

FRANCES BAARD DISTRICT MUNICIPALITY



In-Year Report of the Municipality

Monthly Budget Statement

November 2012

1. PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in Government Gazette No 32141 of 17 April 2009 (Municipal budgeting and reporting requirements).

2. STRATEGIC OBJECTIVE

“To comply with MFMA priorities as well as MFMA implementation plan”

3. BACKGROUND

Section 71 of the MFMA and Section 28 of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

(1) The accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the implementation of the municipality’s approved budget.
The Budget and Treasury Office has met the timelines for this reporting period.

TABLE OF CONTENTS

Part 1 – in-year report		Page
1.1	Mayors Report	3
1.2	Resolutions	4
1.3	Executive Summary	5
1.4	In-year Budget Statement Tables	
1.4.1	Table C1 Monthly Budget Statement Summary	6
1.4.2	Table C2 Monthly Budget Statement – Financial performance (Standard Classification)	7
1.4.3	Table C3 Monthly Budget Statement – Financial Performance (Revenue & Expenditure by Municipal Vote)	8
1.4.4	Table C4 Monthly Budget Statement – Financial Performance (Revenue & Expenditure)	12
1.4.5	Table C5 Monthly Budget Statement – Capital Expenditure (Municipal Vote, Standard Classification and Funding)	13
1.4.6	Table C6 Monthly Budget Statement – Financial Position	14
1.4.7	Table C7 Monthly Budget Statement – Cash Flow	15
Part 2 – Supporting Documentation		
2.1	Material Variance Explanations	16
2.2	Performance Indicators	17
2.3	Debtors Analysis	18
2.4	Creditors Analysis	19-20
2.5	Investment Portfolio Analysis	22
2.6	Allocation and grant receipts and expenditure	23-24
2.7	Councilor and Board Member Allowance and Employee Benefits	25
2.8	Cash Receipts	27
2.9	Capital Programme Performance	28
2.10	Capital Expenditure – New Assets	29
2.11	Capital Expenditure – Replacements	30
2.12	Expenditure on Repairs & Maintenance	31
2.13	Expenditure on Depreciation	32
2.14	Municipal Manager’s Quality Certification	35

1.1 MAYORS REPORT

Frances Baard District Municipality developed its own reporting format and started to report on all matters prescribed in section 71 of the MFMA and continued to do so after the Budget and Reporting regulations become effective in 2009. This is however contradicting the Municipal Budget and Reporting Regulations and it becomes necessary to comply to the applicable legislation in this regard.

The prescribed format of the monthly report is very comprehensive and it is not possible to comply to the new format at once. The completion of the report will therefore be phased in over a period of four months. The format consists of seven financial statements and thirteen tables consisting of supporting documentation.

The implementation will be phased in as follows.

- Table C 1 Monthly Budget Statement Summary 31 July 2012
- Table C2 Monthly Budget Statement - Financial Performance (Standard classification) 31 July 2012
- Table C3 Monthly Budget Statement - Financial Performance (Revenue and expenditure by municipal vote) 31 July 2012
- Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) 31 July 2012
- Table C5 Monthly Budget Statement - Capital Expenditure (Municipal vote, standard classification and funding) 31 July 2012
- Table C6 Monthly Budget Statement - Financial Position 31 July 2012
- Table C7 Monthly Budget Statement - Cash Flow 31 August 2012
- Supporting Table SC1 Material variance explanations 30 November 2012
- Supporting Table SC2 Monthly Budget Statement - Performance indicators 31 November 2012
- Supporting Table SC3 Monthly Budget Statement - aged debtors 31 July 2012
- Supporting Table SC4 Monthly Budget Statement - aged creditors 31 July 2010
- Supporting Table SC5 Monthly Budget Statement - Investment portfolio 30 November 2012
- Supporting Table SC6 Monthly Budget Statement - Transfers and grant receipts 30 November 2012
- Supporting Table SC7 Monthly Budget Statement - Transfers and grant expenditure 30 November 2012
- Supporting Table SC8 Monthly Budget Statement - Councillor and staff benefits 31 August 2012
- Supporting Table SC9 Monthly Budget Statement - Actuals and revised targets for cash receipts 31 August 2011
- Supporting Table SC12 Monthly Budget Statement - Capital expenditure trend 30 November 2012
- Supporting Table SC13a Monthly Budget Statement - Capital expenditure on new assets by asset class 31 November 2012

- Supporting Table SC13b Monthly Budget Statement
- Capital expenditure on renewal of existing assets by asset class 31 November 2012
- Supporting Table SC13c Monthly Budget Statement
- Expenditure on repairs and maintenance by asset class

Budget Process:

The budget process plan in respect of the 2013/14 financial year has been submitted to the Executive Mayor for approval on 25 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 2012:

The Annual Financial Statements for the year ended 30 June 2012 were submitted to the Audit Committee on 30 August 2012 and to the Office of the Auditor General on 31 August 2012 for Auditing. The District Municipality received an **Unqualified Audit Opinion** for the 2011/12 Financial Year with two matters of emphasis which are:

- **Procurement and Contract Management** – Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by Supply Chain Management regulation 13(c).
- **Internal Audit** – The internal audit did not audit the performance measurements on a continuous basis, as required by Municipal Planning and Performance Management Regulation 14(1) (c).

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.

1.2 COUNCIL RESOLUTIONS

Council Resolutions will be included after council meetings.

1.3 EXECUTIVE SUMMARY

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.

All amounts shown in the columns for “Audited Outcome” are preliminary figures until the annual audit for the 2011 / 2012 financial year has been concluded.

The implementation process of the budget will be illustrated in the tables and explanation notes that follow. The monthly reports submitted by the different Departments should give further clarity where insufficient information is available for the Department of Finance on reporting date due to the fact that this report should be handed to the Mayor on the tenth of each month.

Please refer to next page

1.4 IN YEAR BUDGET STATEMENT TABLES

1.4.1 Table C1 Monthly Budget Statement Summary:

Description	2011/12	Budget Year 2012/13							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	5 491	4 708	-	516	2 655	1 962	693	35%	5 473
Transfers recognised - operational	88 914	92 592	-	29 456	61 241	31 897	29 343	92%	92 592
Other own revenue	840	756	-	17	66	273	(207)	-76%	809
Total Revenue (excluding capital transfers and contributions)	95 246	98 056	-	29 989	63 962	34 132	29 830	87%	98 873
Employee costs	33 909	42 556	-	3 199	14 819	17 732	(2 913)	-16%	37 975
Remuneration of Councillors	4 595	5 357	-	411	2 025	2 232	(207)	-9%	4 891
Depreciation & asset impairment	22 562	4 498	-	-	-	1 874	(1 874)	-100%	4 433
Finance charges	3 259	2 362	-	-	-	-	-	-	2 362
Materials and bulk purchases	2 314	4 362	-	310	743	1 817	(1 075)	-59%	4 787
Transfers and grants	26 382	45 692	-	2 312	7 312	10 281	(2 968)	-29%	46 992
Other expenditure	13 497	15 248	-	1 261	4 891	6 331	(1 441)	-23%	13 801
Total Expenditure	106 517	120 075	-	7 494	29 790	40 268	(10 478)	-26%	115 240
Surplus/(Deficit)	(11 272)	(22 019)	-	22 495	34 172	(6 135)	40 307	-657%	(16 367)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(11 272)	(22 019)	-	22 495	34 172	(6 135)	40 307	-657%	(16 367)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(11 272)	(22 019)	-	22 495	34 172	(6 135)	40 307	-657%	(16 367)
Capital expenditure & funds sources									
Capital expenditure	2 382	9 013	-	300	1 608	528	1 080	204%	9 064
Capital transfers recognised	42	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2 340	9 013	-	300	1 608	528	1 080	204%	9 064
Total sources of capital funds	2 382	9 013	-	300	1 608	528	1 080	204%	9 064
Financial position									
Total current assets	89 442	49 924	-	-	125 179	-	-	-	47 024
Total non current assets	50 401	58 291	-	-	52 008	-	-	-	61 191
Total current liabilities	14 905	8 051	-	-	18 077	-	-	-	8 051
Total non current liabilities	34 012	23 607	-	-	34 012	-	-	-	23 607
Community wealth/Equity	90 926	76 558	-	-	125 098	-	-	-	76 558
Cash flows									
Net cash from (used) operating	16 751	(17 312)	-	22 296	38 335	14 210	24 125	170%	(17 312)
Net cash from (used) investing	(2 375)	(8 913)	-	(125)	(1 711)	(702)	(1 008)	144%	(8 913)
Net cash from (used) financing	(1 289)	(1 139)	-	-	-	-	-	-	(1 139)
Cash/cash equivalents at the month/year end	86 214	45 454	-	122 838	122 838	86 325	36 513	42%	58 851
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Revenue Source	1 157	72	66	68	66	73	493	-	1 995
Creditors Age Analysis									
Total Creditors	11 710	2	-	-	-	-	-	-	11 712

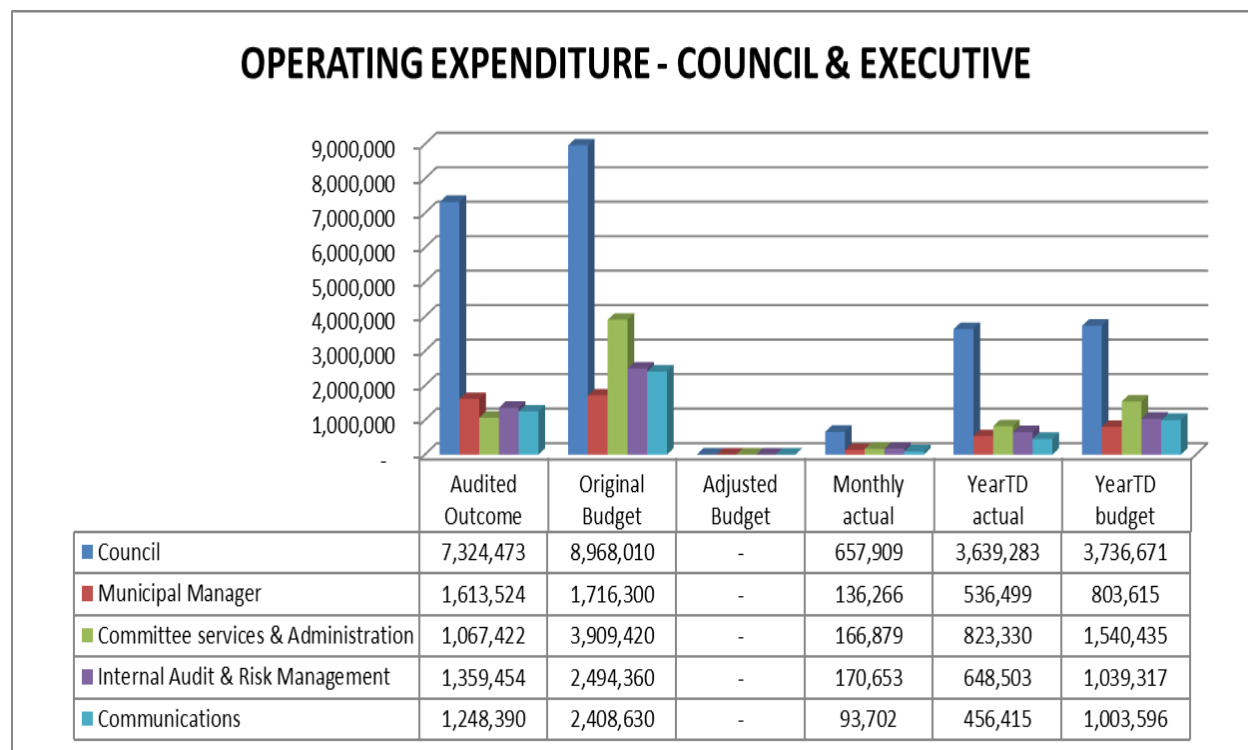
1.4.2 Table C2 Monthly Budget Statement: Financial Performance (Standard Classification)

Description	Ref	2011/12 Audited Outcome	Budget Year 2012/13							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		76 734	83 215	-	28 741	59 066	28 725	30 341	106%	83 917
Executive and council		1 763	3 318	-	1 094	2 200	1 106	1 094	99%	3 289
Budget and treasury office		74 972	79 897	-	27 647	56 866	27 619	29 247	106%	80 628
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		3 149	1 200	-	(172)	713	500	213	43%	1 200
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		3 149	1 200	-	(172)	713	500	213	43%	1 200
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		15 363	13 641	-	1 419	4 183	4 908	(725)	-15%	13 757
Planning and development		10 301	9 941	-	447	2 117	3 908	(1 791)	-46%	10 057
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		5 062	3 700	-	973	2 066	1 000	1 066	107%	3 700
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	95 246	98 056	-	29 989	63 962	34 132	29 830	87%	98 873
Expenditure - Standard										
<i>Governance and administration</i>		43 569	54 868	-	3 489	15 641	22 862	(7 221)	-32%	51 972
Executive and council		12 613	19 497	-	1 225	6 104	8 124	(2 020)	-25%	17 649
Budget and treasury office		18 493	18 302	-	1 281	4 543	7 626	(3 083)	-40%	18 258
Corporate services		12 462	17 069	-	983	4 994	7 112	(2 118)	-30%	16 065
<i>Community and public safety</i>		6 519	9 172	-	797	2 922	2 822	101	4%	9 056
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3 352	4 584	-	547	1 786	1 910	(124)	-6%	4 713
Housing		3 168	4 588	-	251	1 136	912	224	25%	4 343
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		56 429	56 035	-	3 207	11 227	14 584	(3 358)	-23%	54 212
Planning and development		52 738	53 040	-	3 041	10 453	13 336	(2 883)	-22%	51 702
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		3 691	2 995	-	166	774	1 248	(474)	-38%	2 510
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	106 517	120 075	-	7 494	29 790	40 268	(10 478)	-26%	115 240
Surplus/ (Deficit) for the year		(11 272)	(22 019)	-	22 495	34 172	(6 135)	40 307	-657%	(16 367)

The aim of revenue and expenditure per standard classification is to provide a breakdown of the activities of Council to specific services while the following statements will give the financial position as per Municipal vote according to the approved organogram of council.

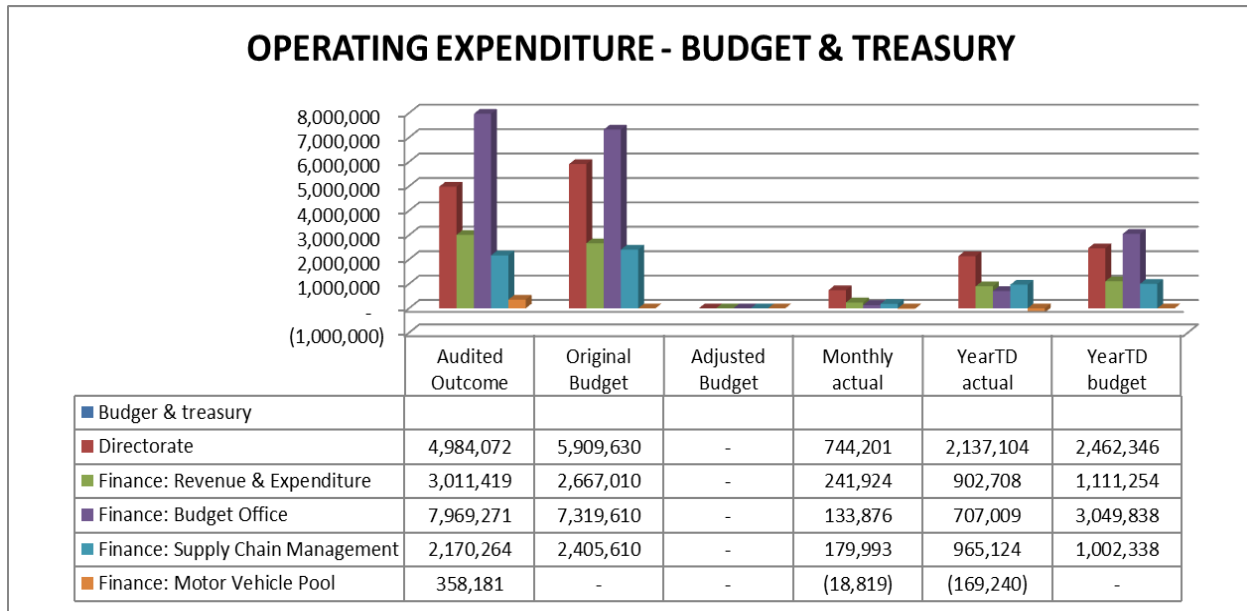
1.4.3 Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

Vote Description [Insert departmental structure etc.3.]	Ref	Budget Year 2012/13								
		2011/12 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Council & Executive		1 763	3 318	-	1 094	2 200	1 106	1 094	98.9%	3 289
Vote 2 - Budget & Treasury		74 972	79 897	-	27 647	56 866	27 619	29 247	105.9%	80 628
Vote 3 - Corporate Services		5 062	3 700	-	973	2 066	1 000	1 066	106.6%	3 700
Vote 4 - Planning & Development		1 200	1 000	-	-	-	-	-	-	1 000
Vote 5 - Project Management & Advisory Services		12 250	10 141	-	275	2 830	4 408	(1 578)	-35.8%	10 257
Total Revenue by Vote	2	95 246	98 056	-	29 989	63 962	34 132	29 830	-87.4%	98 873
Expenditure by Vote	1									
Vote 1 - Council & Executive		12 613	19 497	-	1 225	6 104	8 124	(2 020)	-24.9%	17 649
Vote 2 - Budget & Treasury		18 493	18 302	-	1 281	4 543	7 626	(3 083)	-40.4%	18 258
Vote 3 - Corporate Services		16 154	20 064	-	1 149	5 768	8 360	(2 592)	-31.0%	18 575
Vote 4 - Planning & Development		14 939	22 015	-	2 080	5 830	6 011	(180)	-3.0%	20 635
Vote 5 - Project Management & Advisory Services		44 318	40 197	-	1 759	7 545	10 147	(2 602)	-25.6%	40 123
Total Expenditure by Vote	2	106 517	120 075	-	7 494	29 790	40 268	(10 478)	-26.0%	115 240
Surplus/ (Deficit) for the year	2	(11 272)	(22 019)	-	22 495	34 172	(6 135)	40 307	-657.0%	(16 367)



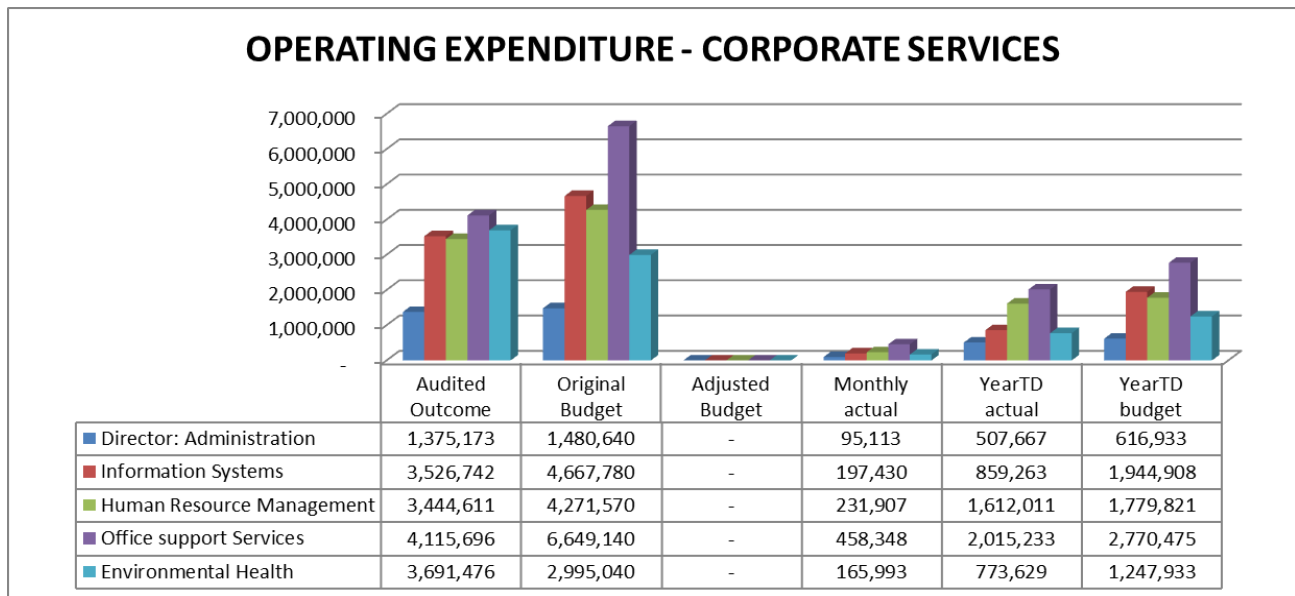
Actual operating expenditure of Council & Executive is 75.14% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: consultancy, repairs and maintenance, legal services, special projects and general expenses.

An approved vacant post of Office Manager in the office of the Municipal Manager has to be filled, and was advertised in November 2012.

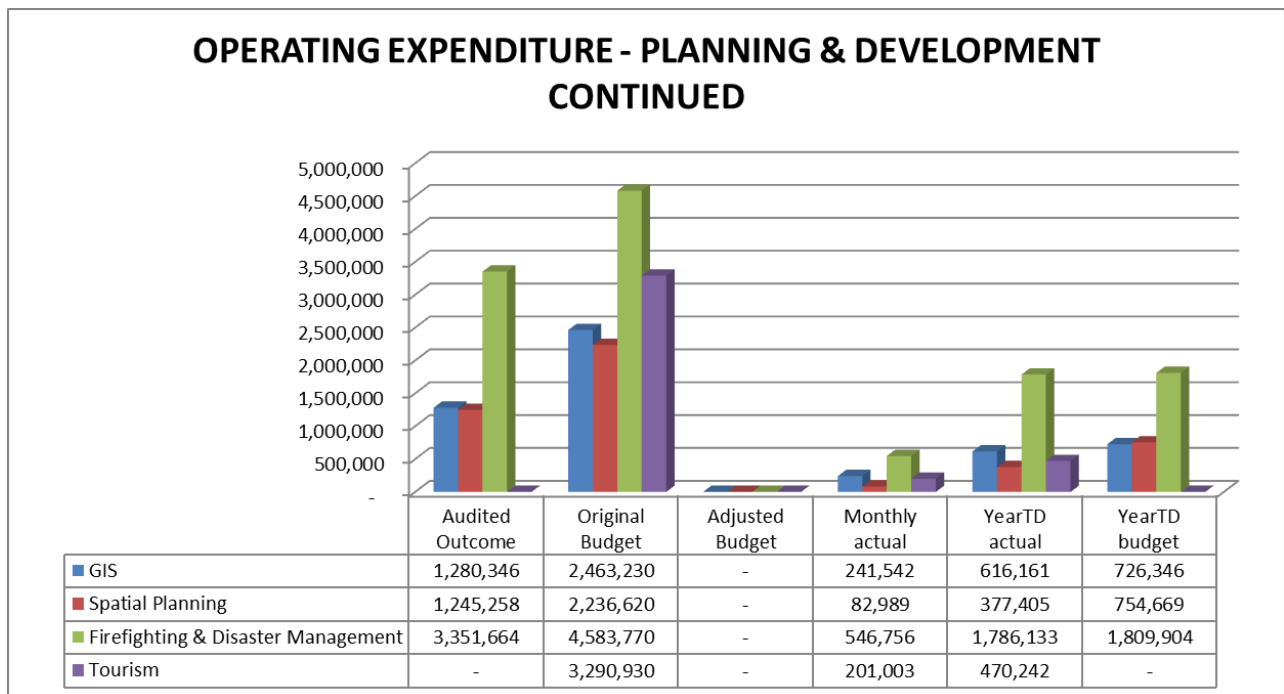
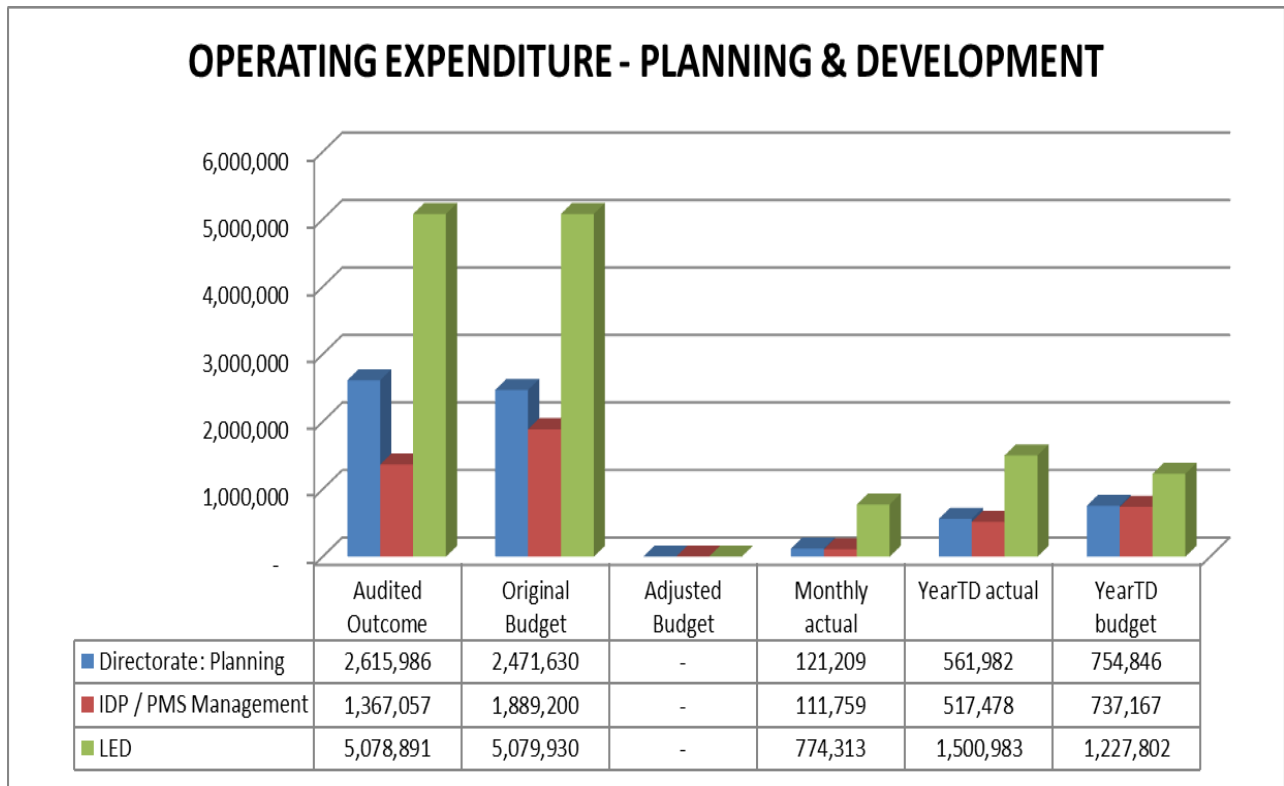


Actual operating expenditure of Budget & Treasury office is 60.92% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: interest on external borrowings, audit fees, consultancy, repairs and maintenance, special projects and general expenses.

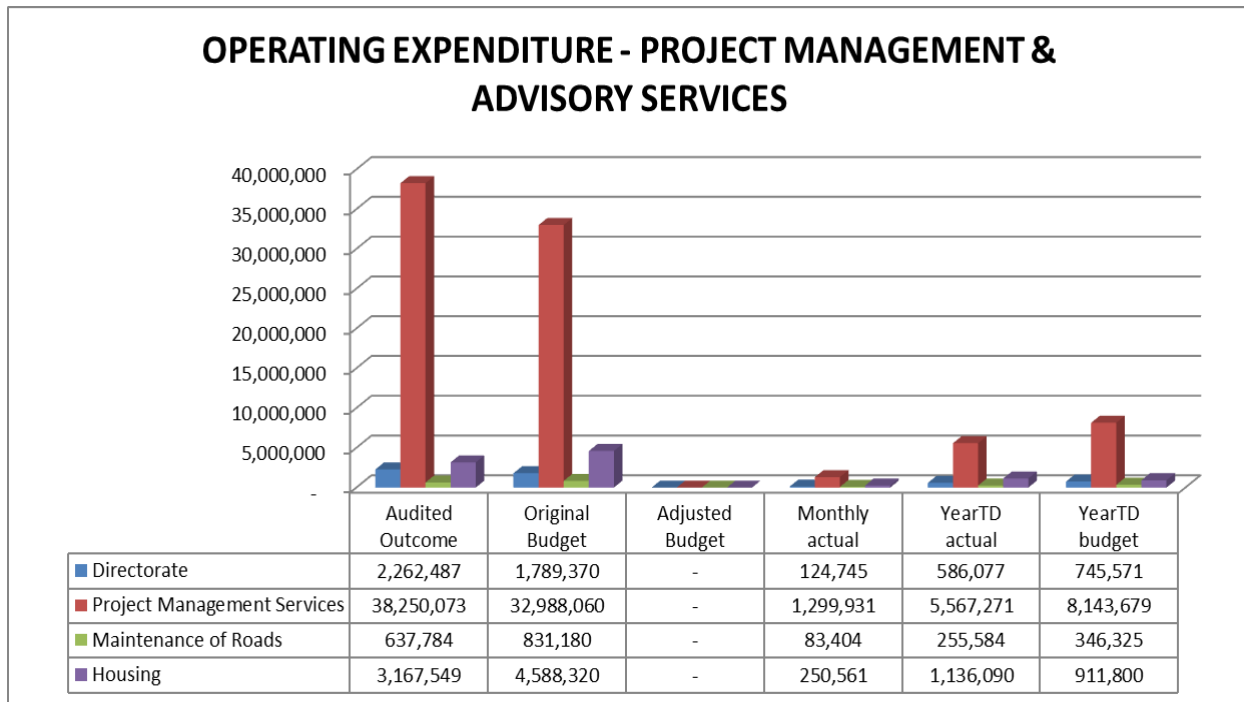
An approved vacant post of Assistant Accountant and 1 x intern still has to be filled, and was advertised in November 2012.



Actual operating expenditure of Corporate Services is 68.99% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: maintenance of computer hardware, software, printers, networks and telephone system, consultancy, special projects, training, study bursary and general expenses.



Actual operating expenditure of Planning & Development is 97.00% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: maintenance of computer software, GIS Website, consultancy, special projects, and general expenses.



Actual operating expenditure of Project Management & Advisory Services is 74.35% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: consultancy, maintenance and provision of infrastructure projects and general expenses.

Please refer to next page

1.4.4 Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)

Description	Ref	2011/12 Audited Outcome	Budget Year 2012/13							Full Year Forecast
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		507	632	-	6	35	263	(228)	-87%	634
Interest earned - external investments		5 491	4 708	-	516	2 655	1 962	693	35%	5 473
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		88 914	92 592	-	29 456	61 241	31 897	29 343	92%	92 592
Other revenue		333	25	-	11	31	10	21	204%	75
Gains on disposal of PPE		-	100	-	-	-	-	-	-	100
Total Revenue (excluding capital transfers and contributions)		95 246	98 056	-	29 989	63 962	34 132	29 830	87%	98 873
Expenditure By Type										
Employee related costs		33 909	42 556	-	3 199	14 819	17 732	(2 913)	-16%	37 975
Remuneration of councillors		4 595	5 357	-	411	2 025	2 232	(207)	-9%	4 891
Debt impairment		-	3	-	-	-	-	-	-	3
Depreciation & asset impairment		22 562	4 498	-	-	-	1 874	(1 874)	-100%	4 433
Finance charges		3 259	2 362	-	-	-	-	-	-	2 362
Bulk purchases		-	-	-	-	-	-	-	-	-
Other materials		2 314	4 362	-	310	743	1 817	(1 075)	-59%	4 787
Contracted services		2 512	-	-	-	-	-	-	-	-
Transfers and grants		26 382	45 692	-	2 312	7 312	10 281	(2 968)	-29%	46 992
Other expenditure		10 369	15 195	-	1 261	4 891	6 331	(1 441)	-23%	13 748
Loss on disposal of PPE		615	50	-	-	-	-	-	-	50
Total Expenditure		106 517	120 075	-	7 494	29 790	40 268	(10 478)	-26%	115 240
Surplus/ (Deficit) for the year		(11 272)	(22 019)	-	22 495	34 172	(6 135)	40 307	(0)	(16 367)
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(11 272)	(22 019)	-	22 495	34 172	(6 135)			(16 367)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(11 272)	(22 019)	-	22 495	34 172	(6 135)			(16 367)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(11 272)	(22 019)	-	22 495	34 172	(6 135)			(16 367)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(11 272)	(22 019)	-	22 495	34 172	(6 135)			(16 367)

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

Depreciation: The actual depreciation reflected for the financial year is based on true transaction and acquisition date of asset.

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.

1.4.5 Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

Vote Description	Ref	2011/12 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2012/13				Full Year Forecast
						YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Council & Executive		-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 5 - Project Management & Advisory Services		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Council & Executive		138	127	-	-	0	60	(60)	-100%	127
Vote 2 - Budget & Treasury		295	1 826	-	-	4	324	(320)	-99%	1 826
Vote 3 - Corporate Services		593	1 412	-	286	316	51	265	520%	1 462
Vote 4 - Planning & Development		49	4 794	-	14	1 234	68	1 166	1715%	4 794
Vote 5 - Project Management & Advisory Services		1 307	855	-	-	53	25	28	111%	855
Total Capital single-year expenditure	4	2 382	9 013	-	300	1 608	528	1 080	204%	9 064
Total Capital Expenditure		2 382	9 013	-	300	1 608	528	1 080	204%	9 064
Capital Expenditure - Standard Classification										
Governance and administration		1 026	3 362	-	286	320	435	(115)	-26%	3 412
Executive and council		138	127	-	-	0	60	(60)	-100%	127
Budget and treasury office		295	1 826	-	-	4	324	(320)	-99%	1 826
Corporate services		593	1 409	-	286	316	51	265	520%	1 459
Community and public safety		43	5 315	-	14	1 200	5	1 195	23895%	5 315
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1	4 672	-	14	1 147	-	1 147	#DIV/0!	4 672
Housing		42	643	-	-	53	5	48	957%	643
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 313	337	-	-	88	88	(1)	-1%	337
Planning and development		1 313	334	-	-	88	88	(1)	-1%	334
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	3	-	-	-	-	-	-	3
Trading services		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	2 382	9 013	-	300	1 608	528	1 080	204%	9 064
Funded by:										
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		42	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		42	-	-	-	-	-	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2 340	9 013	-	300	1 608	528	1 080	204%	9 064
Total Capital Funding		2 382	9 013	-	300	1 608	528	1 080	204%	9 064

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.

1.4.6 Table C6 Monthly Budget Statement - Financial Position

Description	Ref	2011/12 Audited Outcome	Budget Year 2012/13			
			Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		2 714	454		34 588	454
Call investment deposits		83 500	47 800		88 250	44 900
Consumer debtors		-	-		-	-
Other debtors		2 878	1 300		1 995	1 300
Current portion of long-term receivables		-	-		-	-
Inventory		350	370		346	370
Total current assets		89 442	49 924	-	125 179	47 024
Non current assets						
Long-term receivables		-	-		-	-
Investments		2 900	-		2 900	2 900
Investment property		-	-		-	-
Investments in Associate		-	-		-	-
Property, plant and equipment		46 606	58 291		48 213	58 291
Agricultural		-	-		-	-
Biological assets		-	-		-	-
Intangible assets		895	-		895	-
Other non-current assets		-	-		-	-
Total non current assets		50 401	58 291	-	52 008	61 191
TOTAL ASSETS		139 843	108 216	-	177 187	108 216
LIABILITIES						
Current liabilities						
Bank overdraft		-	-		-	-
Borrowing		1 333	1 444		1 333	1 444
Consumer deposits		-	-		-	-
Trade and other payables		7 547	1 778		11 712	1 778
Provisions		6 024	4 828		5 032	4 828
Total current liabilities		14 905	8 051	-	18 077	8 051
Non current liabilities						
Borrowing		11 486	10 058		11 486	10 058
Provisions		22 526	13 549		22 526	13 549
Total non current liabilities		34 012	23 607	-	34 012	23 607
TOTAL LIABILITIES		48 917	31 657	-	52 089	31 657
NET ASSETS	2	90 926	76 558	-	125 098	76 558
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		64 025	66 176		98 197	66 176
Reserves		26 901	10 382		26 901	10 382
TOTAL COMMUNITY WEALTH/EQUITY	2	90 926	76 558	-	125 098	76 558

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. Provisions are properly backed by cash reserves where applicable.

1.4.7 Table C7 Monthly Budget Statement - Cash Flow

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		1 637	668	-	782	3 470	315	3 155	1003%	668
Government - operating		86 365	92 592	-	29 210	68 727	47 097	21 630	46%	92 592
Government - capital		-	-	-	-	-	-	-	-	-
Interest		5 491	4 708	-	516	2 565	1 927	638	33%	4 708
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(48 845)	(67 226)	-	(6 356)	(25 321)	(26 732)	(1 412)	5%	(67 226)
Finance charges		(1 516)	(2 362)	-	-	-	-	-	-	(2 362)
Transfers and Grants		(26 382)	(45 692)	-	(1 855)	(11 107)	(8 396)	2 711	-32%	(45 692)
NET CASH FROM/(USED) OPERATING ACTIVITIES		16 751	(17 312)	-	22 296	38 335	14 210	24 125	170%	(17 312)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	100	-	-	-	-	-	-	100
Decrease (Increase) in non-current debtors		6	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(2 382)	(9 013)	-	(125)	(1 711)	(702)	1 008	-144%	(9 013)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(2 375)	(8 913)	-	(125)	(1 711)	(702)	1 008	-144%	(8 913)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(1 289)	(1 139)	-	-	-	-	-	-	(1 139)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 289)	(1 139)	-	-	-	-	-	-	(1 139)
NET INCREASE/(DECREASE) IN CASH HELD		13 086	(27 364)	-	22 171	36 624	13 508			(27 364)
Cash/cash equivalents at beginning:		73 128	72 817	-	100 668	86 214	72 817			86 214
Cash/cash equivalents at month/year end:		86 214	45 454	-	122 838	122 838	86 325			58 851

Cash flow for the period ended 30 November 2012 reflects a positive amount of R36.624m as a result of receiving Equitable Share Grant in advance for the second quarter ending 31 December 2012.

2 SUPPORTING DOCUMENTATION

2.1 Table SC1 Material variance explanations

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Rental of facilities and equipment	-86.68%	Rental of grader to municipalities did not pick up as fast as expected regarding maintenance of roads	None - projects will pick up as the year progresses.
	Interest earned - external investments	35.35%	Interest earned is more than expected	Might be adjusted in adjustment budget
2	Expenditure By Type			
	Salaries	-16.43%	Vacant Posts: Municipal Manager; Manager in office of the MM; Accountant - Budget Office; Assistant Accountant Budget Office. Vacancies of new posts at housing unit	Will be filled shortly Post of municipal manager was filled as from 1 November 2012.
	Depreciation	-100.00%	No depreciation runs has been done for new financial year	Will be done as soon as audit is completed
	Other Materials	-59.14%	All maintenance projects not yet implemented. FBDM does not have infrastructure assets to maintain	Maintenance programmes will pick up as the financial year gains momentum
	Transfers and grants	-28.87%	Most projects are in the planning phases and expenditure will gain momentum as the financial year progress.	
	Other expenditure	-22.75%	Underspending occurred on payment of municipal services, audit fees and motor vehicle usage.	Expenditure will pick up as the year progress
3	Capital Expenditure			
	Capital expenditure	204.48%	Expenditure on capital projects will pick up as the year progresses. Actual expenditure is ahead of monthly budgeted projections due to better budget implementation procedures	None
4	Financial Position			
	Reserves	R 16 519 248	The R16 m increase in reserves relates to the revaluation of councils land & buildings.	Will be adjusted in the adjustment budget
	Property, plant & equipment	R 10 078 107	The decrease of R10 m is due to the impairment of the council chambers that occurred during the revaluation process.	
5	Cash Flow			
6	Measureable performance			
7	Municipal Entities			

More detail on operating variances is available on pages 8 to 11 of this report.

2.2 Table SC2 Monthly Budget Statement - performance indicators

Description of financial indicator	Basis of calculation	Ref	2011/12	Budget Year 2012/13			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Percentage							
Borrowing Management							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		8.2%	9.3%	0.0%	6.5%	0.0%
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		24.2%	5.7%	0.0%	0.0%	6.3%
Borrowed funding of capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		22.4%	17.3%	0.0%	19.6%	17.3%
Gearing	Long Term Borrowing/ Funds & Reserves		42.7%	96.9%	0.0%	42.7%	96.9%
Liquidity							
Current Ratio 1	Current assets/current liabilities	1	600.1%	620.1%	0.0%	692.5%	584.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		597.9%	599.4%	0.0%	695.6%	599.4%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		3.0%	1.3%	0.0%	3.1%	1.3%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		100.0%	100.0%			
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0.0%	0.0%		0.0%	0.0%
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		35.6%	43.4%	0.0%	23.2%	38.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.4%	4.4%	0.0%	0.5%	0.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue		27.1%	7.0%	0.0%	0.0%	7.3%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		139.2%	143.6%	0.0%	204.1%	435.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		16.4	2.9	-	5.8	1.5

The above ratios indicate that the municipality is financially stable and adequately funded to continue with its operations. The level of employee cost for the year to date is 38% that indicates that it should be monitored and managed effectively.

The municipality still depends on grant funding of over 95% to fund its operations.

All council's provisions and the Capital Replacement Reserve are cash backed and the cash and cash equivalents are sufficient to cover outstanding debt.

2.3 Table SC3 Monthly Budget Statement - aged debtors

Description	NT Code	Budget Year 2012/13									Total	Bad Debts	>90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
R thousands													
Debtors Age Analysis By Revenue Source													
Rates	1200											-	-
Electricity	1300											-	-
Water	1400											-	-
Sewerage / Sanitation	1500											-	-
Refuse Removal	1600											-	-
Housing (Rental Revenue)	1700											-	-
Other	1900	1 157	72	66	68	66	73	493	-	-	1 995	-	700
Total By Revenue Source	2000	1 157	72	66	68	66	73	493	-	-	1 995	-	700
2011/12 - totals only		1 099	69	62	65	62	69	469	-	-	1 895	-	665
Debtors Age Analysis By Customer Category													
Government	2200	294	59	64	66	64	64	490	-	-	1 100	-	-
Business	2300	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	(1)	-	-	-	-	-	-	-	-	(1)	-	-
Other	2500	864	14	2	3	2	8	4	-	-	895	-	-
Total By Customer Category	2600	1 157	72	66	68	66	73	493	-	-	1 995	-	-

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 R11 940.57 for free basic electricity and street lights which the District Municipality previously paid to Eskom for Koopmansfontein indigent households.

- **Post-Service Benefits**

The only outstanding debts reflected for more than 90 days as at 30 November is Meyer PJ R959.90, Van Niekerk J R124.40 and Payne ME R5 386.20 and former employees of Frances Baard District Municipality who were transferred to Department of Roads and Public Works R745 285.27 for post service medical aid. 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 30 November is Department of Health R1 710.00 for hiring of the Lecture Rooms.

Outstanding debts are a concern for the District Municipality and the lack of co-operation remains a challenge. Debts are continuously monitored and reviewed and adequate controls are in place according to approved policies.

2.4 Table SC4 Monthly Budget Statement - aged creditors

Description	NT Code	Budget Year 2012/13								Total	Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700										-	
Auditor General	0800										-	
Other	0900	11 710	2	-	-	-	-	-	-	-	11 712	
Total By Customer Type	2600	11 710	2	-	-	-	-	-	-	-	11 712	-

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 occur according to approved policies and agreement in terms of the Bargaining Council. Salary increases of 6.5% for staff has been implemented in August 2012 back-dated to July 2012.

The annual increase for Councilors' is still awaited in terms of the remuneration of Public Office Bearers Act, 1998 in respect of the 2012/2013 financial year which has been budgeted for the full year.

Trade Creditors:

Council purchases and payments to creditors are under adequate control. Expenditure statistics for the month of November is listed below:

PAYMENTS	
Total value of all payments	R 8,313,557
Electronic transfers	172
Cheques issued	30
STORES	
Value of Stores issued	32,180
SALARIES	
Number of salary beneficiaries	168
Councillors	27
Employees	139
Pensioners	2
Total remuneration paid	4,548,370
Councillors	393,292
Employees	4,151,333
Pensioners	3,746

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.

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 November 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 November 2012, 5 contracts (R200 000+) were awarded by the Bid Adjudication Committee.

1. Housing Sector Plans: BVI Engineers – R690 012 incl. VAT
2. Internal and External Survey: FEM Research Consultants – R385 000 incl. VAT
3. Medium Volume Copier: MH Office Machines – R166 383.03 incl. VAT
4. Phokwane Integrated Zoning Scheme: Gudlhuza Development Solutions – R339 998.00 incl. VAT
5. Tourism Route Development Strategy: OG Media – R196 000 incl. VAT

For the period of November 2012 no written price quotations (R30 000-R200 000) were awarded by the Municipal Manager.

The value of orders issued for the period ending 30 November 2012 total R2 906 206.12 (*See Annexure "A"*)

Orders per department

Council and Executive	R40 386.74
Municipal Manager	R455 257.85
Finance	R747 824.38
Administration	R360 392.95
Planning and Development	R746 318.96
Technical Service	R609 077.30
Stores	R46 946.94

- Disposal Management

No disposals for November 2012.

- Deviations

No deviation was approved by the Municipal Manager.

- Issues from Stores

Total orders issued R32 180.19. Issues per department

Council and Executive	R1550.00
Municipal Manager	R3777.59
Finance	R1237.46
Administration	R20 054.78
Planning and Development	R5560.36

- List of accredited service providers

The supplier’s database is updated daily and the database has been amended to make provision for the MBD4 and MBD9 forms as was required by the Auditors General’s report for the Financial Year 2010/2011.

2.5 Table SC5 Monthly Budget Statement - investment portfolio

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands									
<u>Municipality</u>									
STANDARD BANK		12 Months	Investment	28-Jun-12			2 900		2 900
TOTAL INVESTMENTS AND INTEREST					-		2 900	-	2 900
<u>Entities</u>									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				-		2 900	-	2 900

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

Please refer to next page

2.6 Table SC6 Monthly Budget Statement - transfers and grant receipts

Description	Ref	2011/12 Audited Outcome	Budget Year 2012/13							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		81 731	90 692	-	29 146	68 640	31 897	36 743	115.2%	90 692
Local Government Equitable Share		10 012	10 391	-	1 000	9 391	4 330	5 061	116.9%	10 391
Special Contribution: Councillor Remuneration		1 624	3 318	-	1 106	2 212	1 383	830	60.0%	3 318
Levy replacement	3	67 645	73 733	-	27 040	53 977	23 735	30 242	127.4%	73 733
Finance Management Grant		1 250	1 250	-	-	1 250	1 250	-		1 250
Municipal Systems Improvement		1 200	1 000	-	-	1 000	1 000	-		1 000
Extended Public Works Programme		-	1 000	-	-	810	200	610	305.0%	1 000
Water Affairs		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Provincial Government:		4 424	1 900	-	-	-	733	(500)	-68.2%	1 900
Housing	4	2 784	1 200	-	-	-	500	(500)	-100.0%	1 200
Near Grant		569	-	-	-	-	-	-		-
Fire Fighting Equipment Grant		371	-	-	-	-	-	-		-
NC Tourism		-	-	-	-	-	-	-		-
Environmental Health Recycling Grant		700	700	-	-	-	233	-		700
District Aids Programme		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
District Municipality: [insert description]		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Other grant providers:		210	-	-	64	87	-	87	#DIV/0!	-
SETA Skills Grant		170	-	-	64	87	-	87	#DIV/0!	-
Koopmansfontein Self Build Scheme		16	-	-	-	-	-	-		-
ABSA		24	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	86 365	92 592	-	29 210	68 727	32 631	36 329	111.3%	92 592

Please refer to next page

Table SC7 Monthly Budget Statement - transfers and grant expenditure

Description	Ref	Budget Year 2012/13								
		2011/12 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		83 299	90 692	-	29 603	60 387	37 788	22 598	59.8%	90 692
Local Government Equitable Share		9 897	10 391		1 429	4 011	4 330	(319)	-7.4%	10 391
Special Contribution: Councillor Remuneration		1 739	3 318		1 106	2 212	1 383	830	60.0%	3 318
Levy replacement		67 645	73 733		27 040	53 977	30 722	23 255	75.7%	73 733
Finance Management Grant		1 250	1 250		10	81	521	(440)	-84.4%	1 250
Municipal Systems Improvement		1 200	1 000		-	-	417	(417)	-100.0%	1 000
Extended Public Works Programme		78	1 000		-	-	417	(417)	-100.0%	1 000
Water Affairs		1 489	-		18	106	-	106	#DIV/0!	-
Provincial Government:		5 325	1 900	-	(199)	779	792	(12)	-1.6%	1 900
Housing		3 149	1 200		(172)	713	500	213	42.6%	1 200
Near Grant			-		-	-	-	-		-
Fire Fighting Equipment Grant			-		-	-	-	-		-
NC Tourism			-		-	-	-	-		-
Environmental Health Recycling Grant		2 062	700		(27)	66	292	(226)	-77.3%	700
District Aids Programme		115	-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		290	-	-	64	87	-	87	#DIV/0!	-
Koopmansfontein Self Build Scheme		96	-	-	-	-	-	-		-
ABSA		24	-	-	-	-	-	-		-
SETA Skills Grant		170	-	-	64	87	-	87	#DIV/0!	-
Total operating expenditure of Transfers and Grants:		88 914	92 592	-	29 468	61 253	38 580	22 673	58.8%	92 592

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.

Please refer to next page

2.7 Table SC8 Monthly Budget Statement - councilor and staff benefits

Summary of Employee and Councillor remuneration	Ref	Budget Year 2012/13								
		2011/12 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Salary		3 139	3 871	-	301	1 473	1 613	(140)	-9%	3 536
Pension Contributions		156	164	-	13	65	68	(3)	-5%	156
Medical Aid Contributions		17	18	-	1	7	8	(0)	-5%	17
Motor vehicle allowance		1 043	1 240	-	78	389	517	(128)	-25%	933
Cell phone and other allowances		240	64	-	18	91	27			248
Housing allowance			-	-	-	-	-	-		-
Sub Total - Councillors		4 595	5 357	-	411	2 025	2 232	(207)	-9%	4 891
% increase	4		16.6%							6.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3 233	3 654	-	596	1 699	1 218	481	39%	2 997
Pension and UIF Contributions		366	619	-	45	179	206	(27)	-13%	507
Medical Aid Contributions		134	195	-	11	56	65	(9)	-13%	160
Overtime				-	-	-	-	-		-
Performance Bonus		209	464	-	-	-	155	(155)	-100%	381
Motor Vehicle Allowance		358	476	-	41	154	159	(5)	-3%	390
Cellphone Allowance		72	72		8	40	24	16	67%	59
Housing Allowances		33	43		3	15	14	1	5%	35
Other benefits and allowances		14	121		6	18	40	(23)	-56%	100
Payments in lieu of leave		-	81	-	-	-	27	(27)	-100%	66
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		4 420	5 726	-	711	2 161	1 909	252	13%	4 695
% increase	4		29.5%							6.2%
Other Municipal Staff										
Basic Salaries and Wages		20 897	26 198	-	1 791	9 124	11 393	(2 269)	-20%	24 561
Pension and UIF Contributions		3 358	4 176	-	302	1 500	1 740	(240)	-14%	3 424
Medical Aid Contributions		954	1 127	-	88	420	470	(50)	-11%	924
Overtime		58	79	-	2	17	33	(16)	-49%	65
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		1 534	1 883	-	148	727	784	(57)	-7%	1 544
Cellphone Allowance		109	99		8	38	41	(3)	-7%	81
Housing Allowances		495	524	-	31	158	218	(60)	-28%	430
Other benefits and allowances		758	1 082	-	60	239	451	(212)	-47%	887
Payments in lieu of leave		883	619	-	-	74	258	(184)	-71%	507
Long service awards		141	180	-	-	81	75	6	8%	148
Post-retirement benefit obligations	2	304	864	-	57	280	360	(80)	-22%	709
Sub Total - Other Municipal Staff		29 489	36 831	-	2 487	12 658	15 823	(3 165)	-20%	33 280
% increase	4		24.9%							12.9%
Total Parent Municipality		38 504	47 914	-	3 610	16 844	19 964	(3 120)	-16%	42 865

PERSONNEL ATTENDANCES:

Personnel attendance in the workplace for November 2012 averages 88%. The reason for the deviations is mainly due to study, courses, annual and sick leave.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
Number of Members	1	4	3	17
Annual Leave	0	7	0	19
Sick Leave	0	1	12	2
Courses / Seminar	4	0	0	0
Meetings	1	0	1	1
Family Responsibility	0	0	0	0
Study	6	0	0	0
Maternity Leave	0	0	0	0
Union Matters	0	0	0	0
Absent	0	0	0	0
No. of Workdays Attended	17	80	31	260
Total Workdays	22	88	44	288
Percentage attendance per Group Average	77%	91%	70%	90%

Personnel Development:

No training was attended during November 2012.

INTERNSHIP PROGRAMME

As per National Treasury regulations, Four Finance Interns were appointed (three on 19 November 2012 and one on 03 December 2012). The vacant post of one finance intern was re-advertised due to technical errors and will be filled shortly. The aim of the programme is to capacitate Finance Graduates to eventually be able to fill CFO and other financial posts in municipalities. Their appointment is for a period of 24 to 36 months depending on completion of the programme.

Please refer to next page

2.8 Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

Description	Ref	Budget Year 2012/13												2012/13 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates			-	-	-	-										
Property rates - penalties & collection charges			-	-	-	-										
Service charges - electricity revenue			-	-	-	-										
Service charges - water revenue			-	-	-	-										
Service charges - sanitation revenue			-	-	-	-										
Service charges - refuse			-	-	-	-										
Service charges - other			-	-	-	-										
Rental of facilities and equipment			-	-	-	-						90	90	95	98	
Interest earned - external investments		571	509	259	710	516						2 313	4 878	5 122	5 327	
Interest earned - outstanding debtors		-	-	-	-	-										
Dividends received		-	-	-	-	-										
Fines		-	-	-	-	-										
Licences and permits		-	-	-	-	-										
Agency services		-	-	-	-	-										
Transfer receipts - operating		37 707	1 400	410	-	29 210						30 321	99 048	108 167	108 070	
Other revenue		1 635	208	183	662	782						(2 605)	865	654	682	
Cash Receipts by Source		39 913	2 117	852	1 372	30 507						30 119	104 881	114 037	114 178	
Other Cash Flows by Source																
Transfer receipts - capital																
Contributions & Contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase in consumer deposits																
Receipt of non-current debtors																
Receipt of non-current receivables																
Change in non-current investments																
Total Cash Receipts by Source		39 913	2 117	852	1 372	30 507						30 119	104 881	114 037	114 178	
Cash Payments by Type																
Employee related costs		2 805	2 884	2 953	3 048	4 230						22 555	38 475	42 544	44 604	
Remuneration of councillors		397	412	395	409	411						3 496	5 521	5 798	6 087	
Interest paid												2 015	2 015	1 976	1 825	
Bulk purchases - Electricity																
Bulk purchases - Water & Sewer																
Other materials		548	148	155	146	262						2 168	3 427	4 046	4 201	
Contracted services		-	-	-	-	-										
Grants and subsidies paid - other municipalities												40 811	40 811	24 176	26 279	
Grants and subsidies paid - other		1 856	2 730	2 432	2 234	1 855						(11 107)				
General expenses		727	1 056	1 569	1 312	1 452						8 750	14 866	14 416	13 946	
Cash Payments by Type		6 334	7 230	7 503	7 149	8 211						68 689	105 116	92 956	96 943	
Other Cash Flows/Payments by Type																
Capital assets		-	124	502	959	125						2 955	4 666	3 380	900	
Repayment of borrowing		-	-	-	-	-						1 139	1 139	1 277	1 429	
Other Cash Flows/Payments		-	124	502	959	125						4 094	6 805	4 657	2 329	
Total Cash Payments by Type		6 334	7 354	8 005	8 108	8 337						72 783	110 920	97 614	99 272	
NET INCREASE/(DECREASE) IN CASH HELD		33 579	(5 237)	(7 153)	(6 735)	22 171						(42 663)	(6 039)	16 424	14 906	
Cash/cash equivalents at the month/year beginning:		86 214	119 793	114 556	107 403	100 668	122 838	122 838	122 838	122 838	122 838	122 838	86 214	80 175	96 599	
Cash/cash equivalents at the month/year end:		119 793	114 556	107 403	100 668	122 838	122 838	122 838	122 838	122 838	122 838	80 175	80 175	96 599	111 505	

2.9 Table SC12 Monthly Budget Statement - capital expenditure trend

Month	2011/12	Budget Year 2012/13							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands									%
<u>Monthly expenditure performance trend</u>									
July		-	-	-	-	-	-	-	0%
August	32	-	-	50	50	-	(50)	#DIV/0!	1%
September	198	2 462	-	493	543	2 462	1 919	77.9%	6%
October	498	1 527	-	765	1 308	3 989	2 681	67.2%	15%
November	322	-	-	300	1 608	3 989	2 382	59.7%	18%
December	157	-	-	-	1 608	3 989	2 382	59.7%	18%
January	-	440	-	-	1 608	4 429	2 822	63.7%	18%
February	174	584	-	-	1 608	5 013	3 406	67.9%	18%
March	516	85	-	-	1 608	5 098	3 491	68.5%	18%
April	68	3 225	-	-	1 608	8 323	6 716	80.7%	0
May	19	239	-	-	1 608	8 562	6 954	81.2%	0
June	453	451	-	-	1 608	9 013	7 406	82.2%	0
Total Capital expenditure	2 437	9 013	-	1 608					

2.10 Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class

Please refer to next page

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	6 432	-	90	1 387	228	(1 159)	-508.3%	6 432
General vehicles			1 590							1 590
Specialised vehicles										
Plant & equipment			3 103		6	1 188	128	(1 060)	-828.5%	3 103
Computers - hardware/equipment			358			10	20	10	48.2%	358
Furniture and other office equipment			283		5	108	80	(28)	-35.1%	283
Abattoirs										
Markets										
Civic Land and Buildings			1 097		80	80		(80)	#DIV/0!	1 097
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	310	-	55	55		(55)	#DIV/0!	310
Computers - software & programming			310		55	55		(55)	#DIV/0!	310
Other										
Total Capital Expenditure on new assets	1	-	6 742	-	146	1 442	228	(1 214)	-532.5%	6 742

2.11 Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class

Description	Ref	2011/12 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2012/13				Full Year Forecast
						YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-
<u>Community</u>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<u>Other assets</u>		-	2 272	-	154	166	300	134	44.8%	2 322
General vehicles			1 200				300	300	100.0%	1 200
Specialised vehicles										
Plant & equipment			627		154	154		(154)	#DIV/0!	677
Computers - hardware/equipment			445			12		(12)	#DIV/0!	445
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
List sub-class										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
List sub-class										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other										
Total Capital Expenditure on renewal of existing assets	1	-	2 272	-	154	166	300	134	44.8%	2 322

2.12 Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class

Description	Ref	2011/12 Audited Outcome	Budget Year 2012/13							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	1 944	-	159	446	486	40	8.2%	1 944
General vehicles			414		65	125	103	(21)	-20.4%	414
Specialised vehicles			-		-	-	-	-		-
Plant & equipment			486		15	31	122	91	74.5%	486
Computers - hardware/equipment			574		43	173	143	(30)	-20.9%	574
Furniture and other office equipment			149		-	0	37	37	99.8%	149
Abattoirs			-		-	-	-	-		-
Markets			-		-	-	-	-		-
Civic Land and Buildings			322		36	117	80	(37)	-45.5%	322
Other Buildings			-		-	-	-	-		-
Other Land			-		-	-	-	-		-
Surplus Assets - (Investment or Inventory)			-		-	-	-	-		-
Other			-		-	-	-	-		-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	2 418	-	151	297	604	308	50.9%	2 418
Computers - software & programming			2 418		151	297	604	308	50.9%	2 418
Other			-		-	-	-	-		-
Total Repairs and Maintenance Expenditure		-	4 362	-	310	743	1 090	348	31.9%	4 362

2.13 Table SC13d Monthly Budget Statement - depreciation by asset class

Description	Ref	2011/12 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2012/13				
						YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	200	-	-	-	67	67	100.0%	200
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other			200				67	67	100.0%	200
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	4 098	-	-	-	1 366	1 366	100.0%	4 098
General vehicles			550				183	183	100.0%	550
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment			645				215	215	100.0%	645
Computers - hardware/equipment			650				217	217	100.0%	650
Furniture and other office equipment			853				284	284	100.0%	853
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			1 400				467	467	100.0%	1 400
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	200	-	-	-	67	67	100.0%	200
Computers - software & programming			200				67	67	100.0%	200
Other										
Total Repairs and Maintenance Expenditure		-	4 498	-	-	-	1 499	1 499	100.0%	4 498
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

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 re-scheduled for the second week of January 2013 due to technical problems that occurred with the system.

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.

Motor Vehicle Operating Cost:

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

VEHICLE OPERATING COST	ACTUAL	BUDGET	VARIANCE	VAR %
Depreciation: Motor Vehicles	-	229,167	(229,167)	-100.00%
Insurance	10,058	24,063	(14,005)	-58.20%
MV Administration Levy	8,064	8,333	(269)	-3.23%
Fuel	188,779	208,333	(19,554)	-9.39%
Licence	4,140	5,271	(1,131)	-21.45%
Repairs and Maintenance	34,579	41,667	(7,088)	-17.01%
Tyres	12,000	26,250	(14,250)	-54.28%
TOTAL	257,620	543,083	(285,463)	-52.56%

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 November 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	195 000	9/30/2013	144,741	185,076	40,335
2	Citi Golf	Pool	2005	BSM 014 NC	90,000	4/30/2013	84,222	87,004	2,782
3	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	225,000	4/30/2013	202,504	210,503	7,999
4	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	75,000	9/30/2013	50,031	63,593	13,562
5	Chevrolet Opel Corsa 1.4 i	Disaster Management	2010	CBY 227 NC	60,000	9/30/2013	26,446	34,222	7,776
6	Chevrolet Captiva	Pool	2011	CDM 296 NC	45,000	11/30/2013	20,388	33,807	13,419
7	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	165,000	7/31/2013	156,944	164,358	7,414
8	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	165,000	4/30/2013	148,190	158,168	9,978
9	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	120,000	4/30/2013	100,571	109,357	8,786
10	Toyota Corolla	Pool	2009	BZP 439 NC	90,000	9/30/2013	73,235	87,518	14,283
11	Toyota Corolla	Pool	2009	BZP 440 NC	75,000	9/30/2013	63,210	70,596	7,386
12	Toyota Condor	Tourism Centre	2001	BLR 461 NC	200,000	6/30/2013	191,842	197,723	5,881
13	Isuzu 2.4	Housing	2009	CBD 761 NC	75,000	2013/02/29	32,138	70,876	38,738
14	Toyota Corolla	Pool	2008	BXL 799 NC	135,000	2013/02/29	116,888	129,638	12,750
15	Nissan LDV	Community Development	2006	BVC 831 NC	135,000	7/31/2013	117,594	120,214	2,620
16	Ford Bantam	Finance	2004	BRD 836 NC	90,000	1/31/2013	81,748	82,433	685
17	Toyota Hilux	PMU	2004	BRF 837 NC	130,000	2013/02/29	120,075	123,502	3,427
18	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	30,000	9/30/2013	13,525	16,940	3,415
19	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	30,000	9/30/2013	1,703	16,944	15,241
20	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	180,000	2013/02/29	159,725	166,973	7,248
YEAR TO DATE UTILITY - FULL FLEET									223,725

Motor Vehicle Damage Report:

Mercedes Benz, registration number FBDM 1 was damaged +-15km from Warrenton to Kimberley. A wild goat ran onto the road in front of the vehicle damaging the front grill of the vehicle. The incident has been reported to the asset management unit and the insurance company. The estimated value of the repairs is R22 904.85 which will be covered from Council's insurance.

The right mirror of Chevrolet Cruze registration number CBY 226 NC was damaged due to a minor accident on the N14 road from Hartswater to Carletonville. The incident has been reported to the asset management unit and the insurance company.

2.14 Quality Certificate

I, ZM Bogatsu, the Municipal Manager of Frances Baard District Municipality, hereby certify that-

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state affairs of the municipality
- mid-year budget and performance assessment

for the month of November 2012 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that act.

ZM Bogatsu
Municipal Manager: Frances Baard District Municipality

Signature  _____

Date: 12 December 2012