



GKM FINANCIAL TURNAROUND PLAN 2019/20

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Objective	Root Cause	Action	By Whom	Start Date	End Date	Resources Required	Deliverable / Key Performance Indicator
Short -Term Strategies							
Improve data integrity for accurate billing	Discrepancies in the valuation roll	Supplementary Valuation 4, to be implemented	GKM and Service Provider	Mar-19	Ongoing (due to new financial system Mscoa)		Reconciling Valuation Roll and Financial Management System and Deeds
Cost Reflective Tariffs for services	Inflation rate is used instead of cost reflective tariffs	Activity Based Costing of municipal services	Technical, Finance and Provincial Treasury	Mar-19	May-19	Service delivery departments, BTO and PT	Tariffs that cover the cost of providing the services
		Review tariffs for rates and compare with other municipalities in the region	Finance	Mar-19	May-19	Revenue Section	Competitive rates tariff
Continuous implementation of the cost containment measures	Further belt tightening is necessary the municipality is bankrupt	Scrutinize each expenditure and consider less costly alternatives: Cell phone Allowances; Fuel, 3G cards; Overtime; S&T; Trainings and workshops; Opex projects; moratorium on recruitment;	All directors	Ongoing	Ongoing	All Directors	Expenditure approval by directors to be accompanied by motivation indicating cheaper alternatives that have been considered when the request for procurement is sent to Finance

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		Advertisements;					
Provision of Free Basic Services	Indigents are not aware of the purpose of Indigent Register	Registration of Indigent Consumers; Policy Review; Awareness campaign	BTO; Office of the Mayor; Technical Services	Mar-19	Ongoing	Stationery Budget	Indigent register equals to statistics no of poor households
Improved Communication and Customer Care	No communication to community and municipal phones are not working	Expedite identification of an individual for customer care with required resources	BTO; HR and AMM	Mar-19	Jun-19	Budget for Telephone	Improved relations with ratepayers and communities
Monitoring and evaluation	There is no monitoring on financial turnaround plan	Standing item to management meetings; standing committee and council.	All Directorates	Mar-19	Ongoing	All Directorates	Proper monitoring of financial turnaround plan
Strengthening Oversight	Non-sitting of audit committee	Revive audit charter and integrate scheduled dates in the council calendar	AMM/Corporate Services	Mar-19	Jun-19	Corporate Services/AMM	Regular sittings as per council calendar

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Revenue Interdepartmental Procedures	No proper communication between different municipal departments to ensure efficient flow of information.	Prepare a Standard Operating Procedures for revenue generating Directorates	BTO/Technical Services	Mar-19	Ongoing	BTO/Technical Services	Revenue Collection Interdepartmental Procedures
Reviewed lease agreements for all GKM properties (Medium Term)	Most of GKM lease agreements expired and are not market related	Review of all GKM Lease agreements	AMM/Corporate Services/ADM Legal Services	Mar-19	Jun-19	Legal Services/AMM/Corporate Services	Increase revenue
Medium -Term Strategies							
Strengthened Partnership with DEDEAT	No partnership with sector departments	Develop special MOU for DEDEAT to get GKM out of this problem	Strategic Services/AMM/Technical and Community Services	Mar-19	Jun-20	Strategic Services	MOU with DEDEAT
Approved by-laws	By-laws are not promulgated	Promulgation of by-laws and enforcement	Corporate Services	Mar-19	Jun-20	Budget, assistance from ADM and Cogta	Implementation of by-laws
Revive Caravan Park	High expenditure of R&M with low turnover	Assessment of the status of caravan park, deployment of EPWP staff and eviction of illegal occupants	Community and Technical Services/ADM Legal Services	Mar-19	Ongoing	Community and Technical Services/ADM Legal Services	Increase revenue

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Sale of residential, serviced vacant plots	No future plans to develop these sites	Sell or lease vacant plots.	Technical Services/ BTO	Mar-19	Dec-19	Technical Services/ BTO/ Land Audit	Sale of plots that have no future development
Improved revenue on refuse services	GKM has limited and old trucks for this services and yet collection of refuse is not performed as per schedule.	Procurement of a new compactor truck through funding from DEDEAT. Follow on the engagements between GKM and BCM on fleet	Community Services and BTO/ Mayor	Mar-19	Jun-19	Community Services and BTO/Mayor	Improve refuse revenue.
Financial Assistance from Cogta and National Treasury	GKM identified as one of financial distressed municipalities.	Follow up to Cogta and National Treasury	AMM/Mayor	Mar-19	Ongoing	AMM/Mayor	Financial Assistance
Capacity	Some sections have few or no warm bodies to perform these duties	All Directorates to identify redundant staff and make recommendations of proper placement. Review of GKM organogram.	Corporate Services	Mar-19	Jun-19	Corporate Services	Improved capacity
Long -Term Strategies							

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Expand the revenue base of the municipality	Limited sources of revenue	Promote LED to enhance the existing revenue base. Identify areas of development and implement development programmes. Review LED and Agricultural Strategies. Develop Investment strategy.	Strategic Services/ AMM/ Mayor	Jul - 19	June 2022	Local Economic Development/ Environmental Affairs Economic Development Department, Amathole District Municipality/SA LGA	Identification of opportunities or bankable projects that other sectors can assist with and submit to council by July 2019
Reduced ADM Debt	Debt of R7M owed to ADM due to RDP houses billed under GKM	Continuous engagements between ADM and GKM on transfer of ownership	Technical Services /AMM/ CFO and ADM Legal	Mar-19	Ongoing	Technical Services /AMM/ CFO and ADM Legal	Reduced debt and RDP houses transferred to rightful owners.
Improved revenue on electricity services	GKM has high rate of electricity tampering which lead to high electricity losses	Installation of new smart metres with assistance of DBSA	Technical Services and DBSA	Jul - 19	June 2022	Technical Services and DBSA	Improved revenue
Improve data integrity for accurate billing (long term)	Discrepancies in the valuation roll	General Valuation and service provider has been appointed.	Service Provider and BTO	Mar-19	Sep-19	Budget of R1,2M	Reconciling Valuation Roll and Financial Management System and Deeds