

FRANCES BAARD DISTRICT MUNICIPALITY



In-Year Report of the Municipality

Prepared in terms of the Local Government: Municipal Finance Management Act No. 56 of 2003: Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009.

Monthly Budget Statement July 2012

National Treasury has provided new reporting formats for the monthly report.

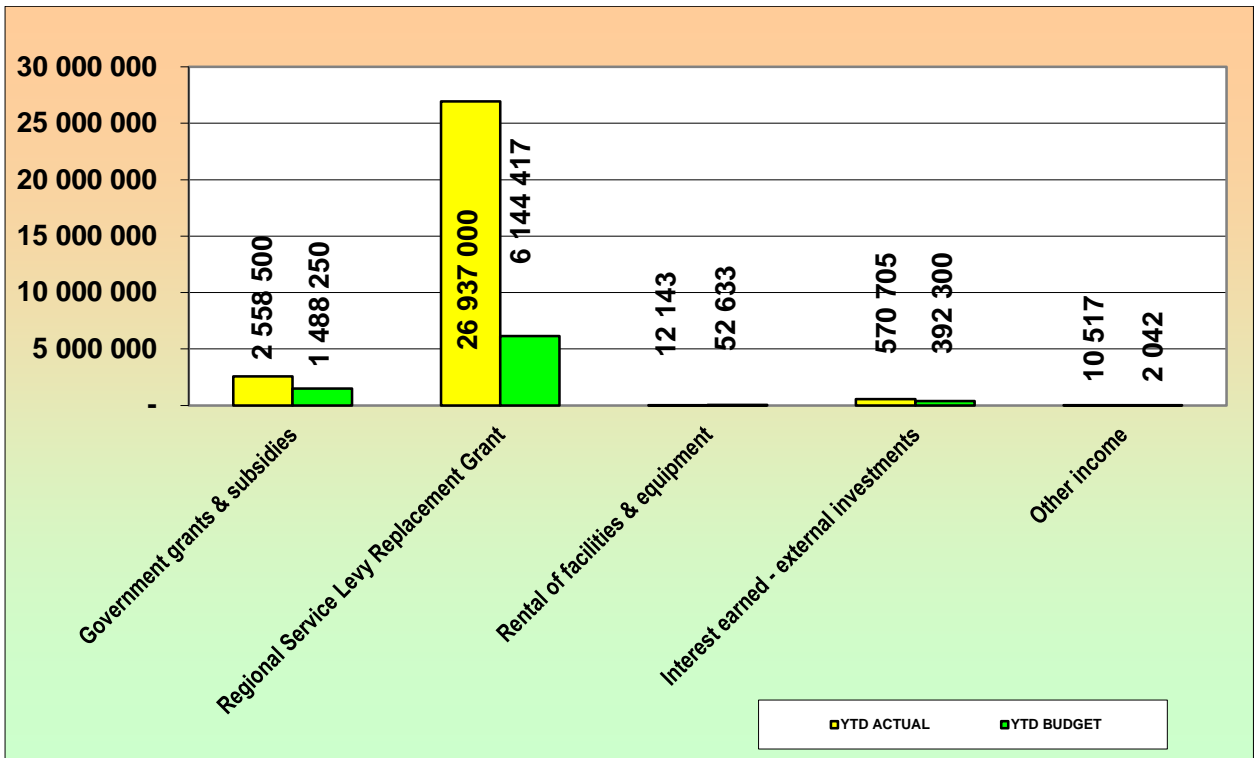
The municipality is currently busy populating the templates and the monthly report will be presented in this format as from August 2012.

1. FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	31 July 2012 R	Jun-12 R
<u>NET ASSETS AND LIABILITIES</u>		
Net Assets	117,065,185	91,078,360
Capital Replacement Reserve	5,522,089	5,522,089
Revaluation Reserve	21,243,633	21,243,633
Accumulated Surplus / (Deficit)	90,299,463	64,312,638
Non-current Liabilities	34,011,930	34,011,930
Long-Term Liabilities	11,485,678	11,485,678
Employee Benefits	22,526,252	22,526,252
Current Liabilities	21,226,132	14,812,757
Current Employee Benefits	6,024,487	6,024,487
Trade Payables	4,728,524	5,276,727
Unspent Conditional Grants and Receipts	9,140,211	2,178,633
Operating Lease Liability	-	-
Current Portion of Long-term Liabilities	1,332,911	1,332,911
TOTAL: NET ASSETS AND LIABILITIES	172,303,248	139,903,048
<u>ASSETS</u>		
Non-current Assets	47,576,930	47,576,930
Property, Plant and Equipment	46,627,375	46,552,219
Non-Current Assets Held for Sale	-	75,155
Investment Property	-	-
Intangible Assets	949,555	949,555
Financial Assets	-	-
Long-term Receivables	-	-
Current Assets	124,726,318	92,326,118
Taxes	71,780	1,173,202
Trade Receivables from Exchange Transactions	-	-
Trade Receivables from Non-Exchange Transactions	1,632,276	1,680,585
Operating Lease Asset	8,241	8,241
Inventory	320,596	349,926
Current Portion of Long-term Receivables	-	-
Discontinued Operations	-	-
Current Financial Assets	-	-
Term Deposits	3,400,000	2,900,000
Cash and Cash Equivalents	119,293,425	86,214,164
TOTAL: ASSETS	172,303,248	139,903,048

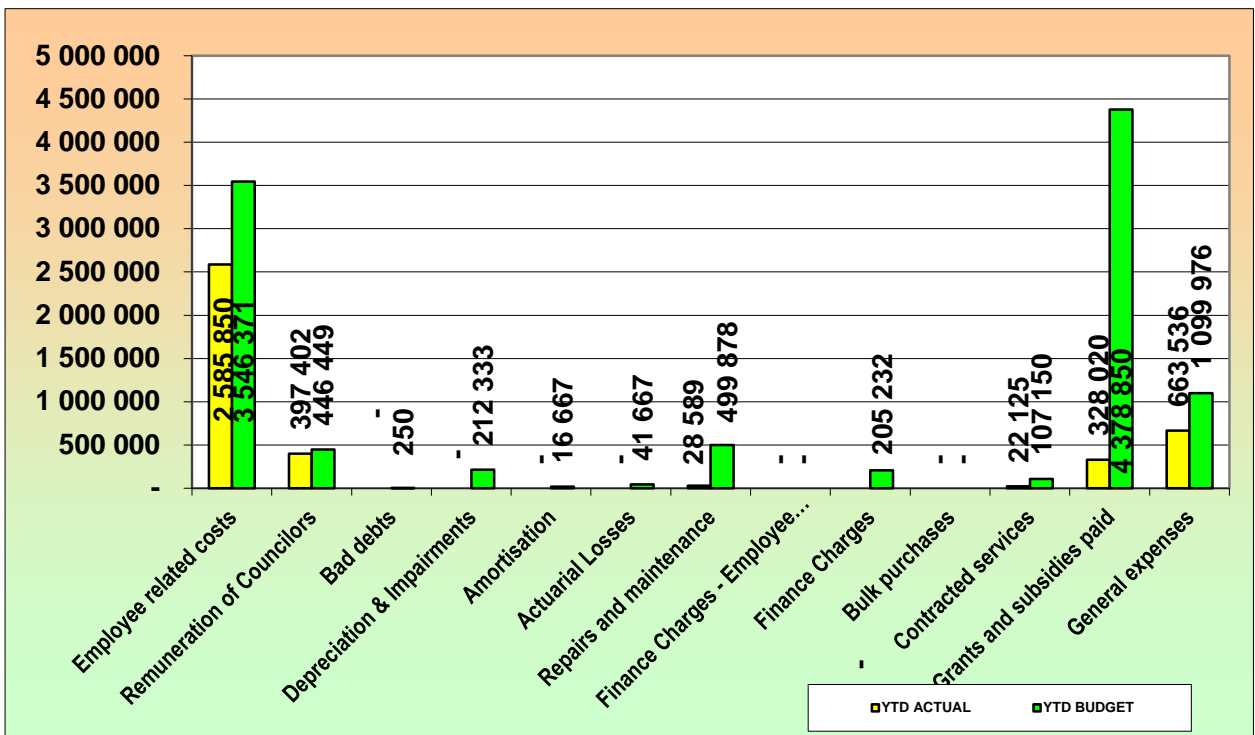
2. FINANCIAL PERFORMANCE

Revenue by Source (YTD):



The positive variance on Grants and Subsidies is mainly due to the receipt of the equitable share allocation in respect of the first quarter of the financial year.

Expenditure per classification (YTD):



For this financial year, expenditure is restricted to necessary activities per approved budget & service delivery plans, operating expenditure limit approved by Council and money that we realistically expect to collect. Adequate controls are in place to ensure that overspending does not occur.

Salaries: A summary of the actual salaries paid versus the approved budget allocation is as follows:

<i>Salaries & Allowances</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	2,983,252	3,992,820	1,009,568	25%
Councillors Remuneration	397,402	446,449	49,047	11%
Post-Service Benefits	54,392	72,018	17,626	24%
Personnel Remuneration	2,531,458	3,474,352	942,895	27%
<i>Employee Related Costs</i>	2,088,908	2,835,936	747,027	26%
<i>Social Contributions</i>	203,806	296,981	93,175	31%
<i>Compulsory Levies</i>	238,744	341,436	102,692	30%

The positive variance on budgeted remuneration is due mainly to the budgeted number of vacancies on the staff structure not filled accordingly.

Depreciation: Assets are depreciated in accordance with GRAP / GAMAP guidelines per asset type and calculated on cost, using the straight line method over the estimated useful life of assets. Asset acquisitions are included in the capital budget and are depreciated as the year progresses.

Repairs and Maintenance: Apart from standard service contracts, planned or expected maintenance costs incurred during this financial year are mainly in the area of computer software licenses renewal.

Grants and Subsidies: All project payments, whether capital infrastructure or community development in nature, whether funded internally or externally, are included.

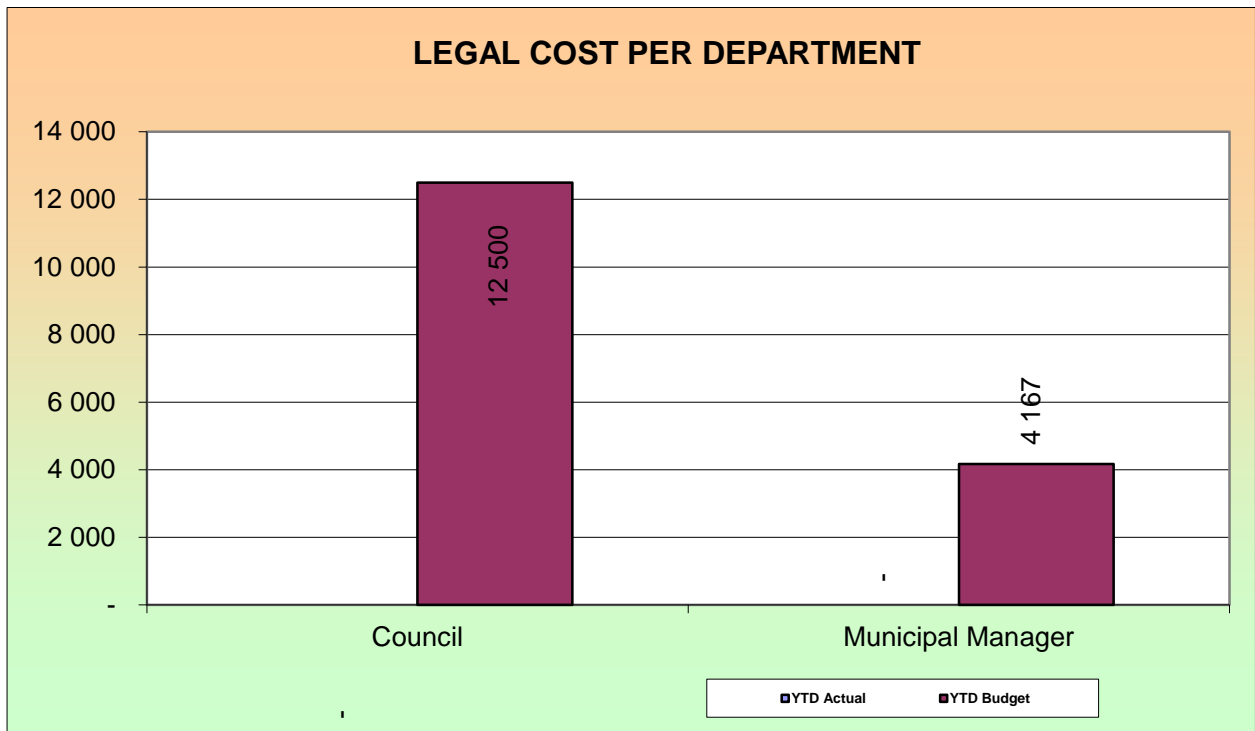
Projects that were not completed during the previous year-end have been rolled over to the new financial year for completion from the accumulated surplus / deficit or applicable unspent grant funding accounts.

Progress on actual expenditure on infrastructure and development projects, in comparison with the budget, is:

<i>Grants & Subsidies</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	328,020	4,378,850	4,050,830	93%
<i>Internal / Administration</i>	87,341	1,308,519	1,221,178	93%
<i>External Beneficiaries</i>	240,679	3,070,331	2,829,652	92%
<i>State Funded Grants</i>	240,679	2,670,331	2,429,652	91%
<i>Reserve Funded Grants</i>	-	-	-	
<i>Revenue Funded Grants</i>	-	400,000	400,000	100%

General Expenses: Actual expenses are expected to increase as planned activities per service delivery and budget plans gain momentum.

Legal Costs per Department: A summary of the actual legal costs paid versus the approved budget is as follows:



The actual spending on legal costs reflects mainly for spending needs identification. The total budget allocation for the 2012/13 financial year is R200 000.

Projected Operating Results:

Explanation regarding any significant projected positive or negative variances more than 10% versus the approved budget:

Please refer to next page

Revenue & Expenditure per classification	YTD Actual 31 July 2012	Estimated Projection: 2012/13	Approved Budget 2012/13	Projected Variance R	Projected Variance %
REVENUE BY SOURCE:					
Interest Earned - External Investments	570,705	4,707,600	4,707,600	-	0.00%
Interest Earned - Outstanding Debtors	-	-	-	-	-
Other	10,517	24,500	24,500	-	0.00%
Rental of Facilities & Equipment	12,143	631,600	631,600	-	0.00%
Income for Agency Services	-	-	-	-	-
Government Grants & Subsidies	2,558,500	17,859,000	17,859,000	-	0.00%
Regional Service Levy Replacement Grant	26,937,000	73,733,000	73,733,000	-	0.00%
Transfers From Reserves	-	-	2,214,680	2,214,680	-
Gain on disposal of property plant and equipment	-	80,000	80,000	-	0.00%
Total Revenue:	30,088,865	97,035,700	99,250,380	2,214,680	7.36%
EXPENDITURE PER VOTE:					
Executive and Council	1,375,554	17,407,914	19,486,720	2,078,806	11.94%
Council	929,914	11,210,224	8,968,010	(2,242,214)	-
Office of the Municipal Manager	445,640	6,197,690	10,518,710	4,321,020	-
Finance & Administration	1,133,136	22,222,775	35,315,990	13,093,215	58.92%
Budget & Treasury Office	484,859	13,261,135	18,251,860	4,990,725	-
Corporate Services	648,277	8,961,640	17,064,130	8,102,490	-
Planning & Development	1,019,152	44,638,584	52,025,180	7,386,596	16.55%
Planning & Development	519,725	10,930,318	16,416,570	5,486,252	-
Technical Services	499,427	33,708,266	35,608,610	1,900,344	-
Health	114,980	2,316,255	3,000,040	683,785	22.79%
Community & Social Services	-	-	-	-	-
Public Safety	190,239	2,307,868	4,598,740	2,290,872	49.82%
Housing	192,461	2,790,311	4,154,320	1,364,009	32.83%
Total Expenditure:	4,025,522	91,683,707	118,580,990	26,897,283	22.68%
Transfer to Capital Replacement Reserve	-	1,185,000	1,185,000	-	-
Prior year Revenue & Expenditure	-	-	-	-	-
NET OPERATING RESULT:- SURPLUS / (DEFICIT)	26,063,344	4,166,993	(20,515,610)	(24,682,603)	

EXPENDITURE PER VOTE:

Interim results per approved business plans and budget for the financial year under review:

- **Executive and Council:**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **Finance & Administration:**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **Planning & Development:**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.

- **Spatial Planning**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **GIS**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **Local Economic Development**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **Tourism**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **Project Management & Advisory Services**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **Health:**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **Public Safety:**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.
- **Housing:**
Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.

EXPENDITURE ON SPECIAL PROJECTS PER VOTE:

● **Council & Executive**

	YTD Actual	Budget	% Spending	Remarks
<u>Committee & Administration Services</u>				
Youth Unit Special Pr	-	400,000	0.00%	
Commemorative Days	9,381	200,000	4.69%	
Total	9,381	600,000	1.56%	
<u>Communications</u>				
GFS System	-	10,000	0.00%	
External Survey	-	400,000	0.00%	
Branding	-	50,000	0.00%	
PAIA Management	-	15,000	0.00%	
Total	-	475,000	0.00%	

- **Finance & Administration**

	YTD Actual	Budget	% Spending	Remarks
<u>Finance: Directorate</u>				
Operation Clean Audit	-	290,000	0.00%	
Financial System Support	-	200,000	0.00%	
GRAP Compliance Assets: Dikgatlong	-	700,000	0.00%	
FMG - AFS Quality Control & GRAP Compliance	-	80,000	0.00%	
FMG - Staff Benefits	-	70,000	0.00%	
Total	-	1,340,000	0.00%	
<u>Finance: Budget Office</u>				
Capacity Building & BTO Operation	-	200,000	0.00%	
Total	-	200,000	0.00%	

	YTD Actual	Budget	% Spending	Remarks
<u>Information Communication & Technology</u>				
ICT Governance Framework	-	380,000	0.00%	
ICT Shared Service Methodology	-	480,000	0.00%	
ICT District Forum Meetings	-	12,000	0.00%	
Total	-	872,000	0.02%	

	YTD Actual	Budget	% Spending	Remarks
<u>Human Resource Management</u>				
Employee Assistance Programme	2,641	100,000	2.64%	
Employee Wellness	26,804	600,000	4.47%	
Total	29,445	700,000	4.21%	

- **Environmental Health**

	YTD Actual	Budget	% Spending	Remarks
<u>Environmental Health</u>				
Health - Project 1	-	500,000	0.00%	
Recycling Project Equipment	-	200,000	0.00%	
Awareness Programme - Sanitation	-	9,000	0.00%	
Implementation of Recycle Project	-	50,000	0.00%	
Air Quality Projects	-	315,000	0.00%	
Purchase Refuse Bags	-	40,000	0.00%	
Total	-	1,114,000	0.00%	

- **Planning & Development**

	YTD Actual	Budget	% Spending	Remarks
<u>Planning & Development Directorate</u>				
Phokwane Town Planning	-	300,000	0.00%	
Review of Institutional Data Cleansing	-	400,000	0.00%	
Air Quality Management	-	300,000	0.00%	
Total	-	1,000,000	0.00%	
<u>IDP / PMS Management</u>				
IDP Steering Committee Meeting	-	8,000	0.00%	
IDP Project	-	39,000	0.00%	
Total	-	47,000	0.00%	

	YTD Actual	Budget	% Spending	Remarks
<u>LED</u>				
LED Call Centre - Magareng	-	40,000	0.00%	
LED SMME Development	-	400,000	0.00%	
LED SMME Registration	-	50,000	0.00%	
LED Know your Region	-	75,000	0.00%	
LED Promotion of SMMES	14,922	170,000	8.78%	
LED Emerging Farmer Support	-	216,000	0.00%	
LED Small Miner Support	-	148,000	0.00%	
LED Road Building Project (EPWP)	-	10,000	0.00%	
LED EPEP Support	-	15,000	0.00%	
LED Agency	-	70,000	0.00%	
LED Craft Project	-	87,000	0.00%	
10/11: LED Entrepreneurship Programme	21,072	200,000	10.54%	
LED Bokomoto Project - Dikgatlong	-	140,000	0.00%	
LED Phokwane Processing Plant	-	80,000	0.00%	
LED EXPO	-	472,000	0.00%	
LED Bio-Mass Dikgatlong	-	20,000	0.00%	
LED Richie Incubation Centre	-	200,000	0.00%	
Kimberley HUB	-	300,000	0.00%	
LED Develop Incentive Policies	-	38,200	0.00%	
LED Funding Applications	-	39,000	0.00%	
LED Coordinating Structures and Forums	-	76,000	0.00%	
Total	35,993	2,846,200	1.26%	

	YTD Actual	Budget	% Spending	Remarks
<u>TOURISM</u>				
Diamonds & Dorings Support	-	300,000	0.00%	
Tourism Contribution - NCTA Support	-	135,000	0.00%	
N12 Promotion	-	50,000	0.00%	
Wildebeeskuil Rock Art Support	-	100,000	0.00%	
N12 Treasure Route Support	-	20,000	0.00%	
Tourism Business Plan Competition	-	50,000	0.00%	
Tourism Audit & Database	-	158,100	0.00%	
Indaba Trade Expo	-	170,000	0.00%	
Tourism website	-	52,700	0.00%	
Tourism Route Feasibility & Business Plan	-	210,800	0.00%	
Tourism Advertising & Promotion	-	126,480	0.00%	
TOUR - Association	-	6,330	0.00%	
FBDM Arts & Craft Centres	-	100,000	0.00%	
Tourism Marketing Brochure	-	84,320	0.00%	
Total	-	1,563,730	0.00%	

	YTD Actual	Budget	% Spending	Remarks
<u>GIS</u>				
GIS Capture Water Infrastructure	-	347,000	0.00%	
Corporate GIS Phase 2	-	500,000	0.00%	
Financial Data Cleansing	-	425,000	0.00%	
Total	-	1,272,000	0.00%	

	YTD Actual	Budget	% Spending	Remarks
<u>Spatial Planning</u>				
Surveying of Erven - Dikgatlong	-	332,010	0.00%	
Zoning Scheme - Phokwane	-	490,500	0.00%	
Registration of Title Deeds - Dikgatlong	-	168,640	0.00%	
Total	-	991,150	0.00%	

	YTD Actual	Budget	% Spending	Remarks
<u>HOUSING</u>				
Housing Consumer Education	-	42,000	0.00%	
Housing Field Workers	12,523	208,920	5.99%	
Housing Sector Plans	-	620,000	0.00%	
Housing Plans	-	40,000	0.00%	
Housing Strategy	-	250,000	0.00%	
Housing Steering Committee Meetings	-	8,500	0.00%	
Total	12,523	1,169,420	1.07%	

	YTD Actual	Budget	% Spending	Remarks
<u>PROJECT & ADVISORY SERVICES</u>				
District Technical Forum Meetings	-	5,600	0.00%	
EQS - Projects	180,483	7,391,000	2.44%	
Magareng: Maintenance Street & Stormwater	60,196	-		
EQS - EPWP	-	1,000,000	0.00%	
Other Prov - EPWP: Bush Clearance	-	106,970	0.00%	
Farm Dwellers	-	250,000	0.00%	
REVF Water & Sewer Networks - Warrenvale	-	20,000,000	0.00%	
REVF Dikgatlong: Water Treatment Works	-	1,412,000	0.00%	
Maloof Skatepark-Ablution Blocks	-	500,000	0.00%	
Total	240,679	30,665,570	0.78%	

• **FIRE FIGHTING / DISASTER MANAGEMENT**

	YTD Actual	Budget	% Spending	Remarks
<u>FIRE FIGHTING / DISASTER MANAGEMENT.</u>				
Fire Fighting Volunteers Training	-	45,000	0.00%	
Fire Fighting Volunteers Stipend	-	19,000	0.00%	
Fire Fighting Volunteers Deploy	-	6,000	0.00%	
Fire Fighting Volunteers Training Catering	-	21,000	0.00%	
Contingency Fund	-	185,000	0.00%	
Review of Disaster Management Plan	-	400,000	0.00%	
Disaster Management Forum	-	8,000	0.00%	
NEAR Projects	-	151,630	0.00%	
Total	-	835,630	0.00%	

Projected Capital Expenditure Results:

A detailed projection of capital expenditure per vote as well as variances reflected in rand value and / or percentage follows:

Capital Expenditure per vote	YTD Actual	Estimated Projection: 2012/13	Approved Budget 2012/13	Projected Variance R	Projected Variance %
<u>CAPITAL EXPENDITURE PER VOTE:</u>					
Executive and Council	-	126,800	126,800	-	0.00%
Council	-	1,400	1,400	-	-
Office of the Municipal Manager	-	125,400	125,400	-	0.00%
Finance & Administration	-	3,235,270	3,235,270	-	0.00%
Budget & Treasury Office	-	1,826,000	1,826,000	-	0.00%
Corporate Services	-	1,409,270	1,409,270	-	0.00%
Planning & Development	-	333,500	333,500	-	-
Planning & Development	-	121,500	121,500	-	0.00%
Technical Services	-	212,000	212,000	-	0.00%
Housing	-	642,700	642,700	-	0.00%
Health	-	3,000	3,000	-	0.00%
Community & Social Services	-	-	-	-	0.00%
Public Safety	-	4,672,000	4,672,000	-	0.00%
Total Capital Expenditure:	-	9,013,270	9,013,270	-	0.00%

Variances based on actual expenditure trends will be analysed in order to provide more realistic expenditure projections as from August 2012.

Grant Funding:

External funding account balances reflect transfers to revenue adequate to cover the relevant operating or capital expenditure for which the funds have been received.

Grant funding is reflected as unspent grants where relevant, with revenue transferred to the income statement as expenditure is incurred.

A summary of grant fund movements is set out below:

EXTERNAL FUNDING	Balance Fwd	Received	Applied	Balance
Equitable Share	-	36,434,000	29,283,679	7,150,321
Financial Management Grant	-	-	-	-
Municipal Systems Improvement Grant	-	-	-	-
Municipal Infrastructure Grant	-	-	-	-
DWAF - Sanitation (Mvula Trust)	-	-	-	-
Expanded Public Works Program Grant	-	-	-	-
NCPA - Housing Accreditation Grant	713,191	-	188,743	524,449
District Aids Council	-	-	-	-
NEAR Control Centre	569,000	-	-	569,000
Firefighting Equipment	723,364	-	-	723,364
SETA Skills Grant	-	23,079	23,079	-
Vuna Awards	-	-	-	-
NC TOURISM	-	-	-	-
EPW: Lerato Park	106,969	-	-	106,969
Environmental Health Recycling Project	66,108	-	-	66,108
Koopmansfontein Self Build Scheme	-	-	-	-
Total	2,178,633	36,457,079	29,495,500	9,140,211

Please refer to next page

3. CASH AND INVESTMENT

CASH FLOW REPORT	30-Jun-12	Jul-12
OPERATING FLOWS	(72,569,165)	(2,877,817)
- Salaries, wages and allowances	(39,008,535)	(3,202,899)
- Cash and creditor payments	(37,099,388)	(2,619,946)
- Statutory Payments (incl VAT)	(5,868,067)	(511,063)
- Other payments	-	-
- Revenue receipts	(2,649,889)	-
- Statutory Receipts (incl VAT)	5,407,505	3,456,091
- Capital payments	3,738,129	-
- Other revenues	2,911,080	-
INVESTMENT FLOWS	(13,000,000)	(33,500,000)
- Investments made-OUT	(117,000,000)	(34,000,000)
- Investments redeemed	104,000,000	500,000
FINANCING FLOW	85,655,176	36,457,079
- External loans repaid	(1,367,409)	-
- External loans received	-	-
- Utilisation of Overdraft Facility	-	-
- Grants and subsidies	87,022,585	36,457,079
Nett Cash Generated from operating activities	86,012	79,262
Increase / (Decrease) in investment activities	13,000,000	33,500,000
Nett increase / (Decrease) in cash and cash investments	13,086,012	33,579,262
CASH AND CASH EQUIVALENTS		
Balance at the end of the Year	89,114,164	122,693,425
Balance at the beginning of the Year	76,028,152	89,114,164
Net increase / (Decrease) in cash and cash equivalents	13,086,012	33,579,262

Cash Flow Statement

Cash flow for the period ended 31 July 2012 reflects a positive amount of R33.5m as a result of receiving Equitable Share Grant in advance for first quarter ending 30 September 2012.

Cash Balances:

The following bank and investment balances were held at the reporting date:

Bank Statement			+	3,038,964
Plus: Unreconciled Cheques				193,452
Plus: Unreconciled ACB				55,386
Minus: Cancelled Cheques				
Plus: Unreconciled Deposits				
Minus Unreconciled Direct Payments				
Salary Payments				
Creditors Payment				
Investments				
Cash Book Balance			+	2,790,125
			-	
Adjusted Cash Book Balance			+	2,790,125
* None > 3 Months				
SURPLUS CASH INVESTED				
Absa				21,750,000
Standard Bank				39,750,000
First Rand				20,750,000
Nedcor				34,750,000
Standard Bank[Leave reserve Due 30 June 2013]				2,900,000
Total Cash Investments				119,900,000
Petty Cash float				3,300
Total Cash on Hand				122,693,425

Surplus cash is invested at approved banking institutions in accordance with current cash and investment policy.

4. REVENUE AND DEBT COLLECTION MANAGEMENT

- ***Sundry Debtors:***

Council's debtors consist of three main groups, namely:

- Provincial or Local government bodies for services rendered to or on behalf of these bodies,
- Ex-employees entitled to post-service benefits,
- Other entities by way of service delivery for which costs are to be recovered.

Matters reported below are in respect of debts outstanding in excess of 90 days on the effective reporting date.

- ***Provincial and Local Government - Department of Roads***

Dikgatlong Municipality is in arrears with an amount of R1750.71 for free basic electricity and street lights which the District Municipality previously paid to Eskom for Koopmansfontein indigent households.

- ***Post-Service Benefits***

Debtors are being managed in terms of the approved credit control policy. No significant difficulties are evident at present. Management of these debtors has improved with the aggressive application of the credit control policy. A large portion of the post-service benefits will be recovered from Department of Roads and Public Works and the matter will be finalized in due course.

- ***Sundry Debtors***

No difficulties are experienced due to the fact that strict credit control procedures are applied in terms of Council's Credit Control Policy. The only outstanding debts reflected for more than 90 days as at 31 July 2012 is Department of Transport, Roads and Public Works R490 059.17 and R247 301.91 for furniture of the Council house, Jansen van Vuuren R5 002.90 for crashing into the main entrance gate and Department of Health R1710.00 for hiring of the Lecture Rooms.

Debts are continuously monitored and reviewed and adequate controls are in place according to approved policies.

The DMA has fallen away, transfer of the assets, revenue and expenditure linked to this occurred in October 2011.

5. EXPENDITURE MANAGEMENT

The expenditure section continued to administer, manage, assess and improve creditors, salaries and sundry payments subject to internal prescriptions.

Salary Payment:

Salary payments are under adequate control and take place according to approved policies and agreement in terms of the Bargaining Council.

Salary increases for staff have not been implemented as a result of the unions disputing the 6.5% offered by SALGA.

Trade Creditors:

Council purchases and payments to creditors are under adequate control. There are no orders and invoices that are more than 30 days old and unpaid.

Please refer to next page

PAYMENTS	
Total value of all payments	R 30,438,082
Electronic transfers	186
Cheques issued	26
STORES	
Value of Stores issued	29,330
SALARIES	
Number of salary beneficiaries	179
Councillors	25
Employees	151
Pensioners	3
Total remuneration paid	
	2,576,123
Councillors	379,378
Employees	2,190,568
Pensioners	6,178

Expenditure controls are continuously being re-evaluated and tightened up to allow closer monitoring of daily purchases, order transactions and the extension of budgetary control over departmental activities.

6. Supply Chain Management:

Although council adopted a new procurement policy effective from 1 January 2008 a number of issues still impact negatively on the effective implementation of the mentioned policy. The following are some of the issues that still need attention in order to ensure full compliance as stipulated in the policy:

- The development and implementation of a new centralized procurement procedure has started and is in line with the SCM policy. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.
- Amendment and procedures with regard to the tender committee system (Specification, Evaluation and Adjudication Committees) still needs attention. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.
- Putting systems in place to monitor and report on supply chain management as required per approved policy has started as from 1 April 2008. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.

As Council reserves its right to maintain oversight over the implementation of the Supply Chain Management Policy and is empowered to make Supply Chain policy within the ambit of the applicable legislation, the following is hereby reported as stipulated in the SCM policy for the period July 2012.

Implementation of the Approved Supply Chain Management Policy:

The approved Supply Chain Management Policy of 30 November 2005 as amended on 27 November 2007 is implemented and is maintained by all relevant role players as from 01 April 2008.

Implementation of the Supply Chain Management Process:

- Supply Chain Management Training

No training was offered or attended by supply chain management personnel.

- Demand Management

Bids and quotations were invited in accordance with the Supply Chain Management Policy. Bid documents used were customised, standard bid documents prescribed by National Treasury. All preconditions were enforced during the opening of bids including the verification on Tax Clearance Certificates issued by SARS.

- Acquisition Management

For the period of July 2012, two contracts (R200 000+) were awarded by the Bid Adjudication Committee.

1. Access Control System: ITEC NC – R450 000 including VAT
2. Insurance Cover: Lateral Unison – R157 492 including VAT over 3 years

For the period of July 2012 one written price quotation (R30 000-R200 000) was awarded by the Acting Municipal Manager.

1. Actuarial service- Arc Actuarial Consulting – R38 190.00 including VAT

The value of orders issued for the period ending 31 July 2012 total R567 450.72 (*See Annexure "A"*)

Orders per department

Council and Executive	R51 005.96
Municipal Manager	R177 013.91
Finance	R138 511.98
Administration	R132 861.28
Planning and Development	R24 286.00
Technical Service	R26 711.34
Stores	R17 000.25

- Disposal Management

No disposals for July 2012

- Deviations

No deviation was approved by the Acting Municipal Manager

- Issues from Stores

Total orders issued R29 330.41

Issues per department

Council and Executive	R2 321.28
Municipal Manager	R3 102.57
Finance	R2 061.32
Administration	R17 251.96
Planning and Development	R1 917.01
Technical Service	R2 676.27

- List of accredited service providers

The supplier's database is updated daily and the database is amended to make provision for the MBD4 and MBD9 forms as required by the Auditors General's report.

Internal Provisions:

Council has internal liabilities related to personnel bonuses, performance bonuses, leave, post-employment health care, pension and long service awards provisions. These liabilities are adequately provided for and are included under Provisions in the Statement of Financial Position and these provisions are properly backed by cash reserves where applicable.

ASSET AND RISK MANAGEMENT

Insurance:

All Council assets are adequately insured with Lateral Unison for a period of three (3) years period. The insurance portfolio / costing was reviewed and implemented in July 2012.

Asset Inventory:

TAT I-Chain Asset Management System has been implemented. The next asset stock take is scheduled for the last week of September 2012 as per requirement of Councils' Asset Management Policy.

Information Backup:

All shared data on the internet system (*O & P drives only*) is backed up on the server with a further daily tape backup kept on the premises. System users are responsible for ensuring that data backup and maintenance is carried out with regard to their specific usage. General ledger and associated financial system data is backed up on the network server tape system.

The implementation and use of the new "e-Venus" financial system has started on 1 July 2009 with minor hiccups, but the problems identified are being attended to. A daily backup is done as well as a day end procedure to integrate the day's transactions. On the last working day of each month a monthly calendar and financial (a few days after month end to accommodate financial transactions pertaining to the month closed) backup and integration including closing of votes and opening thereof in the new month is done.

The Blueprint System has been fully implemented. The system is an aid to managing projects. Monitoring is enhanced and implementation of projects is accelerated. Because each project has been allocated with different vote numbers, each manager will be responsible for monitoring and reporting on the progress of projects within the ambit of his/her department. This is a total deviation as to the management of projects in the past.

Motor Vehicles - Utilization Statistics:

Council operates a pool of 20 vehicles as part of its routine activities.

Statistical information regarding the year-to-date utility for July 2012 is as follows:

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Year End Km Reading	Current Km Reading	YTD Utility
1	Mercedes Benz	Council	2006	FBDM 1 NC	150,000	9/30/2012	144,741	151,219	6,478
2	Citi Golf	Pool	2005	BSM 014 NC	90,000	4/30/2013	84,222	84,795	573
3	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	210,000	4/30/2013	202,504	203,877	1,373
4	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	60,000	9/30/2012	50,031	53,596	3,565
5	Chevrolet Opel Corsa	Disaster Management	2010	CBY 227 NC	30,000	9/30/2012	26,446	27,935	1,489
6	Chevrolet Captiva	Pool	2011	CDM 296 NC	30,000	11/30/2012	20,388	22,659	2,271
7	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	165,000	7/31/2012	156,944	158,287	1,343
8	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	150,000	4/30/2013	148,190	150,035	1,845
9	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	105,000	4/30/2013	100,571	103,516	2,945
10	Toyota Corolla	Pool	2009	BZP 439 NC	75,000	9/30/2012	73,235	75,196	1,961
11	Toyota Corolla	Pool	2009	BZP 440 NC	75,000	9/30/2012	63,210	65,635	2,425
12	Toyota Condor	Tourism Centre	2001	BLR 461 NC	200,000	6/30/2013	191,842	192,977	1,135
13	Isuzu 2.4	Housing	2009	CBD 761 NC	60,000	2013/02/29	32,138	57,967	25,829
14	Toyota Corolla	Pool	2008	BXL 799 NC	120,000	2013/02/29	116,888	118,539	1,651
15	Nissan LDV	Community Development	2006	BVC 831 NC	120000	7/31/2012	117,594	118,378	784
16	Ford Bantam	Finance	2004	BRD 836 NC	90000	1/31/2013	81,748	81,967	219
17	Toyota Hilux	PMU	2004	BRF 837 NC	130000	2013/02/29	120,075	120,247	172
18	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	15000	9/30/2012	13,525	13,919	394
19	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	15000	9/30/2012	1,703	11,785	10,082
20	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	165000	2013/02/29	159,725	160,075	350
YEAR TO DATE UTILITY - FULL FLEET									66,884

Motor Vehicle: Operating Cost

The actual operating costs of Council motor vehicles incurred for the year to date as required in terms of the newly adopted motor vehicle fleet policy are set out below:

VEHICLE OPERATING COST	ACTUAL	BUDGET	VARIANCE	VAR %
Depreciation: Motor Vehicles	-	45,833	(45,833)	-100.00%
Motor Vehicle Cleaning	702	8,037	(7,335)	-91.27%
Cleaning Motor Vehicle Fleet	-	83	(83)	-100.00%
Insurance	5,365	4,813	552	11.48%
Motor Vehicle Usage	1,185	1,213	(28)	-2.33%
MV Administration Levy	-	1,667	(1,667)	-100.00%
Fuel	-	41,667	(41,667)	-100.00%
Licence	900	1,054	(154)	-14.62%
Repairs and Maintenance	583	12,713	(12,130)	-95.41%
Tyres	-	5,250	(5,250)	-100.00%
TOTAL	8,735	122,330	(113,595)	-92.86%

- *Motor Vehicle Damage Report*

Toyota Corolla, registration number BZP 440 NC was involved in an accident on the road approximately 22km away from Postmasburg on 22 July 2012. The responsible official lost control of the vehicle. The back and front bumper, lights, roof top, bonnet, back and front windscreens has been damaged. The incident has been reported to the asset management unit and to the insurance company.

Motor Vehicle Tracker System

A new vehicle tracker system was installed on 22 December 2010 in all council's pool vehicles by Altech Netstar. A presentation of the system by Altech was done during the joint management meeting held on 18 February 2011. All staff has been briefed about the system.

7. FINANCIAL REPORTING AND BUDGETING

Budget Process:

The draft budget process plan in respect of the 2012/13 financial year has been submitted to the Executive Mayor for approval on 17 July 2012 and has also been given to National Treasury.

Monthly Reporting

Monthly financial reporting as per DoRA and MFMA requirements to Council, National & Provincial Departments and other stakeholders have been adequately adhered to for the month under review.

Financial Statements for the Year-ended 30 June 2011

The Annual Financial Statements for the year ended 30 June 2012 will be submitted to the Audit Committee and to the Auditor General on or before 31 August 2012 for Auditing. Audit Committee meeting is scheduled for 30 August 2012 to review and give input on the submission of the 2011/12 Financial Statements.

MFMA IMPLEMENTATION OVERSIGHT

Council's progress on the implementation of the MFMA proceeds according to set targets and due dates determined for a medium capacity municipality.

A comprehensive oversight report on the progress of implementation and compliance per MFMA requirements is attached as *Annexure "B"* to this report.

- *Support to Local Municipalities*

No support was requested or offered to Local Municipalities.

8. PERSONNEL**Personnel Attendances:**

Personnel attendance in the workplace for July 2012 averages 87%. The reason for the deviations is mainly due to annual, sick leave and courses and seminars.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
Number of Members	1	4	3	17
Leave	0	7	6	28
Sick Leave	0	3	1	8
Courses / Seminar	2	2	0	0
Meetings	0	0	0	0
Family Responsibility	0	0	0	0
Study	0	0	0	0
Maternity Leave	0	0	0	0
Union Matters	0	0	0	0
Absent	0	0	0	0
Special Leave (SAMSRA)	0	0	0	0
No. of Workdays Attended	20	76	37	250
Total Workdays	22	88	44	286
Percentage attendance per Group	91%	86%	84%	87%
Average	87%			

Personnel Development:

Two officials attended the MFMA training programme during the month of July 2012.

10. INTERNSHIP PROGRAMME

As per National Treasury regulations, five vacant Finance Interns positions were advertised on July 2012 and are likely to be filled within the first quarter. The aim of the programme is to capacitate Finance graduates to eventually be able to fill any financial positions in municipalities. Their appointment is for a period of 24 to 36 months depending on completion of the programme.

CONCLUSION

According to the results presented above for the period ending 31 July 2012, Council maintains a healthy financial position with respect to its cash and reserves.

DIRECTOR: FINANCE