	63%	25%	11%	56%	0%	64%	181%	
		Net Debtors Days	30 days	48 days	40 days	46 days	75 days	77 days	77 days	138 days	150 days	150 days	89 days	80 days	91 days	
	Liquidity Management	Cash / Cost Coverage	1 - 3 Months	7 Month	6 Month	5 Month	3 Month	2 Month	2 Month	0 Month	0 Month	0 Month	3 Month	4 Month	4 Month	
		Current Ratio	1.5 - 2:1	2.61	2.96	2.48	1.41	1.50	1.54	0.64	1.53	1.06	1.72	1.81	1.70	
	Liability Management	Capital Cost % Total Ops Exp	6% - 8%	3%	1%	1%	4%	4%	3%	3%	4%	4%	5%	3%	4%	
		Debt (Total Borrowings) / Revenue	45%	14%	18%	11%	27%	21%	18%	13%	26%	35%	27%	25%	18%	

			Norm	City of Johannesburg			City of Tshwane			eThekweni			City of Cape Town		
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
FINANCIAL POSITION	Asset Management/Utilisation	Capital Exp % Total Exp	10% - 20%	17%	21%	19%	17%	16%	15%	17%	17%	15%	15%	19%	15%
		Impairment % Carrying Value	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	0%
		R&M % Carrying Value	8%	2%	2%	2%	5%	5%	4%	5%	6%	5%	9%	9%	9%
	Debtors Management	Collection Rate	95%	89%	87%	88%	95%	95%	94%	97%	96%	98%	95%	95%	94%
		BD W/O Prov BD	100%	535%	213%	87%	19%	9%	7%	96%	18%	14%	75%	45%	65%
		Net Debtors Days	30 days	64 days	61 days	71 days	55 days	54 days	47 days	86 days	55 days	46 days	81 days	79 days	77 days
	Liquidity Management	Cash / Cost Coverage	1 - 3 Months	4 Month	1 Month	1 Month	0 Month	0 Month	0 Month	3 Month	3 Month	3 Month	2 Month	2 Month	2 Month
		Current Ratio	1.5 - 2:1	1.03	1.08	0.95	0.71	0.72	0.60	1.20	1.21	1.28	1.21	5.68	1.32
	Liability Management	Capital Cost % Total Ops Exp	6% - 8%	6%	7%	9%	7%	6%	6%	8%	7%	7%	4%	4%	3%
		Debt (Total Borrowings) / Revenue	45%	38%	41%	45%	45%	46%	42%	46%	43%	35%	26%	26%	22%

Metros Ratios – 3 Year Trends

Financial Performance

			Norm	Buffalo City			Nelson Mandela			Mangaung			Ekurhuleni		
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
FINANCIAL PERFORMANCE	Efficiency	Net Operating Margin	= or > 0%	13%	-4%	10%	13%	9%	8%	21%	16%	12%	7%	8%	7%
		Electricity	0% - 15%	31%	6%	N/A	11%	7%	6%	N/A	N/A	N/A	32%	33%	N/A
		Water	= or > 0%	51%	-11%	N/A	30%	4%	29%	37%	-1%	-25%	24%	26%	N/A
		Refuse	= or > 0%	N/A	21%	N/A	18%	22%	4%	78%	5%	22%	N/A	N/A	N/A
		Sanitation and Waste Water	= or > 0%	N/A	22%	N/A	11%	18%	43%	N/A	36%	17%	47%	N/A	N/A
	Distribution Losses	Electricity	7% - 10%	N/A	N/A	15%	11%	12%	13%	N/A	N/A	N/A	11%	N/A	16%
		Water	15% - 30%	N/A	N/A	41%	36%	43%	41%	19%	39%	35%	34%	N/A	31%
	Revenue Management	# of Active Consumer Accounts	None	N/A	N/A	N/A	N/A	N/A	N/A	12%	N/A	N/A	N/A	N/A	N/A
		Revenue Growth (%)	= CPI	17%	8%	10%	7%	5%	6%	37%	-4%	2%	13%	10%	8%
		Revenue Growth (%) - Excl. Cap Grants	= CPI	13%	12%	10%	6%	8%	7%	41%	-2%	-1%	11%	10%	8%
	Expenditure Management	Creditors Payment Period	30 days	59 days	39 days	70 days	95 days	85 days	88 days	113 days	75 days	114 days	77 days	76 days	100 days
		Irr Fruitless and Wasteful and Unauth Exp / Tot Ops Exp	0%	21%	44%	34%	22%	34%	24%	15%	57%	71%	4%	0%	4%
		Rem % of Tot Ops Exp	25% - 40%	26%	24%	26%	24%	27%	27%	32%	29%	32%	24%	22%	23%
		Contracted Services % of Tot Ops Exp	2% - 5%	0%	0%	0%	4%	4%	6%	5%	6%	10%	3%	3%	3%
	Grant Dependency	Cap Exp (Int gen funds + Borrowings) to Tot Cap Exp	None	13%	34%	43%	39%	44%	39%	8%	44%	44%	32%	24%	44%
		Cap Exp (Int gen funds) to Tot Cap Exp	None	13%	34%	40%	39%	44%	39%	22%	19%	0%	2%	12%	35%
Own Source Rev to Total Ops Rev		None	82%	81%	82%	73%	81%	86%	73%	75%	72%	79%	85%	84%	

			Norm	City of Johannesburg			City of Tshwane			eThekweni			City of Cape Town		
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
FINANCIAL PERFORMANCE	Efficiency	Net Operating Margin	= or > 0%	15%	9%	9%	5%	5%	7%	8%	10%	13%	6%	14%	12%
		Electricity	0% - 15%	12%	10%	8%	32%	3%	2%	14%	15%	16%	8%	8%	6%
		Water	= or > 0%	17%	23%	20%	48%	25%	56%	-2%	6%	-3%	4%	6%	6%
		Refuse	= or > 0%	18%	21%	10%	N/A	19%	7%	N/A	N/A	N/A	10%	13%	11%
		Sanitation and Waste Water	= or > 0%	N/A	N/A	N/A	N/A	2%	N/A	15%	7%	-9%	-1%	-1%	9%
	Distribution Losses	Electricity	7% - 10%	N/A	N/A	N/A	14%	16%	19%	N/A	N/A	N/A	N/A	N/A	N/A
		Water	15% - 30%	N/A	N/A	N/A	23%	21%	24%	N/A	N/A	N/A	N/A	N/A	N/A
	Revenue Management	# of Active Consumer Accounts	None	N/A	N/A	N/A	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Revenue Growth (%)	= CPI	13%	8%	6%	-7%	10%	9%	8%	20%	9%	3%	13%	10%
		Revenue Growth (%) - Excl. Cap Grants	= CPI	17%	6%	8%	6%	9%	10%	8%	20%	9%	9%	12%	12%
	Expenditure Management	Creditors Payment Period	30 days	98 days	94 days	101 days	74 days	71 days	79 days	86 days	75 days	80 days	70 days	61 days	69 days
		Irr Fruitless and Wasteful and Unauth Exp / Tot Ops Exp	0%	3%	11%	13%	2%	9%	14%	1%	0%	1%	0%	0%	0%
		Rem % of Tot Ops Exp	25% - 40%	23%	23%	23%	27%	26%	27%	28%	27%	29%	33%	30%	31%
		Contracted Services % of Tot Ops Exp	2% - 5%	6%	7%	6%	0%	0%	11%	5%	5%	5%	12%	13%	12%
	Grant Dependency	Cap Exp (Int gen funds + Borrowings) to Tot Cap Exp	None	21%	41%	72%	48%	33%	51%	45%	41%	31%	55%	54%	59%
		Cap Exp (Int gen funds) to Tot Cap Exp	None	15%	7%	32%	12%	2%	4%	9%	19%	31%	55%	13%	15%
Own Source Rev to Total Ops Rev		None	84%	91%	84%	86%	86%	85%	92%	89%	91%	91%	89%	89%	

Metros Ratios – 3 Year Trends

Budget Implementation

			Norm	Buffalo City			Nelson Mandela			Mangaung			Ekurhuleni		
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
BUDGET	Implementation	Cap Exp to Budget Impl	95% - 100%	84%	78%	85%	106%	92%	94%	81%	83%	78%	88%	80%	86%
		Op Exp to Budget Impl	95% - 100%	101%	107%	96%	93%	94%	94%	105%	117%	110%	92%	96%	94%
		Ops Rev Exp to Budget Impl	95% - 100%	95%	102%	96%	95%	98%	94%	107%	104%	91%	96%	99%	94%
		Serv Chgs and Prop Rates Rev to Budget Impl	95% - 100%	100%	100%	97%	96%	95%	96%	117%	104%	103%	95%	98%	92%

			Norm	City of Johannesburg			City of Tshwane			eThekweni			City of Cape Town		
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
BUDGET	Implementation	Cap Exp to Budget Impl	95% - 100%	102%	95%	104%	94%	94%	99%	89%	92%	93%	80%	86%	90%
		Op Exp to Budget Impl	95% - 100%	101%	96%	93%	105%	100%	94%	99%	98%	95%	97%	93%	94%
		Ops Rev Exp to Budget Impl	95% - 100%	97%	96%	94%	99%	92%	104%	98%	100%	98%	98%	102%	101%
		Serv Chgs and Prop Rates Rev to Budget Impl	95% - 100%	115%	98%	99%	98%	93%	93%	95%	99%	97%	99%	100%	102%

Secondary Cities Ratios – 3 Year Trends

Financial Position

			Norm	uMhlatuze			Polokwane			George			O.R. Tambo			Mbombela			
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	
FINANCIAL POSITION	Asset Management/Utilisation	Capital Exp % Total Exp	10% - 20%	12%	15%	13%	13%	16%	15%	15%	14%	12%	40%	25%	32%	11%	19%	20%	
		Impairment % Carrying Value	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%
		R&M % Carrying Value	8%	2%	3%	3%	1%	2%	2%	3%	3%	3%	1%	1%	2%	3%	3%	3%	3%
	Debtors Management	Collection Rate	95%	92%	97%	94%	88%	90%	90%	97%	95%	94%	65%	51%	63%	95%	77%	94%	
		BD W/O % Prov BD	100%	7%	70%	121%	10%	72%	9%	13%	34%	78%	0%	0%	13%	50%	350%	1%	
		Net Debtors Days	30 days	61 days	33 days	48 days	108 days	114 days	88 days	39 days	44 days	45 days	149 days	168 days	157 days	9 days	55 days	52 days	
	Liquidity Management	Cash / Cost Coverage	1 - 3 Months	2 Month	2 Month	2 Month	1 Month	1 Month	0 Month	4 Month	3 Month	3 Month	2 Month	4 Month	4 Month	-1 Month	-1 Month	-1 Month	
		Current Ratio	1.5 - 2:1	1.34	1.39	1.34	1.23	1.12	0.88	2.34	2.18	2.13	1.01	1.23	1.18	0.38	0.32	0.30	
	Liability Management	Capital Cost % Total Ops Exp	6% - 8%	8%	8%	7%	3%	1%	2%	7%	7%	6%	0%	0%	0%	2%	4%	3%	
		Debt (Total Borrowings) / Revenue	45%	32%	24%	21%	17%	16%	18%	48%	42%	33%	0%	0%	0%	21%	2%	22%	

			Norm	Sol Plaatje			Rustenburg			Msunduzi			Mafikeng		
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
FINANCIAL POSITION	Asset Management/Utilisation	Capital Exp % Total Exp	10% - 20%	15%	11%	9%	21%	18%	14%	9%	12%	10%	11%	7%	10%
		Impairment % Carrying Value	0%	0%	0%	0%	2%	0%	6%	0%	0%	0%	0%	0%	1%
		R&M % Carrying Value	8%	4%	5%	7%	2%	1%	1%	2%	3%	2%	3%	1%	2%
	Debtors Management	Collection Rate	95%	85%	82%	84%	85%	79%	80%	91%	104%	92%	83%	72%	71%
		BD W/O % Prov BD	100%	12%	38%	13%	3%	0%	0%	108%	19%	111%	0%	0%	0%
		Net Debtors Days	30 days	79 days	192 days	233 days	49 days	55 days	57 days	158 days	59 days	73 days	80 days	160 days	109 days
	Liquidity Management	Cash / Cost Coverage	1 - 3 Months	3 Month	2 Month	2 Month	1 Month	0 Month	0 Month	2 Month	0 Month	2 Month	1 Month	0 Month	0 Month
		Current Ratio	1.5 - 2:1	3.61	3.98	4.84	0.96	0.77	0.81	2.85	2.17	2.24	1.21	0.75	0.72
	Liability Management	Capital Cost % Total Ops Exp	6% - 8%	3%	3%	2%	1%	2%	4%	3%	3%	3%	2%	1%	2%
		Debt (Total Borrowings) / Revenue	45%	23%	14%	14%	7%	16%	18%	18%	16%	17%	0%	6%	27%

Secondary Cities Ratios – 3 Year Trends

Financial Performance

			Norm	uMhlathuze			Polokwane			George			O.R. Tambo			Mbombela		
			2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	
FINANCIAL PERFORMANCE	Efficiency	Net Operating Margin	= or > 0%	8%	5%	5%	-3%	-4%	-3%	17%	8%	7%	24%	13%	24%	-7%	2%	3%
		Electricity	0% - 15%	19%	13%	15%	23%	-4%	-7%	0%	20%	18%	N/A	N/A	N/A	14%	12%	7%
		Water	= or > 0%	1%	-25%	-8%	14%	-42%	-10%	0%	12%	15%	67%	-25%	-14%	-274%	-138%	-225%
		Refuse	= or > 0%	-8%	0%	12%	99%	-12%	-9%	0%	25%	21%	N/A	N/A	N/A	43%	-84%	-85%
		Sanitation and Waste Water	= or > 0%	-6%	24%	-4%	41%	-172%	-113%	0%	48%	35%	N/A	N/A	N/A	-249%	-253%	-101%
	Distribution Losses	Electricity	7% - 10%	10%	7%	5%	7%	14%	10%	7%	6%	7%	N/A	N/A	N/A	10%	12%	13%
		Water	15% - 30%	38%	38%	26%	41%	33%	21%	14%	16%	25%	61%	22%	42%	28%	30%	26%
	Revenue Management	# of Active Consumer Accounts	None	0%	N/A	N/A	41%	N/A	N/A	0%	N/A	N/A	N/A	3%	1%	0%	N/A	N/A
		Revenue Growth (%)	= CPI	22%	10%	-1%	15%	10%	10%	44%	-8%	14%	20%	-17%	10%	37%	26%	13%
		Revenue Growth (%) - Excl. Cap Grants	= CPI	17%	7%	-2%	8%	1%	17%	28%	0%	17%	53%	-39%	14%	19%	14%	15%
	Expenditure Management	Creditors Payment Period	30 days	62 days	60 days	104 days	34 days	49 days	37 days	40 days	41 days	47 days	30 days	109 days	113 days	125 days	78 days	79 days
		Irr Fruitless and Wasteful and Unauth Exp / Tot Ops Exp	0%	0%	0%	20%	67%	11%	5%	3%	2%	1%	204%	336%	3%	11%	50%	
		Rem % of Tot Ops Exp	25% - 40%	22%	21%	24%	21%	21%	22%	26%	28%	25%	21%	27%	30%	22%	26%	25%
		Contracted Services % of Tot Ops Exp	2% - 5%	4%	3%	4%	2%	0%	2%	19%	14%	15%	1%	2%	2%	13%	16%	16%
	Grant Dependency	Cap Exp (Int gen funds + Borrowings) to Tot Cap Exp	None	83%	45%	20%	35%	8%	19%	100%	25%	41%	14%	0%	0%	27%	19%	25%
		Cap Exp (Int gen funds) to Tot Cap Exp	None	50%	45%	20%	35%	8%	19%	95%	23%	34%	14%	0%	0%	16%	8%	19%
		Own Source Rev to Total Ops Rev	None	89%	83%	90%	73%	72%	73%	63%	80%	80%	29%	37%	37%	84%	75%	73%

			Norm	Sol Plaatje			Rustenburg			Msunduzi			Mafikeng		
			2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	
FINANCIAL PERFORMANCE	Efficiency	Net Operating Margin	= or > 0%	8%	13%	16%	15%	3%	4%	4%	1%	1%	-9%	-25%	-7%
		Electricity	0% - 15%	12%	11%	14%	14%	12%	N/A	27%	26%	N/A	N/A	N/A	N/A
		Water	= or > 0%	15%	13%	19%	16%	23%	N/A	2%	7%	N/A	15%	-51%	N/A
		Refuse	= or > 0%	7%	4%	13%	N/A	23%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Sanitation and Waste Water	= or > 0%	22%	21%	10%	89%	-19%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Distribution Losses	Electricity	7% - 10%	16%	19%	19%	8%	5%	7%	11%	14%	12%	N/A	N/A	N/A
		Water	15% - 30%	56%	55%	56%	16%	48%	49%	33%	33%	31%	28%	32%	22%
	Revenue Management	# of Active Consumer Accounts	None	0%	0%	N/A	1%	N/A	N/A	0%	0%	N/A	12%	N/A	N/A
		Revenue Growth (%)	= CPI	7%	4%	12%	27%	6%	7%	10%	13%	3%	21%	-1%	27%
		Revenue Growth (%) - Excl. Cap Grants	= CPI	5%	7%	15%	28%	13%	7%	14%	10%	5%	21%	10%	28%
	Expenditure Management	Creditors Payment Period	30 days	66 days	33 days	43 days	28 days	56 days	48 days	53 days	19 days	43 days	185 days	349 days	189 days
		Irr Fruitless and Wasteful and Unauth Exp / Tot Ops Exp	0%	1%	14%	1%	1%	110%	136%	4%	1%	6%	41%	74%	84%
		Rem % of Tot Ops Exp	25% - 40%	35%	32%	37%	14%	17%	17%	22%	22%	23%	38%	28%	36%
		Contracted Services % of Tot Ops Exp	2% - 5%	0%	0%	2%	8%	7%	4%	1%	1%	2%	0%	2%	3%
	Grant Dependency	Cap Exp (Int gen funds + Borrowings) to Tot Cap Exp	None	41%	34%	33%	94%	0%	0%	17%	22%	33%	10%	35%	12%
		Cap Exp (Int gen funds) to Tot Cap Exp	None	14%	44%	33%	73%	0%	0%	10%	22%	33%	0%	35%	12%
		Own Source Rev to Total Ops Rev	None	98%	89%	91%	70%	86%	87%	85%	79%	82%	58%	65%	65%

Secondary Cities Ratios – 3 Year Trends

Budget Implementation

			Norm	uMhlathuze			Polokwane			George			O.R. Tambo			Mbombela		
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
BUDGET	Implementation	Cap Exp to Budget Impl	95% - 100%	64%	91%	79%	55%	77%	94%	94%	86%	85%	101%	53%	68%	39%	77%	83%
		Op Exp to Budget Impl	95% - 100%	106%	111%	105%	115%	124%	109%	100%	100%	98%	76%	117%	78%	101%	105%	102%
		Ops Rev Exp to Budget Impl	95% - 100%	103%	109%	100%	109%	88%	91%	102%	101%	102%	101%	60%	67%	93%	100%	89%
		Serv Chgs and Prop Rates Rev to Budget Impl	95% - 100%	101%	102%	98%	90%	93%	97%	101%	100%	101%	56%	52%	26%	99%	99%	97%

			Norm	Sol Plaatje			Rustenburg			Msunduzi			Mafikeng		
				2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
BUDGET	Implementation	Cap Exp to Budget Impl	95% - 100%	80%	147%	84%	102%	58%	133%	63%	75%	67%	80%	89%	80%
		Op Exp to Budget Impl	95% - 100%	90%	89%	96%	101%	102%	110%	98%	106%	101%	111%	142%	105%
		Ops Rev Exp to Budget Impl	95% - 100%	98%	96%	102%	102%	100%	111%	101%	107%	96%	100%	103%	114%
		Serv Chgs and Prop Rates Rev to Budget Impl	95% - 100%	99%	99%	102%	87%	100%	91%	99%	102%	93%	79%	104%	117%

Resolutions - Financial Ratios

- MM/CFOs to table 2015/16 financial ratio results with interpretation and explanation to Council Finance Committees, MPAC and other Council meetings to inform Councillors of the status.
- These results were discussed during the mid - year budget performance assessment visits and guidance provided for actions to be taken.
- The above must result in policy amendments and resolutions to implement measures to address gaps and weaknesses effected through the 2017/18 MTREF budget;
- Municipalities should institutionalise this process by completing financial ratio analysis and submitting completed templates immediately after the release of the audited 2016/17 AFS - using the audited information These are to be submitted via email to: mfma@treasury.gov.za;
- NT will forward the 2016/17 ratio template prior the release of the AFS as a reminder to municipalities;
- Request for assistance for training on the use of the template to be submitted to above email address after municipal officials have read and applied MFMA Circular 71;
- This information must be used in all Finance Committee and MPAC training sessions to enable these Committees to monitor progress and take corrective recommendations to Council.