

FRANCES BAARD DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT

30 SEPTEMBER 2013

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1. INTRODUCTION

1.1 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).

1.2 STRATEGIC OBJECTIVE

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

1.3 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.

“Section 71(1) of the MFMA states that, 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”.

“Section 28 of the Government Notice 32141, the monthly budget statement of a municipality must be in the format specified in Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act”.

2. MAYOR’S REPORT

Frances Baard District Municipality compiles the section 71 monthly report in the prescribed format as per the Municipal Budget and Reporting Regulations. The format consists of seven financial statements and thirteen tables consisting of supporting documentation.

Budget Process:

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

The Annual Financial Statements for the year ended 30 June 2013 was submitted to the Audit committee on 28 August 2013 for their inputs and to the Office of the Auditor General on 30 August 2013 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:

- (i) The District Municipality assisted Phokwane Municipality with verification of data from the new Valuation roll implemented on 1 July 2013 to the E-Venus system and balancing of the 2012/2013 rates charges.

3. COUNCIL RESOLUTIONS

This is the resolution that will be presented to Council when the In-Year Report is tabled.

Recommendation:

- (a) That Council notes the monthly budget statement and supporting documentation for the month ended 31 August 2013.

4. EXECUTIVE SUMMARY

4.1 Statement of Financial Performance

Consolidated performance against annual budget (Projected Operating Results)

Revenue by source

Year-to-date accrued revenue is R31, 258 million as compared to the year-to-date budget projections of R31, 744 million for August 2013. This is as a result of receiving Equitable Share Grant in advance for the quarter ending 30 September 2013. The main sources of revenue that are below budget are interest on investments and rental of facilities and equipment. This is because the financial year commenced 01 July 2013.

Operating expenditure by type

To date, R9, 962 million has been spent compared to the operational approved budget of R121, 160 million. This does not include non-cash items such as depreciation & impairment. The huge difference is due to the fact that the financial year commenced 01 July 2013.

Refer to Annexure A, Table SC1 for further explanation for material variances on both revenue by source and expenditure by type. The summary statement of financial performance in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type.

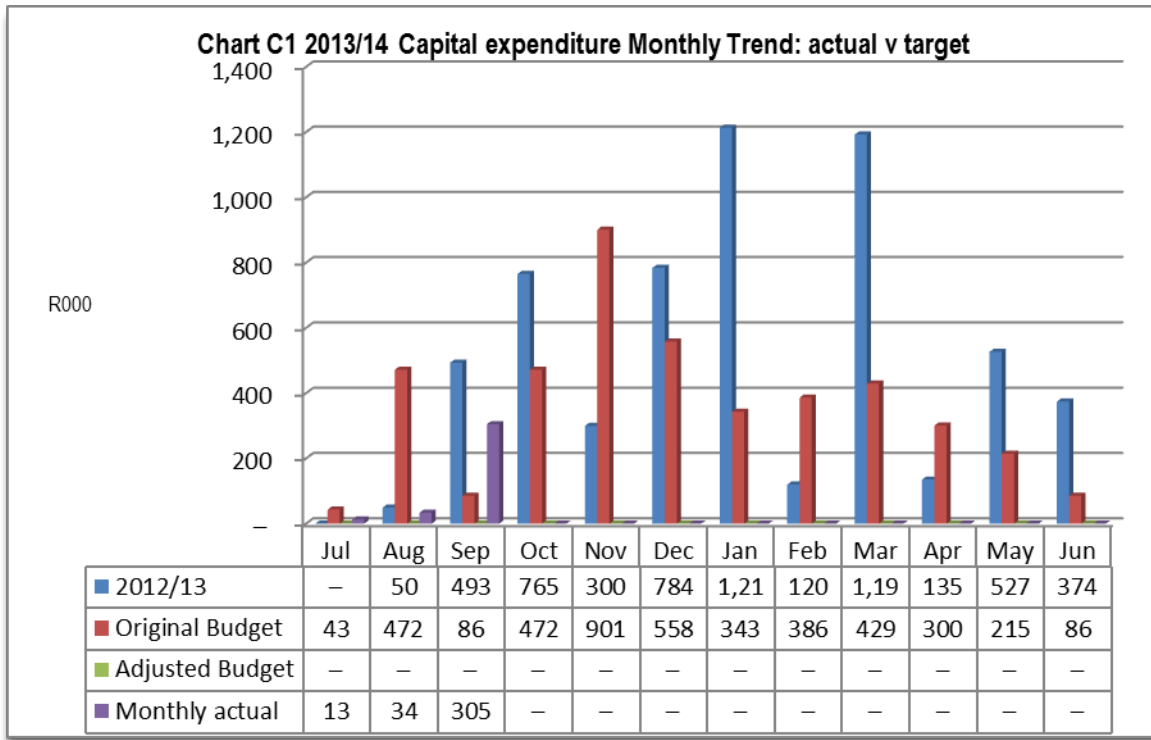
Capital Expenditure

Year-to-date expenditure on capital amounts to R46, 750 or 1.09% of the total original budget of R4, 289 million. Expenditure is expected to gain momentum as the financial year progresses.

Please refer to Annexure A, Table C5 for further details.

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Capital Expenditure Monthly Trend: Actual vs Target



Cash Flows

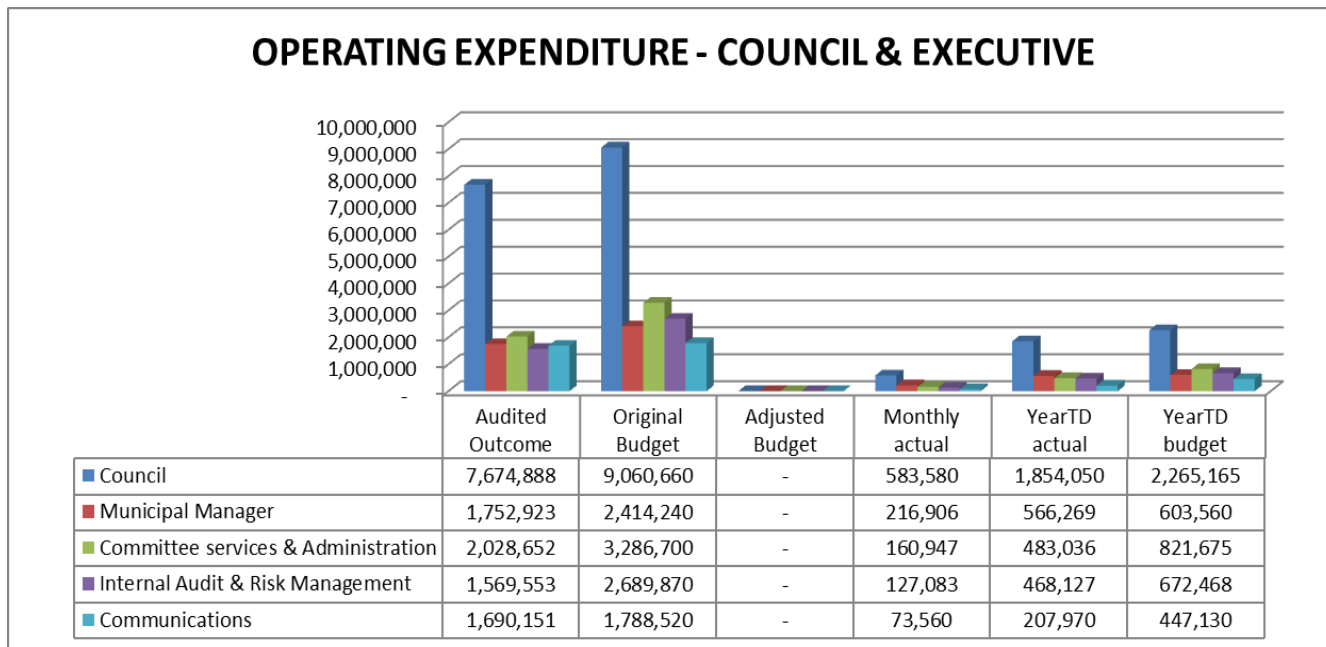
The Municipality started the year with a total cash and cash equivalents of R83, 564 million. For the month of August 2013, the cash and cash equivalents amount to R109, 654 million. The net increase of R26, 089 million is as a result of receiving equitable share grant in advance for the quarter ending 30 September 2013.

Table C7 includes all cash and cash equivalents (cashbook balances, petty cash balances and short and long term deposits).

Consolidated performance of year-to-date expenditure against year-to-date budget (per municipal vote)

The municipal vote reflects the organisational structure of the municipality which is made up of the following directorates: Council & Executive, Budget & Treasury, Corporate Services, Planning & Development and Project Management & Advisory Services.

The following charts depict the financial performance as per Municipal vote according to the approved organogram of council:



Actual operating expenditure of Council & Executive is 74.42% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: salaries and allowances, consultancy, repairs and maintenance, legal services, special projects and general expenses.

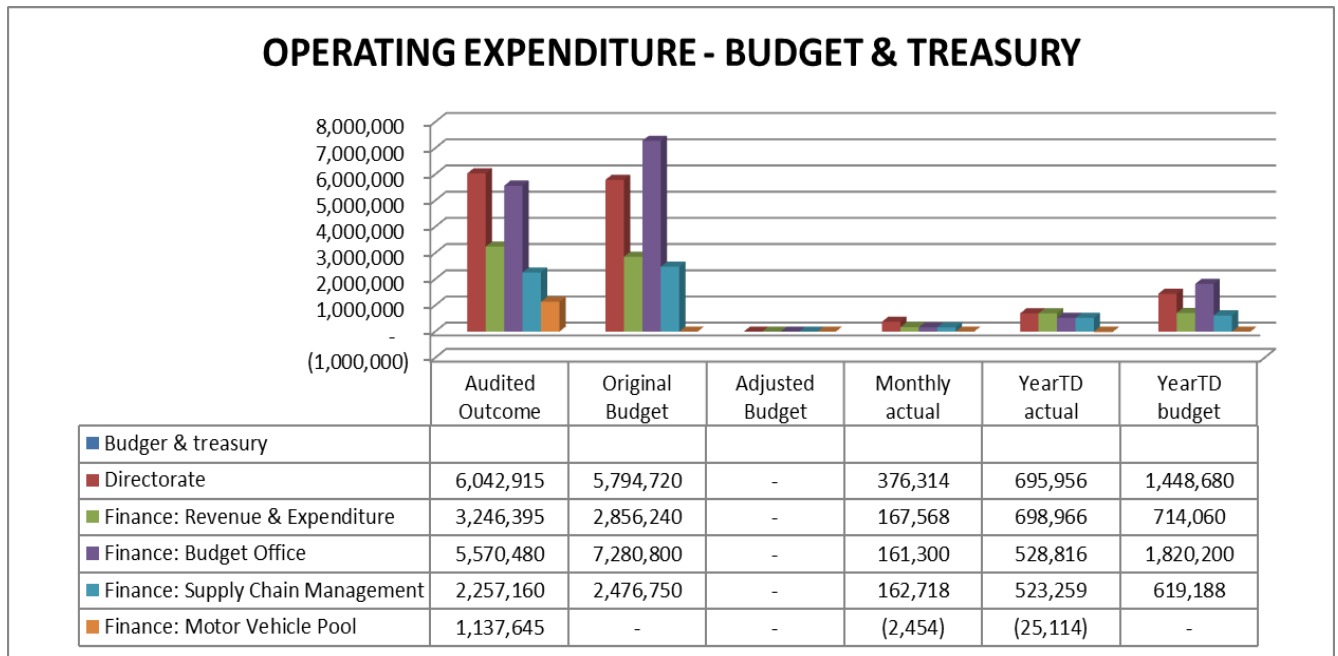
Approved vacant posts of Office Manager in the office of the Municipal Manager, Administrative Officer, Communication Officer and Special Programmes Officer have to be filled.

Please refer to next page

Consolidated performance of year-to-date expenditure on special projects against full year budget (Council & Executive)

	YTD Actual	Budget	% Spending	Remarks
<u>COMMITTEE & ADMINISTRATION SERVICES</u>				
Youth Unit Special Projects	-	100,000	0.00%	
Commemorative Days	-	100,000	0.00%	
Total	-	200,000	0.00%	
	YTD Actual	Budget	% Spending	Remarks
<u>INTERNAL AUDIT</u>				
		350,000		
Fraud Prevention Plan	-	350,000	0.00%	
Total	-	350,000	0.00%	Remarks
<u>COMMUNICATIONS</u>				
GFS System	-	5,000	0.00%	
Branding	-	10,000	0.00%	
PAIA Management	-	15,000	0.00%	
Total	-	30,000	0.00%	

Actual spending on special projects of Council & Executive is 0% as compared to the approved budget due to the fact that the financial year commenced 01 July 2013. Projects will gain momentum as the financial year progresses.



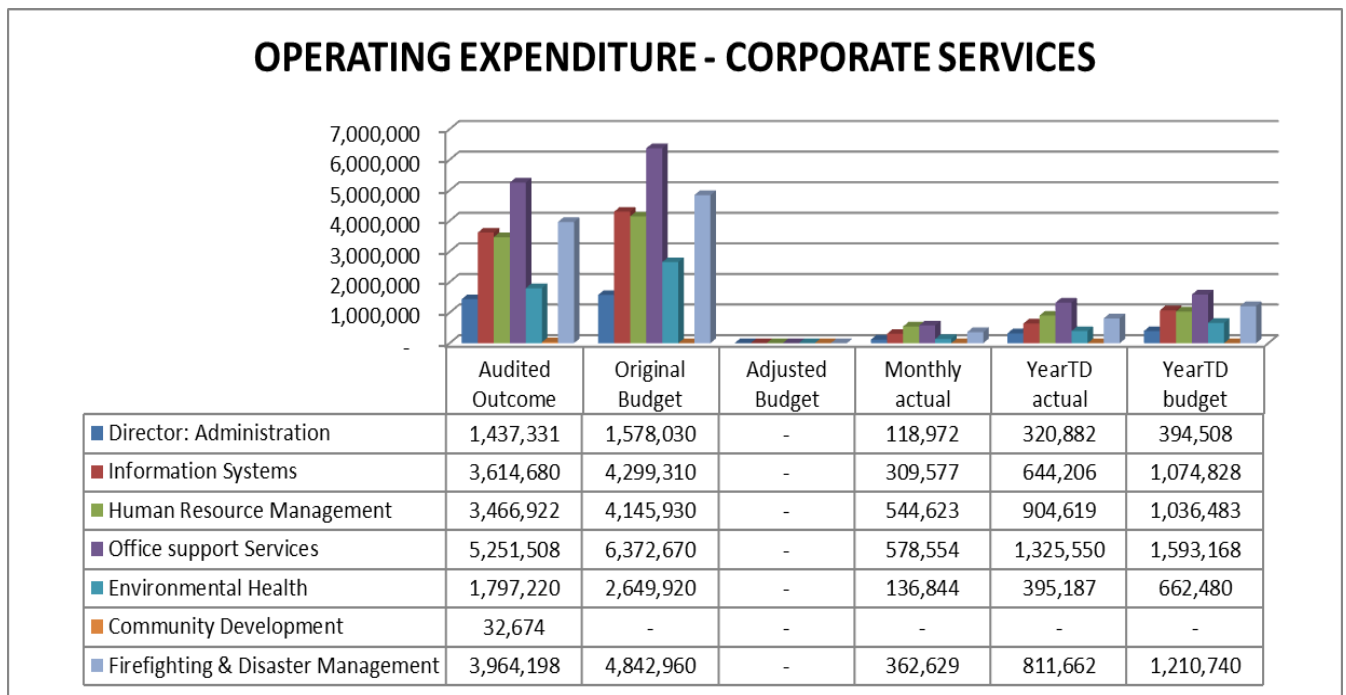
Actual operating expenditure of Budget & Treasury office is 52.63% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: employee related costs, interest on external borrowings, consultancy, repairs and maintenance, special projects and general expenses.

Approved vacant post of Accountant: Budget Office has to be filled.

Consolidated performance of year-to-date expenditure on special projects against full year budget (Budget & Treasury)

	YTD Actual	Budget	% Spending	Remarks
FINANCE: DIRECTORATE				
Capacity Building & BTO Operations	263	120,000	0.22%	
Operation Clean Audit	-	500,000	0.00%	
AFS Quality Control	30,000	80,000	37.50%	
Staff Benefits Actuarial Evaluations	50,000	50,000	100.00%	
Financial System Support (2) LM	-	300,000	0.00%	
Total	80,263	1,050,000	7.64%	

Actual spending on special projects of Budget & Treasury Office is 7.64% as compared to the approved budget - projects will gain momentum as the financial year progresses.



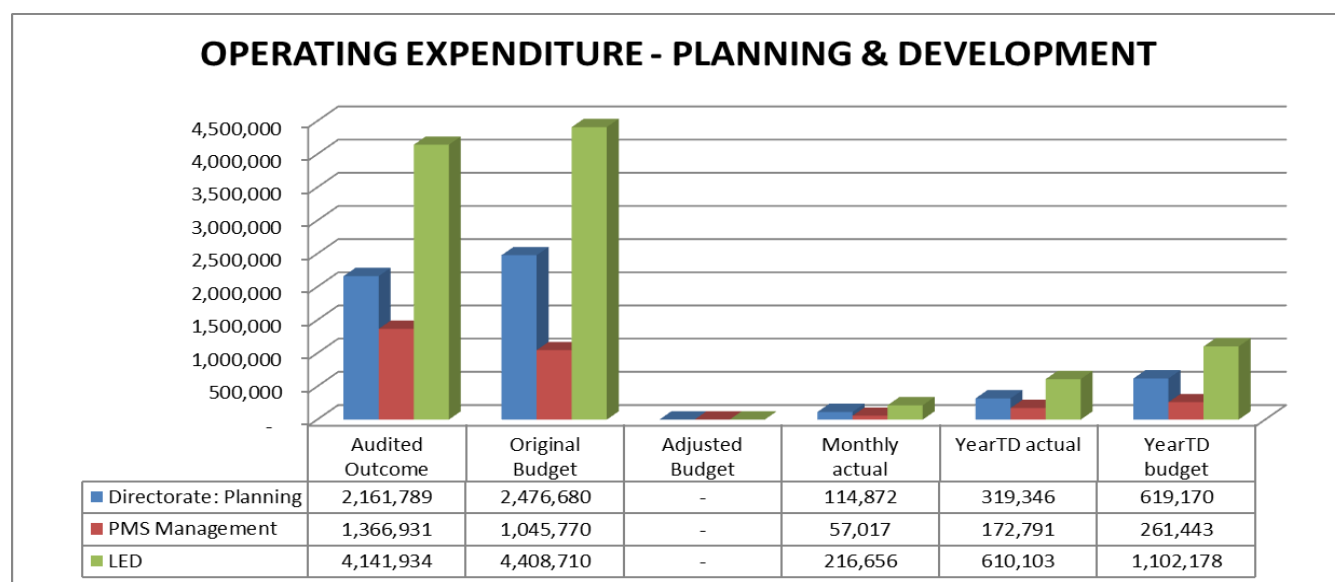
Actual operating expenditure of Corporate Services is 73.71% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: maintenance of computer hardware, software, printers, networks and telephone system, consultancy, special projects, training, and general expenses.

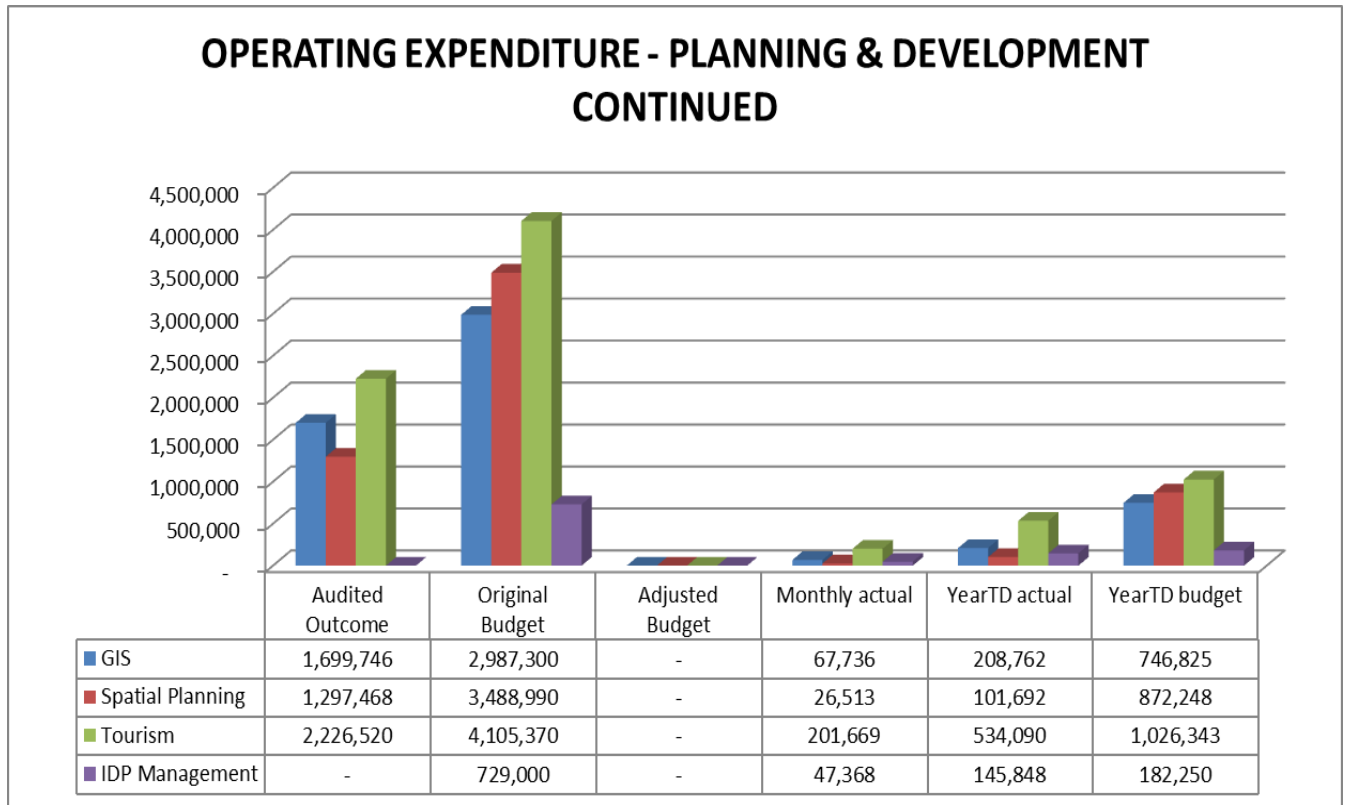
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Consolidated performance of year-to-date expenditure on special projects against full year budget (Corporate Services)

	YTD Actual	Budget	% Spending	Remarks
<u>INFORMATION COMMUNICATION & TECHNOLOGY</u>				
ICT District Forum Meetings	-	14,000	0.00%	
Total	-	14,000	0.00%	
	YTD Actual	Budget	% Spending	Remarks
<u>HUMAN RESOURCE MANAGEMENT</u>				
Employee Assistance Programme	11,155	100,000	11.16%	
Employee Wellness	220,509	300,000	73.50%	
Total	231,664	400,000	57.92%	
	YTD Actual	Budget	% Spending	Remarks
<u>ENVIRONMENTAL HEALTH</u>				
Awareness Programme - HIV, TB & STI	1,212	6,000	20.21%	
Awareness Programme - Sanitation	-	6,000	0.00%	
Implementation of Recycling Project	-	40,000	0.00%	
Air Quality Projects	-	190,000	0.00%	
Awareness Programme - Air Quality	-	16,000	0.00%	
Implement Air Quality Plan	-	216,000	0.00%	
Waste Management Campaigns	-	2,000	0.00%	
EMI Internship Programme - Air Quality	-	196,200	0.00%	
Total	1,212	672,200	0.18%	
<u>FIRE FIGHTING / DISASTER MANAGEMENT</u>				
Fire Fighting - Volunteers Training	-	30,000	0.00%	
Fire Fighting - Volunteers Stipend	-	58,850	0.00%	
Fire Fighting - Volunteers Insurance	-	10,490	0.00%	
Contingency Fund	68,421	220,000	31.10%	
Disaster Management Forum	-	8,800	0.00%	
Develop Risk REC & RESP Strategy	-	600,000	0.00%	
Total	68,421	928,140	7.37%	

Actual spending on special projects of Corporate Services is 11.50% as compared to the approved budget - projects will gain momentum as the financial year progresses.





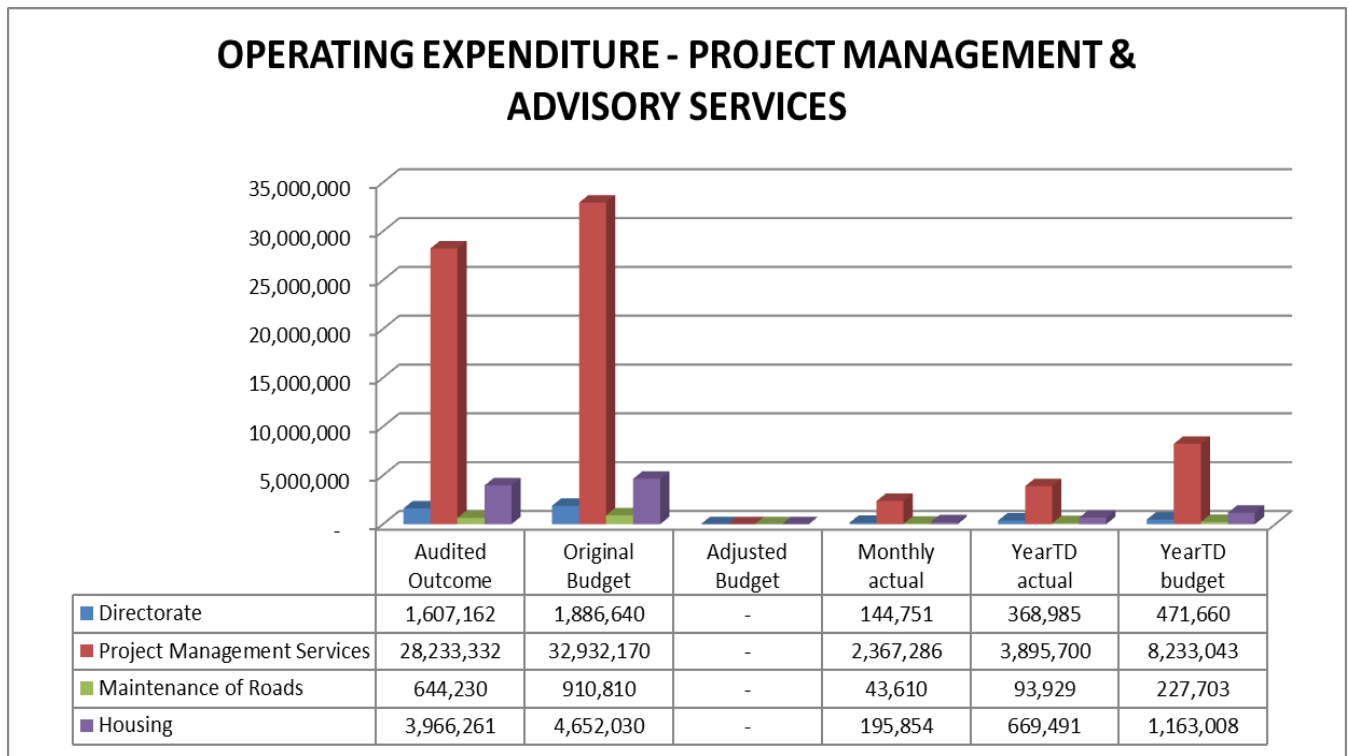
Actual operating expenditure of Planning & Development is 43.50% of the year-to-date budget projections. The main areas where expenditure is less than YTD budgets are: depreciation, repairs & maintenance, consultancy, special projects, advertisement general notices and general expenses.

Please refer to next page

Consolidated performance of year-to-date expenditure on special projects against full year budget (Planning & Development)

	YTD Actual	Budget	% Spending	Remarks
<u>PLANNING & DEVELOPMENT</u>				
<u>DIRECTORATE</u>				
Review LED Strategy	-	290,000	0.00%	
Review DGDS Strategy	-	350,000	0.00%	
Integrated Rezoning Scheme	-	250,000	0.00%	
Total	-	890,000	0.00%	
	YTD Actual	Budget	% Spending	Remarks
<u>LED</u>				
LED SMME Development	-	200,000	0.00%	
LED Cooperative Registration	-	42,900	0.00%	
LED Promotion of SMME'S	25,947	200,000	12.97%	
LED Emerging Farmer Support	-	120,000	0.00%	
LED Small Miner Support	-	100,000	0.00%	
LED EPWP Support	-	10,000	0.00%	
LED Training for Graduates	-	360,000	0.00%	
LED Phokwane Processing Plant	-	40,000	0.00%	
LED EXPO	-	500,000	0.00%	
LED BIO-Mass Dikgatlong	-	20,000	0.00%	
KBY HUB	-	450,000	0.00%	
LED Develop Incentive Policies	4,113	40,000	10.28%	
LED Coordinate Structure and Institutional Support	3,600	86,000	4.19%	
Total	33,660	2,168,900	1.55%	
	YTD Actual	Budget	% Spending	Remarks
<u>GIS</u>				
GIS: Verify Water Infrastructure	-	600,000	0.00%	
Financial Data Clensing	-	1,200,000	0.00%	
Total	-	1,800,000	0.00%	
<u>SPATIAL PLANNING</u>				
Surveying of Erven Dikgatlong	-	397,010	0.00%	
Zoning Scheme Phokwane	-	165,520	0.00%	
Spatial Development Framework (FBDM)	556	789,750	0.07%	
Spatial Development Framework (LM)	-	526,500	0.00%	
Environmental Impact Assessment - Dikgatlong	-	36,600	0.00%	
Total	556	1,915,380	0.03%	
<u>IDP MANAGEMENT</u>				
IDP Steering Committee Meeting	-	7,600	0.00%	
Total	-	7,600	0.00%	
	YTD Actual	Budget	% Spending	Remarks
<u>TOURISM</u>				
Diamonds & Dorings Support	-	300,000	0.00%	
TOUR - Contribution . NCTA Support	135,000	135,000	100.00%	
TOUR - N12 Promotion	50,000	50,000	100.00%	
TOUR - N12 Treasury Route Support	20,000	20,000	100.00%	
TOUR - Business Plan Competition	30,519	360,000	8.48%	
Indaba Trade EXPO	-	275,180	0.00%	
12/13: TOUR - Website	-	97,100	0.00%	
12/13: TOUR - Route Feasibility & Business Plan	-	316,800	0.00%	
TOUR - Advertising & Promotion	28,000	140,000	20.00%	
TOUR - Association	-	8,500	0.00%	
TOUR - FBDM Arts and Craft Centre	-	210,000	0.00%	
TOUR - Marketing Brochure	-	90,000	0.00%	
Community Awareness Campaigns	125,503	160,000	78.44%	
Gong-Gong Feasibility Study	-	263,250	0.00%	
Malooof 2013 Exhibition	678	28,430	2.38%	
Total	389,700	2,454,260	15.88%	

Actual spending on special projects of Planning & Development is 3.22% as compared to the approved budget - projects will gain momentum as the financial year progresses.



Actual operating expenditure of Project Management & Advisory Services is 49.81% 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

Consolidated performance of year-to-date expenditure on special projects against full year budget (Project Management & Advisory Services)

	YTD Actual	Budget	% Spending	Remarks
<i>PROJECT & ADVISORY SERVICES</i>				
District Technical Forum Meetings	761	8,000	9.51%	
EQS: O&M Phokwane - Maintenance Water & Waste Infrastructure	728,455	1,810,000	40.25%	
EQS: O&M Magareng - Maintenance Electricity Infrastructure	-	500,000	0.00%	
EQS: O&M Magareng - Maintenance Water & Wastewater Infrastructure	-	1,000,000	0.00%	
EQS: O&M Magareng - Maintenance Street & Storm Water	-	1,000,000	0.00%	
EQS: O&M Sol Plaatje - Maintenance Platfontein Sewer System	98,064	500,000	19.61%	
EQS: O&M Phokwane - Maintenance Electricity Infrastructure	106,154	550,000	19.30%	
EQS: O&M Sol Plaatje - Maintenance Street & Storm Water	-	1,000,000	0.00%	
EQS: O&M Phokwane - Maintenance Street & Storm Water	171,930	700,000	24.56%	
EQS: O&M Dikgatlong - Maintenance Water & Waste Infrastructure	-	1,550,000	0.00%	
EQS: O&M Dikgatlong - Maintenance Electricity Infrastructure	-	550,000	0.00%	
EQS: O&M Dikgatlong - Maintenance Street & Storm Water	-	500,000	0.00%	
CAP - Magareng: Provision of Water Reticulation	1,127,085	2,355,000	47.86%	
CAP - Magareng: Upgrade of Water Network	1,123,659	1,899,000	59.17%	
CAP - Phokwane: Electricity Masterplan	-	450,000		
CAP - Phokwane: Gangspan Bulk Water Support	-	1,200,000	0.00%	
CAP - Phokwane: Sewer Truck	-	2,000,000	0.00%	
CAP - Phokwane: Electricity	-	450,000	0.00%	
CAP - Phokwane: Install Water Meters	-	550,000	0.00%	
CAP - Magareng: Water Reticulation Warrenvale	-	1,500,000	0.00%	
CAP - Magareng: Sewer Reticulation Warrenvale	-	1,200,000	0.00%	
CAP Magareng: Upgrade Water Network	-	1,500,000	0.00%	
CAP - Sol Plaatje: Water & Sanitation	-	3,000,000	0.00%	
CAP - Dikgatlong: Refuse Truck	-	2,000,000	0.00%	
CAP - Dikgatlong: Upgrade Electricity Network	-	1,500,000	0.00%	
CAP - Dikgatlong: Waste Water Operating Room	-	650,000	0.00%	
Total	3,356,107	29,922,000	11.22%	
	YTD Actual	Budget	% Spending	Remarks
<i>HOUSING</i>				
Special Project: 16 Days of Activism	-	15,000	0.00%	
Special Project: Women's Month	-	15,000	0.00%	
Special Project: Mandela Month	15,000	15,000	100.00%	Project complete
Housing Consumer Education	-	40,000	0.00%	
Housing Field Workers	-	30,000	0.00%	
Housing Steering Committee Meeting	1,672	20,000	8.36%	
Total	16,672	135,000	12.35%	

Actual spending on special projects of Project Management & Advisory Services is 11.22% as compared to the approved budget - projects will gain momentum as the financial year progresses.

IN-YEAR BUDGET STATEMENT TABLES (ANNEXURE: A)**Table C1: Monthly Budget Statement Summary**

Description	2012/13	Budget Year 2013/14							
	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	5,672	4,619	-	454	625	770	(145)	-19%	1,559
Transfers recognised - operational	94,579	93,815	-	(7,015)	30,598	30,800	(201)	-1%	91,930
Other own revenue	1,752	1,045	-	23	35	174	(139)	-80%	946
Total Revenue (excluding capital transfers and contributions)	102,003	99,479	-	(6,538)	31,258	31,744	(486)	-2%	94,435
Employee costs	38,645	47,498	-	2,999	6,101	7,916	(1,815)	-23%	10,924
Remuneration of Councillors	5,160	5,679	-	429	866	946	(80)	-8%	898
Depreciation & asset impairment	3,042	5,050	-	-	-	842	(842)	-100%	5,050
Finance charges	3,033	2,215	-	-	-	369	(369)	-100%	2,215
Materials and bulk purchases	2,561	3,983	-	351	465	664	(199)	-30%	1,260
Transfers and grants	35,342	42,937	-	955	1,402	7,156	(5,754)	-80%	35,912
Other expenditure	12,098	13,798	-	639	1,128	2,300	(1,172)	-51%	5,281
Total Expenditure	99,881	121,161	-	5,372	9,962	20,193	(10,231)	-51%	61,541
Surplus/(Deficit)	2,122	(21,681)	-	(11,910)	21,296	11,550	9,745	84%	32,894
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2,122	(21,681)	-	(11,910)	21,296	11,550	9,745	84%	32,894
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	2,122	(21,681)	-	(11,910)	21,296	11,550	9,745	84%	32,894
Capital expenditure & funds sources									
Capital expenditure	5,953	4,290	-	34	47	357	(311)	-87%	4,233
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	5,953	4,290	-	34	47	357	(311)	-87%	4,233
Total sources of capital funds	5,953	4,290	-	34	47	357	(311)	-87%	4,233
Financial position									
Total current assets	86,459	86,459	-	-	112,174				61,659
Total non current assets	52,225	52,225	-	-	52,272				53,619
Total current liabilities	12,594	12,594	-	-	17,059				11,034
Total non current liabilities	33,042	33,042	-	-	33,042				26,442
Community wealth/Equity	93,048	77,802	-		114,344				77,802
Cash flows									
Net cash from (used) operating	6,112	6,112	(11,892)	(4,533)	26,718	12,869	13,849	108%	(17,312)
Net cash from (used) investing	(7,463)	(7,463)	(3,861)	(373)	(629)	(70)	(559)	804%	(8,913)
Net cash from (used) financing	(1,299)	(1,299)	(1,606)	-	-	-	-	-	(1,139)
Cash/cash equivalents at the month/year end	83,564	59,959	59,959	109,654	109,654	90,117	19,537	22%	56,201
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	1,973	2,110	124	1	1	-	3	5	2,243
Creditors Age Analysis									
Total Creditors	1,948	8,900	-	-	-	-	-	-	8,900

Table C2 Monthly Budget Statement - Financial Performance (standard classification)

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	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>		85,383	85,750	-	(6,800)	29,928	27,167	2,761	10%	82,705
Executive and council		3,318	3,716	-	(68,037)	(32,780)	1,239	(34,019)	-2746%	3,716
Budget and treasury office		82,065	82,034	-	61,238	62,708	25,928	36,780	142%	78,989
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		3,272	600	-	-	-	200	(200)	-100%	600
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2,288	600	-	-	-	200	(200)	-	600
Housing		983	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13,348	13,130	-	262	1,330	4,377	(3,047)	-70%	11,130
Planning and development		10,342	10,130	-	262	330	3,377	(3,047)	-90%	10,130
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		3,006	3,000	-	-	1,000	1,000	-	-	1,000
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	102,003	99,479	-	(6,538)	31,258	31,744	(486)	-2%	94,435
Expenditure - Standard										
<i>Governance and administration</i>		46,741	54,044	-	3,010	5,617	9,007	(3,390)	-38%	20,511
Executive and council		14,716	19,240	-	1,109	2,417	3,207	(789)	-25%	5,798
Budget and treasury office		18,255	18,409	-	931	1,556	3,068	(1,512)	-49%	10,040
Corporate services		13,770	16,396	-	970	1,644	2,733	(1,089)	-40%	4,673
<i>Community and public safety</i>		7,963	9,495	-	430	921	1,582	(661)	-42%	3,212
Community and social services		33	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3,964	4,843	-	214	448	807	(360)	-45%	2,186
Housing		3,966	4,652	-	217	474	775	(302)	-39%	1,025
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45,176	57,621	-	1,932	3,424	9,604	(6,180)	-64%	37,818
Planning and development		43,379	54,971	-	1,802	3,165	9,162	(5,997)	-65%	36,525
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		1,797	2,650	-	129	258	442	(183)	-42%	1,293
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	99,881	121,161	-	5,372	9,962	20,193	(10,231)	-51%	61,541
Surplus/ (Deficit) for the year		2,122	(21,681)	-	(11,910)	21,296	11,550	9,745	84%	32,894

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

Vote Description [Insert departmental structure etc 3.]	Ref	2012/13	Budget Year 2013/14							
		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		3,318	3,716	-	(34,019)	1,239	1,239	0	0.0%	3,716
Vote 2 - Budget & Treasury		82,065	82,034	-	27,219	28,689	25,928	2,761	10.6%	78,989
Vote 3 - Corporate Services		5,294	3,600	-	-	1,000	1,200	(200)	-16.7%	1,600
Vote 4 - Planning & Development		733	890	-	-	-	297	(297)	-100.0%	890
Vote 5 - Project Management & Advisory Services		10,593	9,240	-	262	330	3,080	(2,750)	-89.3%	9,240
Total Revenue by Vote	2	102,003	99,479	-	(6,538)	31,258	31,744	(486)	-1.5%	94,435
Expenditure by Vote	1									
Vote 1 - Council & Executive		14,716	19,240	-	1,109	2,417	3,207	(789)	-24.6%	5,798
Vote 2 - Budget & Treasury		18,255	18,409	-	931	1,556	3,068	(1,512)	-49.3%	10,040
Vote 3 - Corporate Services		19,565	23,889	-	1,313	2,351	3,981	(1,631)	-41.0%	8,152
Vote 4 - Planning & Development		12,894	19,242	-	791	1,361	3,207	(1,846)	-57.6%	10,679
Vote 5 - Project Management & Advisory Services		34,451	40,382	-	1,227	2,277	6,730	(4,454)	-66.2%	26,872
Total Expenditure by Vote	2	99,881	121,161	-	5,372	9,962	20,193	(10,231)	-50.7%	61,541
Surplus/ (Deficit) for the year	2	2,122	(21,681)	-	(11,910)	21,296	11,550	9,745	84.4%	32,894

Please refer to next page

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

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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		595	961	-	6	12	160	(148)	-93%	923
Interest earned - external investments		5,672	4,619	-	454	625	770	(145)	-19%	1,559
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		94,579	93,815	-	(7,015)	30,598	30,800	(201)	-1%	91,930
Other revenue		1,046	24	-	17	22	4	18	462%	22
Gains on disposal of PPE		110	60	-	-	1	10	(9)	-94%	1
Total Revenue (excluding capital transfers and contributions)		102,003	99,479	-	(6,538)	31,258	31,744	(486)	-2%	94,435
Expenditure By Type										
Employee related costs		38,645	47,498	-	2,999	6,101	7,916	(1,815)	-23%	10,924
Remuneration of councillors		5,160	5,679	-	429	866	946	(80)	-8%	898
Debt impairment		-	3	-	-	-	1	(1)	-100%	3
Depreciation & asset impairment		3,042	5,050	-	-	-	842	(842)	-100%	5,050
Finance charges		3,033	2,215	-	-	-	369	(369)	-100%	2,215
Bulk purchases		-	-	-	-	-	0	(0)	-100%	-
Other materials		2,561	3,983	-	351	465	664	(199)	-30%	1,260
Contracted services		-	-	-	-	-	-	-	-	-
Transfers and grants		35,342	42,937	-	955	1,402	7,156	(5,754)	-80%	35,912
Other expenditure		11,023	13,595	-	639	1,128	2,266	(1,138)	-50%	5,078
Loss on disposal of PPE		1,075	200	-	-	-	33	(33)	-100%	200
Total Expenditure		99,881	121,161	-	5,372	9,962	20,193	(10,231)	-51%	61,541
Surplus/ (Deficit) for the year		2,122	(21,681)	-	(11,910)	21,296	11,550	9,745	0	32,894
Transfers recognised - capital										
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		2,122	(21,681)	-	(11,910)	21,296	11,550			32,894
Taxation										
Surplus/(Deficit) after taxation		2,122	(21,681)	-	(11,910)	21,296	11,550			32,894
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		2,122	(21,681)	-	(11,910)	21,296	11,550			32,894
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		2,122	(21,681)	-	(11,910)	21,296	11,550			32,894

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

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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		57	82	-	-	-	7	(7)	-100%	75
Vote 2 - Budget & Treasury		1,853	862	-	7	9	72	(63)	-88%	860
Vote 3 - Corporate Services		874	2,593	-	26	38	216	(178)	-82%	2,547
Vote 4 - Planning & Development		2,558	141	-	-	-	12	(12)	-100%	141
Vote 5 - Project Management & Advisory Services		611	611	-	-	-	51	(51)	-100%	611
Total Capital single-year expenditure	4	5,953	4,290	-	34	47	357	(311)	-87%	4,233
Total Capital Expenditure		5,953	4,290	-	34	47	357	(311)	-87%	4,233
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		2,784	2,092	-	34	47	174	(128)	-73%	2,036
Executive and council		57	82	-	-	-	7	(7)	-100%	75
Budget and treasury office		1,853	862	-	7	9	72	(63)	-88%	860
Corporate services		874	1,148	-	26	38	96	(57)	-60%	1,102
<i>Community and public safety</i>		3,006	1,476	-	-	-	123	(123)	-100%	1,476
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2,470	1,385	-	-	-	115	(115)	-100%	1,385
Housing		535	91	-	-	-	8	(8)	-100%	91
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		163	721	-	-	-	60	(60)	-100%	721
Planning and development		163	661	-	-	-	55	(55)	-100%	661
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	60	-	-	-	5	(5)	-100%	60
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	5,953	4,290	-	34	47	357	(311)	-87%	4,233
Funded by:										
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		5,953	4,290	-	34	47	357	(311)	-87%	4,233
Total Capital Funding		5,953	4,290	-	34	47	357	(311)	-87%	4,233

Table C6 Monthly Budget Statement - Financial Position

Description	Ref	2012/13 Audited Outcome	Budget Year 2013/14			Full Year Forecast
			Original Budget	Adjusted Budget	YearTD actual	
R thousands	1					
ASSETS						
Current assets						
Cash		364	959	-	454	959
Call investment deposits		83,200	59,000	-	109,200	59,000
Consumer debtors		-	-	-	-	-
Other debtors		2,629	1,400	-	2,242	1,400
Current portion of long-term receivables		-	-	-	-	-
Inventory		266	300	-	278	300
Total current assets		86,459	61,659	-	112,174	61,659
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		3,800	3,000	-	3,800	3,800
Investment property		-	-	-	-	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		46,945	48,087	-	46,991	48,087
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		1,481	2,163	-	1,481	1,731
Other non-current assets		-	-	-	-	-
Total non current assets		52,225	53,250	-	52,272	53,619
TOTAL ASSETS		138,684	114,909	-	164,446	115,278
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		1,444	1,606	-	1,444	1,444
Consumer deposits		-	-	-	-	-
Trade and other payables		4,290	3,035	-	8,900	3,566
Provisions		6,860	6,024	-	6,716	6,024
Total current liabilities		12,594	10,665	-	17,059	11,034
Non current liabilities						
Borrowing		10,041	8,470	-	10,041	8,470
Provisions		23,001	17,971	-	23,001	17,971
Total non current liabilities		33,042	26,442	-	33,042	26,442
TOTAL LIABILITIES		45,636	37,107	-	50,102	37,476
NET ASSETS	2	93,048	77,802	-	114,344	77,802
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		65,052	54,541	-	86,348	54,541
Reserves		27,996	23,261	-	27,996	23,261
TOTAL COMMUNITY WEALTH/EQUITY	2	93,048	77,802	-	114,344	77,802

1.4.7 Table C7 Monthly Budget Statement - Cash Flow

Description	Ref	2012/13	Budget Year 2013/14							
		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		9,655	72	-	1,009	1,096	73	1,023	1402%	668
Government - operating		92,105	93,815	-	-	38,903	23,548	15,355	65%	92,592
Government - capital		-	-	-	-	-	-	-	-	-
Interest		5,575	4,619	-	344	791	829	(39)	-5%	4,708
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(61,273)	(67,427)	-	(4,720)	(10,356)	(10,276)	81	-1%	(67,226)
Finance charges		(1,360)	(1,215)	-	-	-	-	-	-	(2,362)
Transfers and Grants		(38,589)	(41,756)	-	(1,166)	(3,716)	(1,306)	2,410	-185%	(45,692)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6,112	(11,892)	-	(4,533)	26,718	12,869	13,849	108%	(17,312)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	100
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments		(900)	-	-	-	-	-	-	-	-
Payments										
Capital assets		(6,563)	(3,861)	-	(373)	(629)	(70)	559	-804%	(9,013)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7,463)	(3,861)	-	(373)	(629)	(70)	559	-804%	(8,913)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(1,299)	(1,606)	-	-	-	-	-	-	(1,139)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,299)	(1,606)	-	-	-	-	-	-	(1,139)
NET INCREASE/ (DECREASE) IN CASH HELD		(2,650)	(17,358)	-	(4,906)	26,089	12,799			(27,364)
Cash/cash equivalents at beginning:		86,214	77,317	-	114,560	83,564	77,317			83,564
Cash/cash equivalents at month/year end:		83,564	59,959	-	109,654	109,654	90,117			56,201

5. SUPPORTING DOCUMENTATION

Table SC1 Material variance explanations

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<u>Revenue By Source</u>			
	Government grants & subsidies	-1%	Equitable Share received in advanced for the quarter ending 30 September 2013.	Acceptable
	Rental of facilities and equipment	-92.55%	Rental of grader to local municipalities not yet charged for the period under review.	Revenue from grader charges will be journalise every quarter of the financial year
	Interest earned - external investments	-18.88%	Interest earned on external investment is less than full year budget.	Dependant on the market yield.
	Other income	462.25%	Revenue generated is more than the full year budget .	Acceptable
2	<u>Expenditure By Type</u>			
	Salaries	-22.93%	Approved vacant posts not filled according to the organogram	Most vacant post were advertised and will be filled shortly .
	Depreciation	-100.00%	Year-to-date depreciation is not run due to system failure.	Depreciation will be run as soon as the system is up and running
	Other Materials	-29.95%	All maintenance projects are needs driven. The District does not have any major infrastructure assets to maintain except for its administrative building	All maintenance projects are needs driven as and when required.
	Transfers and grants	-80.40%	Most projects are in the planning phase of implementation as per the procurement plan.	Most projects have not started, implementation will gain momentum as the financial year progresses.
	Other expenditure	-50.24%	Underspending occurred on payment of municipal services, audit fees and motor vehicle usage and other general expenses.	General expenses will gain momentum as the financial year progresses.
3	<u>Capital Expenditure</u>			
	Capital expenditure	-86.92%	As per the policy , all capital projects / purchases should have been completed / finalized by 31 March of each year	Most capital projects will gain momentum as the financial year progresses.
4	<u>Financial Position</u>			
	Reserves	R 4,734,649		
	Property, plant & equipment	R 1,095,889		
5	<u>Cash Flow</u>			
	Net cash from operating / (used) Operating Activities	107.62%	RSC Levy Replacement Grant Receipts	Acceptable
	Net cash from operating / (used) Investing Activities	-804.48%	Capital Expenditure not materialising per SDBIP	Departments are urged to spent their budget allocations
	Net cash from operating / (used) Financing Activities		Repayment of borrowing	Bi-Annual DBSA Loan Repayment
6	<u>Measureable performance</u>			
7	<u>Municipal Entities</u>			

More detail on operating variances is available on pages 05 to 13 of this report.

Table SC2 Monthly Budget Statement - performance indicators

Description of financial indicator	Basis of calculation	Ref	2012/13	Budget Year 2013/14			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Percentage							
Borrowing Management							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		7.2%	7.4%	0.0%	6.1%	0.0%
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		6.1%	6.0%	0.0%	0.0%	5.1%
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		17.0%	16.9%	0.0%	17.8%	17.3%
Gearing	Long Term Borrowing/ Funds & Reserves		35.9%	36.4%	0.0%	35.9%	36.4%
Liquidity							
Current Ratio 1	Current assets/current liabilities	1	686.5%	578.1%	0.0%	657.5%	558.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		693.7%	590.3%	0.0%	665.0%	577.8%
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		2.6%	1.4%	0.0%	7.2%	1.5%
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		37.9%	47.7%	0.0%	19.5%	11.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.5%	4.0%	0.0%	1.1%	0.5%
Interest & Depreciation	I&D/Total Revenue - capital revenue		6.0%	7.3%	0.0%	0.0%	3.3%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		171.8%	148.2%	0.0%	45.7%	173.5%
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		20.4	2.3	-	14.8	5.1

The above ratios indicate that the municipality is financially stable and adequately funded to continue with its operations. The level of employee costs for the year to date is 19.5% as compare to the year to date forecast of 11.6%. The level of employee costs should be monitored and managed effectively as it must not exceed the national norm of 35 %.

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.

Table SC3 Monthly Budget Statement - aged debtors

Description	NT Code	Budget Year 2013/14									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	Total		
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	2,110	124	1	1	-	-	3	5	2,243		8
Total By Revenue Source	2000	2,110	124	1	1	-	-	3	5	2,243	-	8
2011/12 - totals only		2,004	118	1	1	-	-	2	4	2,130		7
Debtors Age Analysis By Customer Category												
Government	2200	286	113	-	-	-	-	-	-	399		
Business	2300	-	-	-	-	-	-	-	-	-		
Households	2400	-	-	-	-	-	-	-	-	-		
Other	2500	1,824	11	1	1	-	-	3	5	1,844		
Total By Customer Category	2600	2,110	124	1	1	-	-	3	5	2,243	-	

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***

There is no outstanding debt outstanding debt for more than 90 days as at 31 August 2013 in respect of Provincial and Local Governments department.

- ***Post-Service Benefits***

The only outstanding debts reflected for more than 90 days as at 31 August 2013 is:

- Payne ME R7 210.60 and Benson SC R1 563.50 for post medical-aid.

- ***Sundry Debtors***

There are no outstanding debts reflected for more than 90 days as at 31 August 2013 for sundry debtors.

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

Table SC4 Monthly Budget Statement - aged creditors

Description	NT Code	Budget Year 2013/14									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			
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	8,900	-	-	-	-	-	-	-	-	-	8,900
Total By Customer Type	2600	8,900	-	-	-	-	-	-	-	-	-	8,900

The expenditure section continues 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 6.4% for staff has been implemented in July 2013.

The annual increase for Councilors' in terms of the remuneration of Public Office Bearers Act, 1998 is still outstanding for the current financial year.

Trade Creditors:

Council purchases and payments to creditors are under adequate control. Expenditure statistics for the month of August 2013 is listed below:

PAYMENTS	
Total value of all payments	R 12,236,278
Electronic transfers	152
Cheques issued	21
STORES	
Value of Stores issued	46,069
SALARIES	
Number of salary beneficiaries	153
Councillors	26
Employees	125
Pensioners	2
Total remuneration paid	
	2,860,738
Councillors	415,762
Employees	2,442,136
Pensioners	2,841

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 August 2013.

Implementation of the Approved Supply Chain Management Policy:

The approved Supply Chain Management Policy of 30 December 2005 as amended on 27 December 2007 is implemented and is maintained by all relevant role players as from 01 April 2008. The Supply Chain Management Policy is currently being reviewed. It will be submitted to Council and once approved will be effective from 01 August 2013.

Implementation of the Supply Chain Management Process:

- *Supply Chain Management Training*

No training was offered or attended by officials for supply chain management.

- *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 August 2013, no contract (R200 000+) was awarded by the Bid Adjudication Committee.

For the period of August 2013 no written price quotation (R30 000-R200 000) was awarded by the Municipal Manager.

1. Construction of shanties: Mojalefa Trading – R78 000.00 VAT inclusive

The value of orders issued for the period ending 31 August 2013 total R594 139.39 (*See Annexure “C”*)

Orders per department

Council and Executive	R56 144.35
Municipal Manager	R59 069.76
Finance	R25 901.12
Administration	R284 110.69
Planning and Development	R76 508.37
Technical Service	R55 700.77
Stores	R36 704.33

- Disposal Management

There was no disposal of redundant goods for August 2013.

- Deviations

No deviation was approved by the Municipal Manager.

- Issues from Stores

Total orders issued R46 069.20 Issues per department

Council and Executive	R 0.00
Municipal Manager	R3 660.79
Finance	R4 550.80
Administration	R35 393.03
Planning and Development	R2 401.08
Technical Services	R63.50

- Orders outstanding more than 30 days for August 2013

COMPANY	60 DAYS	90 DAYS	COMMENT
Rennies Travel	16 691.40	0.00	Invoice not received yet
UFS Centre for Business	345 000.00	0.00	Project not completed

- 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.

Table SC5 Monthly Budget Statement - investment portfolio

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	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
		Yrs/Months							
R thousands									
Municipality									
NEDCOR		30	call	31-Aug-13	20	4.6%	1,000		1,000
ABSA		30	call	31-Aug-13	8	4.5%	1,100		1,100
RMB		30	call	31-Aug-13	15	4.5%	4,000		4,000
NEDCOR		91	Notice	6-Sep-13	27	5.2%	6,000		6,000
ABSA		30	CALL	31-Aug-13	22	4.6%	2,000		2,000
ABSA		30	CALL	31-Aug-13	31	4.6%	600		600
ABSA		119	Notice	24-Oct-13	26	5.3%	6,000		6,000
STANDARD BANK		119	Notice	24-Oct-13	27	5.2%	4,000		4,000
STANDARD BANK		363	Notice	22-Jun-14	8	5.8%	3,800		3,800
NEDCOR		119	Notice	24-Oct-13	2	5.4%	12,000		12,000
STANDARD BANK		120	Notice	8-Nov-13	27	5.2%	8,000		8,000
RMB		119	Notice	8-Nov-13	18	5.3%	10,000		10,000
NEDCOR		119	Notice	8-Nov-13	19	5.3%	6,000		6,000
ABSA		119	Notice	8-Nov-13	55	5.4%	8,000		8,000
ABSA		120	Notice	12-Nov-13	35	5.4%	7,000		7,000
RMB		120	Notice	15-Nov-13	45	5.3%	4,750		4,750
ABSA		120	Notice	15-Nov-13	27	5.3%	4,750		4,750
NEDCOR		90	Notice	31-Oct-13	36	5.2%	6,000		6,000
NEDCOR		120	Notice	4-Dec-13	32	5.2%	5,000		5,000
ABSA		120	Notice	4-Dec-13	21	5.3%	7,000		7,000
RMB		119	Notice	5-Dec-13	22	5.2%	6,000		6,000
TOTAL INVESTMENTS AND INTEREST					522		113,000	-	113,000
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				522		113,000	-	113,000

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

Table SC6 Monthly Budget Statement - transfers and grant receipts

Description	Ref	2012/13	Budget Year 2013/14							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		90,692	93,130	-	6,057	38,746	29,216	9,531	32.6%	91,330
Local Government Equitable Share		10,391	10,329	-	1,330	1,330	1,722	(392)	-22.8%	10,329
Special Contribution: Councillor Remuneration		3,318	3,716	-	(34,019)	1,239	929	310	33.3%	3,716
Levy replacement	3	73,733	75,945	-	37,496	34,928	25,315	9,613	38.0%	74,811
Finance Management Grant		1,250	1,250	-	1,250	1,250	1,250	-		1,250
Municipal Systems Improvement		1,000	890	-	-	-	-	-		890
Extended Public Works Programme		1,000	1,000	-	-	-	-	-		333
Water Affairs		-	-	-	-	-	-	-		-
Provincial Government:		2,558	600	-	(20)	47	125	(78)	-62.0%	600
Housing	4	270	-	-	(20)	47	-	47		-
Near Grant		1,176	300	-	-	-	100	(100)		300
Fire Fighting Equipment Grant		1,112	300	-	-	-	25	(25)		300
NC Tourism		-	-	-	-	-	-	-		-
Environmental Health Recycling Grant		-	-	-	-	-	-	-		-
District Aids Programme		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		175	85	-	14	14	0	14		-
SETA Skills Grant		175	85	-	14	14	0	14		-
Koopmansfontein Self Build Sceme		-	-	-	-	-	-	-		-
ABSA		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	93,425	93,815	-	6,051	38,807	29,341	9,467	32.3%	91,930
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-		-
Municipal Infrastructure (MIG)		-	-	-	-	-	-	-		-
Water Affairs		-	-	-	-	-	-	-		-
EPWP		-	-	-	-	-	-	-		-
Other capital transfers [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
ESCOM (Electricity on Farms)		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-		-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	93,425	93,815	-	6,051	38,807	29,341	9,467	32.3%	91,930

Table SC7 Monthly Budget Statement - transfers and grant expenditure

Description	Ref	2012/13	Budget Year 2013/14							
		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:		90,191	93,130	-	(7,028)	30,584	15,522	15,063	97.0%	90,097
Local Government Equitable Share		10,391	10,329	-	262	1,330	1,722	(392)	-22.8%	9,796
Special Contribution: Councillor Remuneration		3,318	3,716	-	(34,019)	1,239	619	619	100.0%	3,318
Levy replacement		73,733	75,945	-	26,757	27,928	12,658	15,271	120.6%	73,733
Finance Management Grant		1,078	1,250	-	39	88	208	(121)	-57.9%	1,250
Municipal Systems Improvement		565	890	-	(68)	-	148	(148)	-100.0%	1,000
Extended Public Works Programme		1,106	1,000	-	-	-	167	(167)	-100.0%	1,000
Water Affairs		-	-	-	-	-	-	-	-	-
Provincial Government:		3,277	600	-	-	-	100	(100)	-100.0%	600
Housing		983	-	-	-	-	-	-	-	-
Near Grant		1,176	300	-	-	-	50	(50)	-	300
Fire Fighting Equipment Grant		1,112	300	-	-	-	50	(50)	-	300
NC Tourism		-	-	-	-	-	-	-	-	-
Environmental Health Recycling Grant		6	-	-	-	-	-	-	-	-
District Aids Programme		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		175	85	-	14	14	14	(0)	-	170
Koopmansfontein Self Build Scheme		-	-	-	-	-	-	-	-	-
ABSA		-	-	-	-	-	-	-	-	-
SETA Skills Grant		175	85	-	14	14	14	(0)	-	170
Total operating expenditure of Transfers and Grants:		93,643	93,815	-	(7,015)	30,598	15,636	14,962	95.7%	90,867
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Municipal Infrastructure (MIG)		-	-	-	-	-	-	-	-	-
Water Affairs		-	-	-	-	-	-	-	-	-
EPWP		-	-	-	-	-	-	-	-	-
#REF!		-	-	-	-	-	-	-	-	-
#REF!		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
#REF!		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
#REF!		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
ESCOM (Electricity on Farms)		-	-	-	-	-	-	-	-	-
#REF!		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		93,643	93,815	-	(7,015)	30,598	15,636	14,962	95.7%	90,867

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.

Table SC8 Monthly Budget Statement - councilor and staff benefits

Summary of Employee and Councillor remuneration	Ref	Budget Year 2013/14								
		2012/13 Unaudited 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		3,670	3,833	-	300	608	639	(31)	-5%	608
Pension Contributions		165	174	-	14	27	29	(1)	-5%	27
Medical Aid Contributions		17	19	-	1	3	3	(0)	-10%	3
Motor vehicle allowance		994	1,315	-	92	184	219	(35)	-16%	184
Cell phone and other allowances		314	307	-	22	44	51			76
Housing allowance		-	-	-	-	-	-			-
Workmen's Compensation		-	21	-	-	-	4			21
Unemployment Insurance		-	11	-	-	-	2			11
Sub Total - Councillors		5,160	5,679	-	429	866	946	(80)	-8%	898
% increase	4		10.1%							-82.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		2,295	4,407	-	317	634	735	(100)	-14%	711
Pension and UIF Contributions		225	630	-	19	39	105	(66)	-63%	88
Medical Aid Contributions		68	146	-	5	10	24	(15)	-60%	20
Overtime		-	-	-	-	-	-			-
Performance Bonus		-	584	-	-	-	97	(97)	-100%	76
Motor Vehicle Allowance		195	530	-	44	88	88	(0)	0%	74
Cellphone Allowance		48	96	-	8	16	16	-		10
Housing Allowances		18	36	-	3	6	6	0	4%	5
Other benefits and allowances		24	139	-	3	7	23	(16)	-70%	14
Payments in lieu of leave		-	98	-	-	-	16	(16)	-100%	10
Long service awards		-	-	-	-	-	-			-
Post-retirement benefit obligations	2	-	-	-	-	-	-			-
Sub Total - Senior Managers of Municipality		2,872	6,666	-	400	800	1,111	(311)	-28%	1,008
% increase	4		132.1%							-64.9%
Other Municipal Staff										
Basic Salaries and Wages		24,934	29,252	-	1,844	3,749	4,875	(1,126)	-23%	7,313
Pension and UIF Contributions		4,002	4,672	-	345	699	779	(79)	-10%	1,028
Medical Aid Contributions		1,202	1,300	-	112	224	217	8	3%	299
Overtime		54	-	-	11	15	-	15	#DIV/0!	-
Performance Bonus		371	-	-	-	-	-			-
Motor Vehicle Allowance		2,108	2,090	-	150	332	348	(16)	-5%	439
Cellphone Allowance		144	134	-	7	15	22	(7)	-31%	26
Housing Allowances		395	442	-	17	30	74	(43)	-59%	84
Other benefits and allowances		977	1,256	-	49	101	209	(109)	-52%	239
Payments in lieu of leave		1,121	659	-	-	-	110	(110)	-100%	191
Long service awards		209	206	-	-	11	34	(24)	-69%	60
Post-retirement benefit obligations	2	255	821	-	62	124	137	(13)	-10%	238
Sub Total - Other Municipal Staff		35,773	40,832	-	2,598	5,301	6,805	(1,505)	-22%	9,916
% increase	4		14.1%							-72.3%
Total Parent Municipality		43,805	53,177	-	3,428	6,967	8,863	(1,896)	-21%	11,822

PERSONNEL ATTENDANCES:

Personnel attendance in the workplace for August 2013 averages 83%. The reason for the deviations is mainly due to, annual, sick, courses and family responsibility leave.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
Number of Members	1	4	7	11
Annual Leave	0	10	6	16
Sick Leave	1	8	0	15
Courses / Seminar	2	4	6	9
Meetings	0	0	0	0
Family Responsibility	0	1	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 Annual Leave	0	0	0	0
No. of Workdays Attended	18	61	114	191
Total Workdays	21	84	126	231
Percentage attendance per Group	86%	73%	90%	83%
Average	83%			

Personnel Development:

Three officials from the Budget & Treasury Office attended Municipal Budget Training during the month of August 2013.

INTERNSHIP PROGRAMME

As per National Treasury regulations, five Finance Interns were appointed (three on 19 December 2012, one on 03 December 2012 and one on 02 May 2013). Two vacant posts of Finance Interns will be advertised in August 2013 due to resignations 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.

The three Finance Interns have been registered and have started the Municipal Finance Management Programme with Deloitte. They are also receiving on the job training.

Please refer to next page

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

Description	Ref	Budget Year 2013/14												2013/14 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	2013/14	+1 2014/15	+2 2015/16
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		-	24	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		447	344	-	-	-	-	-	-	-	-	-	-	4,619	4,850	5,044
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating		38,903	-	-	-	-	-	-	-	-	-	-	-	93,815	100,419	106,938
Other revenue		87	985	-	-	-	-	-	-	-	-	-	-	72	72	74
Cash Receipts by Source		39,437	1,353	-	-	-	-	-	-	-	-	-	-	98,506	105,341	112,056
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		39,437	1,353	-	-	-	-	-	-	-	-	-	-	98,506	105,341	112,056
Cash Payments by Type																
Employee related costs		3,380	3,167	-	-	-	-	-	-	-	-	-	-	44,698	45,692	48,860
Remuneration of councillors		437	429	-	-	-	-	-	-	-	-	-	-	5,508	5,784	6,073
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-	1,215	1,053	874
Bulk purchases - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		698	381	-	-	-	-	-	-	-	-	-	-	3,784	3,926	4,011
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	41,791	26,920	28,636
Grants and subsidies paid - other		2,550	1,166	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses		1,121	743	-	-	-	-	-	-	-	-	-	-	13,436	13,788	14,006
Cash Payments by Type		8,186	5,886	-	-	-	-	-	-	-	-	-	-	110,433	97,164	102,459
Other Cash Flows/Payments by Type																
Capital assets		256	373	-	-	-	-	-	-	-	-	-	-	3,861	7,218	1,559
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	1,606	1,785	1,985
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		8,442	6,259	-	-	-	-	-	-	-	-	-	-	115,899	106,168	106,004
NET INCREASE/(DECREASE) IN CASH HELD		30,995	(4,906)	-	-	-	-	-	-	-	-	-	-	(17,393)	(827)	6,052
Cash/cash equivalents at the month/year beginning:		83,564	114,560	-	-	-	-	-	-	-	-	-	-	77,317	59,925	59,098
Cash/cash equivalents at the month/year end:		114,560	109,654	-	-	-	-	-	-	-	-	-	-	59,925	59,098	65,150

Table SC12 Monthly Budget Statement - capital expenditure trend

Month	2012/13	Budget Year 2013/14							
	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		43	-	13	13	43	30	70.1%	0%
August	50	472	-	34	47	515	468		1%
September	493	86	-		47	601	554	92.2%	1%
October	765	472	-		47	1,073	1,026	95.6%	1%
November	300	901	-		47	1,973	1,927	97.6%	1%
December	784	558	-		47	2,531	2,484	98.2%	1%
January	1,213	343	-		47	2,874	2,828	98.4%	1%
February	120	386	-		47	3,260	3,214	98.6%	1%
March	1,192	429	-		47	3,689	3,643	98.7%	1%
April	135	300	-		47	3,990	3,943	98.8%	1%
May	527	215	-		47	4,204	4,157	98.9%	1%
June	304	86	-		47	4,290	4,243	98.9%	1%
Total Capital expenditure	5,883	4,290	-	47					

Please refer to next page

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

Description	Ref	2012/13	Budget Year 2013/14							
		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		4,152	2,290	-	7	9	191	182	95.5%	1,945
General vehicles		3,063	595	-	-	-	50	50	100.0%	595
Specialised vehicles										
Plant & equipment		378	-	-	-	-				
Computers - hardware/equipment		75	432	-	-	-	36	36	100.0%	324
Furniture and other office equipment		52	81	-	-	1	7	6	84.8%	57
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings		584	1,182	-	7	7	99	91	92.4%	969
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		319	60	-	-	-	5	5	100.0%	60
Computers - software & programming		319	60	-	-	-	5	5	100.0%	60
Other										
Total Capital Expenditure on new assets	1	4,471	2,350	-	7	9	196	187	95.7%	2,005

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

Description	Ref	2012/13	Budget Year 2013/14							
		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 renewal of existing 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		1,412	1,940	-	26	38	162	123	76.3%	1,657
General vehicles		714	800	-	-	-	67	67	100.0%	800
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		4	-	-	-	-	-	-	-	-
Computers - hardware/equipment		439	859	-	25	25	72	47	65.4%	644
Furniture and other office equipment		-	81	-	2	13	7	(7)	-100.0%	52
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		248	200	-	-	-	17	17	100.0%	160
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		7	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing ass	1	1,412	1,940	-	26	38	162	123	76.3%	1,657

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

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	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		1,305	1,944	1,944	102	123	1,782	1,659	93.1%	1,504
General vehicles		346	414	414	32	36	379	343	90.5%	404
Specialised vehicles										
Plant & equipment		219	486	486	5	8	446	438	98.2%	265
Computers - hardware/equipment		451	574	574	63	69	526	457	86.9%	526
Furniture and other office equipment		11	149	149	2	2	136	135	98.8%	27
Abattoirs										
Markets										
Civic Land and Buildings		278	322	322	1	9	295	286	97.1%	282
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		1,091	2,418	2,418	248	342	2,216	1,874	84.6%	845
Computers - software & programming		1,091	2,418	2,418	248	342	2,216	1,874	84.6%	845
Other										
Total Repairs and Maintenance Expenditure		2,396	4,362	4,362	351	465	3,998	3,533	88.4%	2,349

Table SC13d Monthly Budget Statement - depreciation by asset class

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									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-
<u>Community</u>		140	200	-	-	-	33	33	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		140	200	-	-	-	33	33	100.0%	200
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<u>Other assets</u>		2,751	4,600	-	-	-	767	767	100.0%	4,098
General vehicles		567	600	-	-	-	100	100	100.0%	550
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		303	680	-	-	-	113	113	100.0%	645
Computers - hardware/equipment		779	850	-	-	-	142	142	100.0%	650
Furniture and other office equipment		871	970	-	-	-	162	162	100.0%	853
Abattoirs										
Markets										
Civic Land and Buildings		-								
Other Buildings		122	1,500	-	-	-	250	250	100.0%	1,400
Other Land		0								
Surplus Assets - (Investment or Inventory)										
Other		109								
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
List sub-class										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
List sub-class										
<u>Intangibles</u>		169	250	-	-	-	42	42	100.0%	200
Computers - software & programming		169	250	-	-	-	42	42	100.0%	200
Other										
Total Repairs and Maintenance Expenditure		3,060	5,050	-	-	-	842	842	100.0%	4,498

No depreciation was run for the current financial year due to problems experienced with the service provider.

ASSET AND RISK MANAGEMENT**Insurance:**

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

Asset Inventory:

TAT I-Chain Asset Management System was implemented. However, due to various problems experienced with the service provider, the contract was ended June 2012. BCX is currently developing a program to link asset management with eVenus – FBDM will be a pilot site.

The asset register and its management have in the meantime continued. The asset stock take took place during the second and third week of May 2013. Reconciliation of items that do not appear on the asset system is being verified and was completed prior to submitting the annual financial statements to the Auditor General in August 2013.

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 “e-Venus” financial system was implemented on 1 August 2009. A daily backup is done as well as a day end procedure to integrate daily 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	-	100,000	(100,000)	-100.00%
Insurance	57,423	10,000	47,423	474.23%
MV Administration Levy	2,737	3,333	(596)	-17.88%
Fuel	48,401	96,098	(47,698)	-49.63%
Licence	900	2,017	(1,117)	-55.37%
Repairs and Maintenance	9,725	15,367	(5,641)	-36.71%
Tyres	18,076	13,167	4,909	37.28%
TOTAL	137,262	239,982	(102,720)	-42.80%

Motor Vehicles - Utilization Statistics:

Council operates a pool of 23 vehicles as part of its routine activities.

Statistical information regarding the year-to-date utility for August 2013 is as follows:

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Previous Km Reading	Current Km Reading	August Utility
1	Citi Golf	Pool	2005	BSM 014 NC	105,000	2014/04/30	92,641	93,586	945
2	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	90,000	2013/09/30	86,774	89,654	2,880
3	Chevrolet Opel Corsa 1.4 i	Disaster Management	2010	CBY 227 NC	45,000	2013/09/30	41,205	42,309	1,104
4	Chevrolet Captiva	Pool	2011	CDM 296 NC	45,000	2013/09/30	43,546	44,811	1,265
5	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	180,000	2014/07/31	172,905	174,998	2,093
6	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	180,000	2014/04/30	173,107	173,802	695
7	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	120,000	2014/04/30	115,012	115,622	610
8	Toyota Corolla	Pool	2009	BZP 439 NC	120,000	2013/09/30	101,718	105,077	3,359
9	Toyota Corolla	Pool	2009	BZP 440 NC	105,000	2013/09/30	87,522	91,005	3,483
10	Chevrolet Trailblazer	Pool	2013	CGR 575 NC	15,000	2013/12/31	6,534	7,105	571
11	Isuzu KB 250	Housing	2013	CGR 572 NC	15,000	2013/12/31	8,717	11,057	2,340
12	Isuzu KB 250	Housing	2013	CGR 576 NC	15,000	2013/12/31	9,372	11,268	1,896
13	Hyundai HI	Tourism Centre	2013	CGY 587 NC	15,000	2014/02/28	4,677	5,223	546
14	Isuzu 2.4	Housing	2009	CBF 761 NC	105,000	2014/02/28	90,089	92,511	2,422
15	Toyota Corolla	Pool	2008	BXL 799 NC	150,000	2014/02/28	146,434	148,811	2,377
16	Nissan LDV	Community Development	2006	BVC 831 NC	135,000	2014/07/31	128,489	128,886	397
17	Ford Bantam	Finance	2004	BRD 836 NC	90,000	2014/01/31	84,355	84,642	287
18	Toyota Hilux	PMU	2004	BRF 837 NC	140,000	2014/02/28	129,496	130,605	1,109
19	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	30,000	2013/09/30	24,338	24,635	297
20	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	30,000	2013/09/30	23,197	23,674	477
21	Isuzu D/Cab	Pool	2013	CGR 974 NC	15,000	2013/12/31	10,936	12,160	1,224
22	Audi Q7	Council	2013	FBDM 1 NC	60,000	2013/12/31	44,420	45,636	1,216
23	Isuzu Fire Engine	Disaster Management	2013	CHM 958 NC	15,000	2014/06/30	1,991	1,991	-
	UTILITY FOR AUGUST 2013-FULL FLEET								
									31,593

Motor Vehicle Damage Report:

The only outstanding matter with regards to accidents / incidents is Audi Q7 registration number FBDM1 NC. A bakkie reversed into the front of it whilst parked at a tyre centre. The incident has been reported to the asset management unit and the vehicle was taken in for repairs during the month of August 2013.

Toyota corolla registration number BXL 799 NC left front bumper was dented when the driver reversed into one of the poles at the parking lot. The incident has been reported to the asset management unit – incident report attached as *Annexure “c”*.

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 September 2013 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

14 October 2013