

MAYORAL COMMITTEE

21 JANUARY 2016

DISTRICT COUNCIL

26 JANUARY 2016

**REPORT: SECTION 72 MID-YEAR BUDGET AND PERFORMANCE
ASSESSMENT 31 DECEMBER 2015 / VERSLAG: ARTIKEL 72
HALFJAARLIKSE BEGROTING EN PRESTASIE ASSESSERING: 31
DESEMBER 2015**

(6/18/7)

19 January 2016

REPORT FROM THE ACCOUNTING OFFICER (GW LOUW)

PURPOSE OF THE REPORT

The report is tabled to council in terms of section 72 as required in terms of the Municipal Finance Management Act 56 of 2003

BACKGROUND

Municipal Finance Management Act 56 of 2003

Section 72 (1) *The accounting officer of a municipality must be 25 January of each year –*

- (a)** *Assess the performance of the municipality during the first half of the financial year taking into account –*
- i. The monthly financial statements referred to in section 71 for the first half of the financial year;*
 - ii. The municipal service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;*
 - iii. The past year annual report and the progress on resolving problems identified in the annual report; and*
- (b)** *Submit a report on such assessment to*
- i. The mayor of the municipality*

- ii. The National Treasury*
- iii. The relevant provincial treasury*

(2) The statement referred to in section 71(1) for the sixth month of a financial year must be incorporated into the report referred to in subsection 1(b) of the section.

(3) The accounting officer must, as part of the review –

- a) Make recommendations as to whether an adjustment budget is necessary; and*
- b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.*

FINANCIAL IMPLICATIONS

None

RELEVANT LEGISLATION

Municipal Finance Management Act, No 56 of 2003

Municipal Budget and Reporting Regulations, 17 April 2009

UITVOERENDE OPSOMMING

Die rekenpligtige beampte van die munisipaliteit moet die half jaarlike prestasie verslag aan die munisipaliteit voorlê, die prestasie van die munisipaliteit ontleed, asook enige voorstelle maak aan veranderings aan die inkomste en uitgawes van die begroting wat in die aangepaste begroting aangespreek moet word.

RECOMMENDATION

It is recommended that:

- i. Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;*
- ii. Council takes note of the SDBIP performance report for the six months ending 31 December 2015.*

AANBEVELING

Dit word aanbeveel dat:

- i. Die Raad kennis neem van die half jaarlikse Prestasieverslag voorgelê in terme van Artikel 72 van die Munisipale Finansiële Bestuurswet, en*

- ii. Die Raad kennis neem van die SDBIP Prestasieverlag vir die eerste ses maande van die jaar geeindig 31 Desember 2015.*

ANNEXURES

Section 72 Mid-year Budget and Performance Report for the period ending 31 December 2015



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2015 - 2016

**SECTION 72 - MID YEAR BUDGET
AND PERFORMANCE REPORT**

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Glossary

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy (ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate for the loss of RSC levies.

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure –The day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In Eden District this means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act – Act No. 56 of 2003

Section 71: Monthly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL SPEECH

Honourable Speaker, leaders of the Opposition, honourable members of the Eden District Council on both sides of the house, The Municipal Manager and his Executive Management Team, the Members of the Media, interest groups and the citizens of the Eden District Municipality. I would like to express a hearty warm welcome to you all and express my warm wishes to you and your families for 2016. We trust that 2016 will be a great year for us all and especially for the Council and the citizens of the region.

It is with great sadness that we have to say farewell due to the passing away of Councillor Ms Ngemntu. She will be missed for her joy and bringing diversity in all aspects to the Council Chambers.

I trust that the festive season was a pleasant time spent with loved ones and family; as we start the New Year all of us have come back and none have fallen victim to the carnage of the many senseless road deaths on our national roads. It is a warm feeling to be able to see the many faces around me and to know that we can continue to walk together this path.

I would also like to take time to congratulate the matriculants of the class of 2015 for having done extremely well in their Matric exams, and we trust that the doors of Higher Learning will be opened to allow them to shape their destiny. Those that have not done well, we wish to encourage them to take on the year with more vigour and excitement; they must know that they still have an opportunity to learn and improve their lives and those of your communities.

Although this is a new year, 2016, and feels like a new beginning, in terms of our fiscal year we are half way through the 2015/16 financial year already; therefore like any House that has intentions to prosper we need to do some introspections on the 6 months gone to ensure that we can rectify the errors of the past and improve on the success we have achieved thus far.

I also would like to take this opportunity to congratulate the Municipal Manager, Executive Management Team and the rest of personnel for a job well done with regard to the audit outcomes of 2014/15 financial year for the Clean Audit Report. We take special recognition the dedication of the office of the Chief Financial Officer for the effort invested in this.

The municipality is in the process of addressing the findings of the Auditor General and regular reporting to council and the governing bodies will ensure that council is informed of the progress to solve these issues and improve the operational aspects of council.

Various other expenditure adjustments were required to ensure optimal use of the municipal resources and the execution of the mandate of council to enhance operational activities and an adjustment budget will be tabled today before council for approval.

This process is part of the overall Turnaround Strategy (TAS) that will seek to put council in a position to be able to realise the objectives of the Integrated Development Plan (IDP).

Revenue by source

The total revenue budget for 2015/16 year totals R228 998 674. Performance for the mid-year ending 31 December 2015 totals R152 301 391. This represents a total of 66.5% of the revenue budgeted. The majority of these revenues is the Equitable Share allocation received to date of R 104 176 000 and other grant allocations.

Operating expenditure

Operational performance in terms of spending totals R77 266 428 or the mid-year ending 31 December 2015 against the budgeted amount of R217 879 084. This represents a 35.4% spending based on the budgeted amounts.

More detailed information will be provided in the Adjustment Budget Report which will be tabled in January 2016.

Capital Budget performance

Council approved a capital budget of R1,035,000 during the May budget process. Spending levels of the existing capital budget totals R 234 672 which represents 22.7%. Various adjustments to the capital budget were requested during the January adjustment budget process to ensure that more service delivery projects are been implemented.

SDBIP:

Highlights

The Top Level SDBIP was approved by the Mayor within the legislative required timeframe, thus being the 20th of June 2015. The Departmental SDBIP was approved by the Municipal Manager also within legislative required timeframe, thus being 30th June 2015.

Adhering to all legislative requirements as stipulated below:

- Approval of the Top Level SDBIP
- Publication of the Top Level - website
- Approval of the Departmental SDBIP
- All sec 56/57 contracts entered into and signed within the required timeframes
- Submission of the Section 72 and the adjusted Top Level SDBIP
- Started with the basis for the compilation of System Descriptions for the SDBIP

Challenges

- Individual performance management not yet implemented due to the following:

- Budget constraints
- Shortage of delegated employees within the PMS Unit to enforce the process results in appointing a service provider.

I wish you a great 2016 and trust that the second half of the Fiscal year will be nothing short of success.

I would therefore like to recommend to council the following:

- i. That Council takes note of the Mid-year Budget and Performance Assessment for the six months ending 31 December 2015 in terms of section 72 of the Municipal Finance Management Act.
- ii. That council takes note of the recommendations in terms of 72 (3) (a) of the MFMA.

SECTION 2 – RESOLUTIONS

SECTION 72 – MID YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT

These are the resolutions being presented to Council in mid-year report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 72 of the Municipal Finance Management Act, Act 56 of 2003.

RECOMMENDATION:

It is recommended that:

- i. Council takes note of the mid-year Budget & Performance Assessment for the six months ending 31 December 2015 in terms of Section 72 of the MFMA,
- ii. Council takes note of the recommendations in terms of Section 72 (3) (a) of the MFMA.

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

These figures are presented in terms of section 72 of the MFMA. The information is presented for the mid-year ending 31 December 2015.

3.2 Consolidated Performance

3.2.1 Against Annual Budget (original)

Revenue by source

The total revenue received for the 6-month period to December 2015 amounts to **R152,301,391**, in comparison to a budgeted figure of **R228,998,674** representing **66.5%** of annual revenue.

Operating Expenditure by type

Operating expenditure for the 6-month period ending December 2015 amounts to **R77,266,428**, which is reported against a budget of **R217,879,084** (excluding Roads budget), representing **35.4%** of annual expenditure. Spending will increase as the year progresses.

Capital Expenditure

The capital expenditure budgeted for the financial year amounts to **R1,035,000**. The year-to-date expenditure in respect of the capital programme amounts to **R 234,672**, representing **22.7%** of total budget.

See attached capital expenditure progress report on page 16.

3.3 Material variances from SDBIP (Service Delivery and Budget Implementation Plan)

Variances and deficiencies will be explained in terms of the SDBIP and will be reported on by the Performance Management Unit, situated in the Office of the Municipal Manager. The Service Delivery and Budget Implementation Plan (SDBIP) performance of the municipality is attached as Part 3 to this report. This report reflects the municipal performance on the non-financial information for the period 1 July 2015 to 31 December 2015.

3.5 Annual Report

The Annual Report 2014/2015 is in the process of being finalised by the Integrated Development Planning (IDP) unit which will be tabled at the council meeting during in January 2016 as per legislation.

3.6 Long-term financial sustainability

The long term financial plan was approved and finalised by council. Part of the long term financial sustainability plan, was the revising of the organigram to align the personnel to their specific functions The Excellent Enhancement Initiative Task Team (*EEITT*) is a project run by the Office of the Municipal Manager in collaboration with a tertiary institution and the aim is to improve the service delivery potential of the municipality. This project will also contribute to the enhancement and improvement of the long-term financial sustainability of the municipality.

Various policies as required by the Municipal Budget and Reporting Regulations also need to be drafted and this should enhance long term financial sustainability when implemented.

3.7 Remedial or corrective steps

Remedial actions and corrections will be instituted and changes recommend by the Performance Management Unit.

This will be dealt with during the adjustment budget process in January 2016. Detailed explanations of the remedial or corrective steps will be provided as part of the budget report to Council.

A report will be tabled with the adjustments required to the Service Delivery and Budget Implementation Plan. (SDBIP) As explained above adjustments to the Operational Revenue and Expenditure budgets will be dealt with in the budget report.

3.8 Conclusion

Detailed analysis of the municipal performance for the year to date ending 31 December 2015 will be presented under the different sections of the report.

The municipality implemented various cost saving measures and other activities to ensure that the municipal budget is implemented according to the mandate of Council.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Eden - Table C1 Monthly Budget Statement Summary - M06 December

Description	2014/15	Budget Year 2015/16							
	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	4,750	5,225	5,225	261	4,098	2,613	1,485	57%	5,225
Transfers recognised - operational	168,113	186,119	186,119	-	131,092	93,060	38,033	41%	186,119
Other own revenue	156,321	156,271	156,271	3,511	17,112	78,136	(61,024)	-78%	156,271
Total Revenue (excluding capital transfers and contributions)	329,184	347,615	347,615	3,772	152,301	173,808	(21,506)	-12%	347,615
Employee costs	94,315	101,398	101,398	7,374	53,526	50,699	2,827	6%	101,398
Remuneration of Councillors	7,723	8,496	8,496	1,202	3,505	4,248	(743)	-17%	8,496
Depreciation & asset impairment	6,800	6,800	6,800	268	1,356	3,400	(2,044)	-60%	6,800
Finance charges	830	664	664	-	34	332	(298)	-90%	664
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	44,147	47,217	47,217	210	3,054	23,609	(20,555)	-87%	47,217
Other expenditure	171,750	182,004	182,004	3,161	15,792	91,002	(75,210)	-83%	182,004
Total Expenditure	325,566	346,579	346,579	12,215	77,266	173,290	(96,023)	-55%	346,579
Surplus/(Deficit)	3,619	1,036	1,036	(8,444)	75,035	518	74,517	14385%	1,036
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	3,619	1,036	1,036	(8,444)	75,035	518	74,517	14385%	1,036
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	3,619	1,036	1,036	(8,444)	75,035	518	74,517	14385%	1,036
Capital expenditure & funds sources									
Capital expenditure	9,414	1,035	1,035	31	235	518	(283)	-55%	1,035
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	9,414	1,035	1,035	31	235	518	(283)	-55%	1,035
Total sources of capital funds	9,414	1,035	1,035	31	235	518	(283)	-55%	1,035
Financial position									
Total current assets	113,385	113,385	113,385		196				113,385
Total non current assets	532,282	512,282	512,282		286				512,282
Total current liabilities	67,533	59,073	59,073		35				59,073
Total non current liabilities	116,089	115,415	115,415		137				115,415
Community wealth/Equity	462,045	451,179	451,179		310				451,179
Cash flows									
Net cash from (used) operating	(30,251)	20,075	20,075	(8,444)	75,035	10,038	(64,997)	-648%	20,075
Net cash from (used) investing	(6,880)	(1,035)	(1,035)	(24,528)	(24,731)	(518)	24,214	-4679%	(1,035)
Net cash from (used) financing	(650)	(664)	(664)	-	(499)	(277)	222	-80%	(664)
Cash/cash equivalents at the month/year end	35,956	54,332	54,332	-	61,628	45,199	(16,429)	-36%	30,200
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 Income Source	142	106	521	10,609	11,378	-	-	-	22,756
Creditors Age Analysis									
Total Creditors	3,493	-	-	-	-	-	-	-	3,493

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

DC4 Eden - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2014/15	Budget Year 2015/16							
		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>		205,505	209,837	219,292	1,716	147,399	109,646	37,753	34%	219,292
Executive and council		204,202	209,837	219,292	1,716	147,399	109,646	37,753	34%	219,292
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1,302	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6,036	6,823	6,823	2,026	4,162	3,411	751	22%	6,823
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		5,867	6,637	6,637	2,010	4,034	3,318	715	22%	6,637
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		169	186	186	16	129	93	36	39%	186
<i>Economic and environmental services</i>		116,522	128,955	128,955	30	62	64,478	(64,416)	-100%	128,955
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		116,290	128,700	128,700	-	-	64,350	(64,350)	-100%	128,700
Environmental protection		232	255	255	30	62	128	(66)	-52%	255
<i>Trading services</i>		1,122	2,000	2,040	-	679	1,020	(341)	-33%	2,040
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,122	2,000	2,040	-	679	1,020	(341)	-33%	2,040
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	329,184	347,615	357,110	3,772	152,301	178,555	(26,254)	-15%	357,110
Expenditure - Standard										
<i>Governance and administration</i>		127,659	115,022	122,751	6,720	38,533	61,376	(22,843)	-37%	122,751
Executive and council		73,941	60,273	67,142	3,427	13,506	33,571	(20,066)	-60%	67,142
Budget and treasury office		22,999	23,616	23,641	1,228	10,026	11,821	(1,794)	-15%	23,641
Corporate services		30,719	31,134	31,968	2,065	15,001	15,984	(983)	-6%	31,968
<i>Community and public safety</i>		64,790	63,138	63,226	4,583	32,051	31,613	438	1%	63,226
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		10,612	11,228	11,228	1,049	5,132	5,614	(482)	-9%	11,228
Public safety		23,534	24,424	24,424	1,525	10,636	12,212	(1,576)	-13%	24,424
Housing		-	-	-	-	-	-	-	-	-
Health		30,644	27,486	27,574	2,008	16,283	13,787	2,496	18%	27,574
<i>Economic and environmental services</i>		126,746	146,118	147,018	733	5,408	73,059	(67,652)	-93%	147,018
Planning and development		7,351	11,889	11,889	606	3,627	5,945	(2,318)	-39%	11,889
Road transport		117,331	131,883	132,783	-	588	65,942	(65,354)	-99%	132,783
Environmental protection		2,065	2,346	2,346	127	1,193	1,173	20	2%	2,346
<i>Trading services</i>		6,370	22,300	23,078	180	1,274	11,539	(10,265)	-89%	23,078
Electricity		-	-	-	-	-	-	-	-	-
Water		3,023	20,782	20,782	61	61	10,391	(10,330)	-99%	20,782
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3,347	1,517	2,295	119	1,213	1,148	66	6%	2,295
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	325,566	346,579	356,074	12,215	77,266	177,587	(100,321)	-56%	356,074
Surplus/ (Deficit) for the year		3,619	1,036	1,036	(8,444)	75,035	968	74,067	7651%	1,036

This table reflects the operating budget (Financial Performance) in the standard classifications format which is the Government Finance Statistics Functions and Sub-function.

These are used by National Treasury to assist in the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures being used by the different institutions.

The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

Operating Revenue:

Table C2 reflects the financial performance per Standard Classification and shows that most of the municipal funds are received under the Executive and Council classification. This is because the municipality budgets most of its income under the Governance and administration function of the Government Financial Statistics (GFS) classification.

The municipality reported a 66.5% performance for Revenue for the 6 months ending 31 December 2015. This is mainly due to the Equitable share allocation that represents a total of 68.4% or R104 176 000 of the total income to date of R152 301 391.

The municipality as part of the National DORA (Division of Revenue Act 2015) also received the Disaster Recovery Grant allocations on behalf of the local municipalities within the Eden District to an amount of R 20 849 000 during July 2015. These funds will be paid over to the local municipalities within the district on receipt of their respective expenditure claim forms as stipulated in the signed Memorandum of Understanding (MOU).

Other revenue reflects a performance of 62.1% or R17.1m based on a budget of R27.5m.

Operating Expenditure

Own funded expenditure for the financial year totals R217 879 084. This totals excludes the Roads Agency function of R128 700 000 approved during the May council budget. Performance based on these expenditure reflects a 35.4% or R 77 266 428 for the period ending 31 December 2015. Non-cash items budgeted for are only accounted for at the end of the financial year. This includes the following:

- Provision for Bad Debts
- Depreciation / Amortization
- Actuarial Loss
- Contributions to provisions.

Adjustments to the budget will be tabled to council in order to improve performance and enhance service delivery.

More details in respect of operational expenditure are shown below.

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

DC4 Eden - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Executive and Council	1	204,202	209,837	219,292	1,716	147,399	109,646	37,753	34.4%	209,837
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1,302	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		169	186	186	16	129	93	36	38.8%	186
Vote 7 - Sport and Recreation		5,867	6,637	6,637	2,010	4,034	3,318	715	21.5%	6,637
Vote 8 - Waste Management		1,122	2,000	2,040	-	679	1,020	(341)	-33.5%	2,000
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 10 - Water		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		232	255	255	30	62	128	(66)	-51.7%	255
Vote 12 - Roads Agency Function		116,290	128,700	128,700	-	-	64,350	(64,350)	-100.0%	128,700
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	329,184	347,615	357,110	3,772	152,301	178,555	(26,254)	-14.7%	347,615
Expenditure by Vote										
Vote 1 - Executive and Council	1	73,941	60,273	67,142	3,427	13,506	33,571	(20,066)	-59.8%	67,142
Vote 2 - Budget and Treasury Office		22,999	23,616	23,641	1,228	10,026	11,821	(1,794)	-15.2%	23,641
Vote 3 - Corporate Services		30,719	31,134	31,968	2,065	15,001	15,984	(983)	-6.1%	31,968
Vote 4 - Planning and Development		7,351	11,889	11,889	606	3,627	5,945	(2,318)	-39.0%	11,889
Vote 5 - Public Safety		23,534	24,424	24,424	1,525	10,636	12,212	(1,576)	-12.9%	24,424
Vote 6 - Health		30,644	27,486	27,574	2,008	16,283	13,787	2,496	18.1%	27,574
Vote 7 - Sport and Recreation		10,612	11,228	11,228	1,049	5,132	5,614	(482)	-8.6%	11,228
Vote 8 - Waste Management		3,347	1,517	2,295	119	1,213	1,148	66	5.7%	2,295
Vote 9 - Road Transport		1,041	3,183	4,083	-	588	2,042	(1,454)	-71.2%	4,083
Vote 10 - Water		3,023	20,782	20,782	61	61	10,391	(10,330)	-99.4%	20,782
Vote 11 - Environmental Protection		2,065	2,346	2,346	127	1,193	1,173	20	1.7%	2,346
Vote 12 - Roads Agency Function		116,290	128,700	128,700	-	-	64,350	(64,350)	-100.0%	128,700
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	325,566	346,579	356,074	12,215	77,266	178,037	(100,771)	-56.6%	356,074
Surplus/ (Deficit) for the year	2	3,619	1,036	1,036	(8,444)	75,035	518	74,517	14384.9%	(8,459)

Revenue and expenditure reflects the operating performance per municipal vote. This is in accordance with the Government Financial Statistics (GFS) classification of the National Treasury.

Most of the municipal income is budgeted under the Executive and Council functions. Sport and Recreation (Resorts) is the other main municipal function where income budgeting is recorded.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where expenditure is allocated. This is done to ensure implementation of the Integrated Development Plan (IDP) and for Annual Reporting.

The consolidation of the Roads Agency function into the budget of Eden DM reflects under the Roads Transport municipal function.

No reporting on the operations in terms of the Roads Agency function is included in the report.

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

DC4 Eden - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2015/16								
		2014/15 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		2,357	1,357	1,357	95	898	678	219	32%	1,357
Interest earned - external investments		4,750	5,225	5,225	261	4,098	2,613	1,485	57%	5,225
Interest earned - outstanding debtors		881	681	681	91	472	341	131	39%	681
Dividends received								-		
Fines								-		
Licences and permits								-		
Agency services		13,777	14,280	14,280	1,197	7,724	7,140	584	8%	14,280
Transfers recognised - operational		168,113	186,119	186,119	-	131,092	93,060	38,033	41%	186,119
Other revenue		139,306	139,953	139,953	2,128	8,018	69,977	(61,958)	-89%	139,953
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		329,184	347,615	347,615	3,772	152,301	173,808	(21,506)	-12%	347,615
Expenditure By Type										
Employee related costs		94,315	101,398	101,398	7,374	53,526	50,699	2,827	6%	101,398
Remuneration of councillors		7,723	8,496	8,496	1,202	3,505	4,248	(743)	-17%	8,496
Debt impairment		1,800	1,000	1,000			500	(500)	-100%	1,000
Depreciation & asset impairment		6,800	6,800	6,800	268	1,356	3,400	(2,044)	-60%	6,800
Finance charges		830	664	664	-	34	332	(298)	-90%	664
Bulk purchases								-		
Other materials								-		
Contracted services		8,414	7,214	7,214	206	2,706	3,607	(901)	-25%	7,214
Transfers and grants		44,147	47,217	47,217	210	3,054	23,609	(20,555)	-87%	47,217
Other expenditure		161,536	173,790	173,790	2,956	13,086	86,895	(73,809)	-85%	173,790
Loss on disposal of PPE								-		
Total Expenditure		325,566	346,579	346,579	12,215	77,266	173,290	(96,023)	-55%	346,579
Surplus/(Deficit)		3,619	1,036	1,036	(8,444)	75,035	518	74,517	0	1,036
Transfers recognised - capital								-		
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		3,619	1,036	1,036	(8,444)	75,035	518			1,036
Taxation								-		
Surplus/(Deficit) after taxation		3,619	1,036	1,036	(8,444)	75,035	518			1,036
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		3,619	1,036	1,036	(8,444)	75,035	518			1,036
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		3,619	1,036	1,036	(8,444)	75,035	518			1,036

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Rental of facilities and equipment:

The income for the above amounts to R 94 533 for the month of December 2015, and income for the year-to-date amounts to R 897 609 in comparison to a budgeted amount of R1 356 866.

Interest earned – External Investments:

Interest earned totals 78.4% for the mid-year ending 31 December 2015.

Adjustments were processed to ensure that the interest income levels represent a more complete picture as per council approved policy. Access funds are invested on short-term investments with the major banks to ensure that council optimise funds not required for operations.

Interest raised – Outstanding debtors

The interest raised on outstanding debtors amounts to R471 785 for the mid-year ending 31 December 2015.

Agency services

The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department - 12% Admin fee on the original allocation and 3% on the cost of additional reseal projects. Revenue in respect of the Agency Services for the period July 2015 till December 2015 amounts to R7 723 980.

Transfers recognised – operational

Transfers recognised consist of the funds allocated to the municipality in terms of the National and Provincial Division of Revenue Acts yearly. The municipality was allocated a total of

- Equitable Share RSC Replacements - R138,902,000
- Other grants R 47,217,000

Income levels received year to date totals R104,1m for equitable share and R26,9m for other grants. Included in the other grants is the total of R 20.8 for Disaster Recovery Relief Grant which was received in July 2015 and will be paid out to the different municipalities in the region on receipt of their respective expenditure claim forms for the flood damages incurred.

Other revenue / Sundry income

Other revenue totals R17.1m for the period ending 31 December 2015. Various amendments and corrections were processed to this category to ensure achievement of the collection of the budgeted amounts.

Included in other revenue are the following:

- Agency Fees
- Fire fighting income
- Rental income / Sundry income.

Expenditure by Type

Expenditure by type reflects the operational budget per main type/category of expenditure.

Employee Related cost / Remuneration of councillors

See explanation under section 8 of the document.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The depreciation amounts to R1 356 235 for the first half of the financial year July 2015 till December 2015.

Finance charges

Finance charges are only accounted for during March and September yearly when the repayments in terms of the long term obligations are due.

No loans were taken up during the current financial year nor will loans be taken up in the new financial year. The municipality will settle all outstanding debt obligations during the current financial year.

Contracted services

Year to date performance for contracted services totals R2 705 849 of a total budget of R7 214 182 which represents a total spending of 37.5% for the mid-year ending 31 December 2015.

Transfers recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively.

Financial Management Grant of R1, 250,000, Municipal Systems Improvement Grant of R930,000, EPWP Incentive Grant of R1 005,000, Rural Roads Asset Management Grant of R2,283,000, Municipal Disaster Recovery Grant of R20,849,000, LG: Bulk Water and Waste Water Infrastructure of R20,000,000 and Integrated Transport Planning of R900,000. All the above conditional grants are to be reported on monthly and the expenditure for the mid-year ending 31 December 2015 is R3 053 840.

Other expenditure

Amendments to other expenditure are proposed in order to ensure the budget is responsive and the implementation will be achieved by 30 June 2016. This detail will be presented in the budget report that will be tabled 26 January 2016 to council. Performance for the six months ending 31 December 2015 reflects a spending of R15.792m of a total budget of R53.304m.

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

DC4 Eden - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

Vote Description	Ref	2014/15	Budget Year 2015/16							
		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 - Executive and Council		327	30	30	-	-	15	(15)	-100%	30
Vote 2 - Budget and Treasury Office		6	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		923	430	430	-	42	215	(173)	-80%	430
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		1,935	375	375	26	108	188	(80)	-43%	375
Vote 6 - Health		53	-	-	-	-	-	-	-	-
Vote 7 - Sport and Recreation		370	200	200	5	85	100	(15)	-15%	200
Vote 8 - Waste Management		5,800	-	-	-	-	-	-	-	-
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 10 - Water		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	9,414	1,035	1,035	31	235	518	(283)	-55%	1,035
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-
Vote 7 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 10 - Water		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		9,414	1,035	1,035	31	235	518	(283)	-55%	1,035

Variances explained in Supporting Table C5

The capital budget of R1,035,000 consists mainly of the Swartvlei Septic Tank Project of R200,000, Pool Vehicle of R120,000, Emergency Equipment R255,000, IT Equipment R150,000, Finger Scanner R200,000, Smoke Detector R30,000, Council Chamber Revamp R30,000, Steel cabinets R25,000, and Steel Shelves of R25,000.00.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Eden - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		95,686	95,686	95,686	174	95,686
Call investment deposits						
Consumer debtors		6,758	6,758	6,758	11	6,758
Other debtors		4,402	4,402	4,402	4	4,402
Current portion of long-term receivables		2,534	2,534	2,534	3	2,534
Inventory		4,005	4,005	4,005	4	4,005
Total current assets		113,385	113,385	113,385	196	113,385
Non current assets						
Long-term receivables		37,190	37,190	37,190	58	37,190
Investments		20,000	25,000	25,000	0	25,000
Investment property		325,577	300,577	300,577	86	300,577
Investments in Associate						
Property, plant and equipment		146,406	146,406	146,406	140	146,406
Agricultural						
Biological assets						
Intangible assets		3,068	3,068	3,068	2	3,068
Other non-current assets		41	41	41		41
Total non current assets		532,282	512,282	512,282	286	512,282
TOTAL ASSETS		645,667	625,667	625,667	481	625,667
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		700	700	700	0	700
Consumer deposits						
Trade and other payables		44,745	36,285	36,285	20	36,285
Provisions		22,088	22,088	22,088	14	22,088
Total current liabilities		67,533	59,073	59,073	35	59,073
Non current liabilities						
Borrowing		674				
Provisions		115,415	115,415	115,415	137	115,415
Total non current liabilities		116,089	115,415	115,415	137	115,415
TOTAL LIABILITIES		183,622	174,488	174,488	171	174,488
NET ASSETS	2	462,045	451,179	451,179	310	451,179
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		460,398	449,532	449,532	289	449,532
Reserves		1,647	1,647	1,647	21	1,647
TOTAL COMMUNITY WEALTH/EQUITY	2	462,045	451,179	451,179	310	451,179

Table C6 reflects the effect of the combination of the capital and operating implementation of the budget on council's Financial Position.

This table excludes the actual figures for Roads department.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Eden - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2015/16								
		2014/15 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										
Property rates, penalties & collection charges								-		
Service charges								-		
Other revenue		125,436	155,590	155,590	3,511	17,112	77,795	(60,683)	-78%	155,590
Government - operating		168,993	186,119	186,119	-	131,092	93,060	38,033	41%	186,119
Government - capital								-		
Interest		4,750	5,906	5,906	261	4,098	2,953	1,145	39%	5,906
Dividends								-		
Payments										
Suppliers and employees		(293,704)	(279,659)	(279,659)	(12,005)	(74,179)	(139,830)	(65,651)	47%	(279,659)
Finance charges		(830)	(664)	(664)		(34)	(332)	(298)	90%	(664)
Transfers and Grants		(34,896)	(47,217)	(47,217)	(210)	(3,054)	(23,609)	(20,555)	87%	(47,217)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(30,251)	20,075	20,075	(8,444)	75,035	10,038	(64,997)	-648%	20,075
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current debtors								-		
Decrease (increase) other non-current receivables		2,534						-		
Decrease (increase) in non-current investments						(84,908)		(84,908)	#DIV/0!	
Payments										
Capital assets		(9,414)	(1,035)	(1,035)	(31)	(235)	(518)	(283)	55%	(1,035)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6,880)	(1,035)	(1,035)	(31)	(85,143)	(518)	84,625	-16353%	(1,035)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(650)	(664)	(664)		(499)	(277)	222	-80%	(664)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(650)	(664)	(664)	-	(499)	(277)	222	-80%	(664)
NET INCREASE/ (DECREASE) IN CASH HELD		(37,781)	18,376	18,376	(8,475)	(10,607)	9,243			18,376
Cash/cash equivalents at beginning:		73,737	35,956	35,956		70,103	35,956			70,103
Cash/cash equivalents at month/year end:		35,956	54,332	54,332		59,497	45,199			88,479

Municipal cash flow position totalled R59.497m for the period ending 31 December 2015. Finance is continuously improving the cash flow reporting to ensure more detailed and accurate figures are presented. The cash flow balance represents the actual bank balance at 31 December 2015 as well as all investments.

More information regarding this is reported under section 6 below.

REPORTING MONTH: 31 DECEMBER 2015		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Cash & Cash Equivalents	183,954,742.62	173,622,634.91
LESS:	24,450,349.70	18,695,821.77
Unspent Conditional Grants	-	-
Current portion long term liabilities	182,762.37	182,762.37
Provision for staff leave	4,164,020.93	4,164,020.93
Provision for staff shift allowance	1,237,618.00	1,237,618.00
Current Portion: Post Retirement Benefits	3,876,296.00	3,876,296.00
Current Portion: Alien Vegetation	2,312,451.00	2,312,451.00
Performance Bonus	481,322.00	481,322.00
Grant received in advance		
Trade Payables	12,195,879.40	6,441,351.47
Sub total	159,504,392.92	154,926,813.14
PLUS:	5,600,372.80	5,643,418.33
VAT Receivable	-	-
Receivable Exchange	5,600,372.80	5,643,418.33
Other receivables after impairment		
	165,104,765.72	160,570,231.47
LESS OTHER MATTERS:		
Capital Replacement Reserve	21,370,360.00	21,370,360.00
Sub Total	143,734,405.72	139,199,871.47
LESS: CONTIGENT LIABILITIES	24,913,378.00	16,083,300.00
F du Toit (Vicbay Theft)	376,750.00	376,750.00
Claim from Lefatshe Computer Systems	15,330,078.00	6,500,000.00
Claim from Department of Public Works (Correctional Services Uniondale)	8,300,000.00	8,300,000.00
Kruger fire claim	906,550.00	906,550.00
Surplus / (Deficit)	118,821,027.72	123,116,571.47

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Supporting Table SC3

DC4 Eden - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2015/16										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		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	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200										-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300										-	-		
Receivables from Non-exchange Transactions - Property Rates	1400										-	-		
Receivables from Exchange Transactions - Waste Water Management	1500										-	-		
Receivables from Exchange Transactions - Waste Management	1600										-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	71	17	10	1,143	1,241					2,483	2,385		
Interest on Arrear Debtor Accounts	1810										-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820										-	-		
Other	1900	71	90	511	9,465	10,137					20,273	19,602		
Total By Income Source	2000	142	106	521	10,609	11,378	-	-	-	-	22,756	21,986	-	-
2014/15 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200										-	-		
Commercial	2300										-	-		
Households	2400	63	81	45	2,072	2,261					4,523	4,333		
Other	2500	79	26	475	8,537	9,116					18,233	17,653		
Total By Customer Group	2600	142	106	521	10,609	11,378	-	-	-	-	22,756	21,986	-	-

Outstanding debtor balance at the end of 31 December 2015 totals R21.9m. This total mostly represents outstanding accounts for longer than 365 days. Finance is in the process of compiling a report to table to council for the write-off of long outstanding irrecoverable debt.

Section 6 – Creditors' analysis

Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2015/16									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	Total		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300	1,133									1,133	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500	1,150									1,150	
Loan repayments	0600										-	
Trade Creditors	0700										-	
Auditor General	0800	1,210									1,210	
Other	0900										-	
Total By Customer Type	1000	3,493	-	-	-	-	-	-	-	-	3,493	-

The creditors system needs attention to ensure that more accurate reporting can be done in respect of outstanding overdue accounts.

Section 7 – Investment portfolio analysis

7.1 Investment monitoring information

	Balance as at 01 Dec 2015	Movements for the month		Balance as at 31 Dec 2015	Interest earned	Interest earned
		Investments matured	Investments made		Month	Year to date
Eden district municipality						
<i>Interest Received YTD</i>				-		2,553,245.20
<i>Standard Bank</i>	-			-		-
<i>FNB</i>	28,500,000.00			28,500,000.00		-
<i>ABSA</i>	28,500,000.00			28,500,000.00		-
<i>Nedbank</i>	28,500,000.00			28,500,000.00		-
<i>Standard Bank - Bank Guarantee investment</i>	-			-		-
BANK DEPOSITS	85,500,000.00	-	-	85,500,000.00	-	2,553,245.20
<i>Investments made in November will only mature during January 2016 - R85 500m</i>						

Total invested funds at the end of 31 December 2015 totals R85 500 000 as reflected above. The municipality also approved the Investment of the bank guarantee funds into a separate bank account as requested by the third party.

Municipal practice is to invest only with the 4 major banks in South Africa and no more than 25% of funds are invested at any institution as per approved Cash Management and Investment Policy by council.

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table C6

DC4 Eden - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	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:		167,213	182,936	182,936	-	127,909	91,468	24,725	27.0%	182,936
Local Government Equitable Share		134,097	138,902	138,902		104,176	69,451	34,725	50.0%	138,902
Finance Management		1,250	1,250	1,250		1,250	625			1,250
Municipal Systems Improvement		934	930	930		930	465			930
EPWP Incentive		1,000	1,005	1,005		704	503			1,005
Municipal Disaster Recovery Grant		27,432	20,849	20,849		20,849	10,425			20,849
LG: Bulk Water and Waste Water infrastruct.	3	2,500	20,000	20,000			10,000	(10,000)	-100.0%	20,000
								-		
								-		
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		900	3,183	3,183	-	3,183	1,592	1,592	100.0%	3,183
Integrated Transport Planning		900	900	900		900	450	450	100.0%	900
								-		
Rural Roads Asset Management Grant	4		2,283	2,283		2,283	1,142	1,142	100.0%	2,283
								-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Operating Transfers and Grants	5	168,113	186,119	186,119	-	131,092	93,060	26,317	28.3%	186,119

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act.

All other unspent balances were addressed during the roll-over application process of National Treasury and Provincial Treasury.

The report reflects the allocation of grant received as legislated in the yearly Division of Revenue Act.

Currently the municipality received funds in terms of the following grants:

- RSC Replacement of levy EQS
- Finance Management grant (FMG)
- Municipal Systems Improvement Grant (MSIG)
- Expanded Public Works Programme (EPWP)
- Integration Transport Grant
- Disaster Recovery Grant
- LG Bulk Water and Waste Water Infrastructure

8.2 Supporting Table C7

DC4 Eden - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2014/15	Budget Year 2015/16							
		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:		167,213	182,936	182,936	210	2,466	91,468	(89,002)	-97.3%	182,936
Local Government Equitable Share		134,097	138,902	138,902			69,451	(69,451)	-100.0%	138,902
Finance Management		1,250	1,250	1,250	117	386	625	(239)	-38.2%	1,250
Municipal Systems Improvement		934	930	930		245	465	(220)	-47.3%	930
EPWP Incentive		1,000	1,005	1,005	94	464	503	(38)	-7.6%	1,005
Municipal Disaster Recovery Grant		27,432	20,849	20,849		1,371	10,425	(9,054)	-86.9%	20,849
L.G. Bulk Water and Waste Water infrastruct		2,500	20,000	20,000			10,000	(10,000)	-100.0%	20,000
Other transfers and grants [insert description]								-		
Provincial Government:		900	3,183	3,183	-	588	1,592	(1,004)	-63.1%	3,183
Integrated Transport Planning		900	900	900		588	450	138	30.6%	900
Rural Roads Asset Management Grant			2,283	2,283			1,142	(1,142)	-100.0%	2,283
								-		
								-		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]								-		
								-		
Total operating expenditure of Transfers and Grants:		168,113	186,119	186,119	210	3,054	93,060	(90,006)	-96.7%	186,119

This report reflects the operational expenditure on these grants. The municipality also reports on these grants individually to National and Provincial Treasury.

Finance is in the process of enhancing the Division of Revenue Act (DORA) reporting with the compilation of a comprehensive report to strengthen the oversight role of council.

Section 9 – Expenditure on councillor and board members allowances and employee benefits

Supporting Table C8

DC4 Eden - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		5,473	6,021	6,021	854	2,493	3,010	(517)	-17%	6,021
Pension and UIF Contributions		132	146	146	22	65	73	(7)	-10%	146
Medical Aid Contributions		195	214	214	44	129	107	22	20%	214
Motor Vehicle Allowance		1,588	1,747	1,747	231	662	873	(211)	-24%	1,747
Cellphone Allowance		335	368	368	51	155	184	(29)	-16%	368
Housing Allowances								-		-
Other benefits and allowances								-		-
Sub Total - Councillors		7,723	8,496	8,496	1,202	3,505	4,248	(743)	-17%	8,496
% increase	4		10.0%	10.0%						10.0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3,266	3,509	3,509	289	1,826	1,755	71	4%	3,509
Pension and UIF Contributions		417	707	707	45	270	354	(84)	-24%	707
Medical Aid Contributions		61	54	54	5	27	27	0	1%	54
Overtime								-		-
Performance Bonus		325	500	500			250	(250)	-100%	
Motor Vehicle Allowance		369	489	489	42	250	245	6	2%	489
Cellphone Allowance		12	23	23	3	16	12	5	42%	23
Housing Allowances		84	84	84	7	42	42	-		84
Other benefits and allowances								-		-
Payments in lieu of leave								-		-
Long service awards								-		-
Post-retirement benefit obligations								-		-
Sub Total - Senior Managers of Municipality		4,534	5,366	5,366	391	2,432	2,683	(251)	-9%	4,866
% increase	4		18.4%	18.4%						7.3%
Other Municipal Staff										
Basic Salaries and Wages		57,613	59,551	59,551	4,513	33,400	29,776	3,624	12%	59,551
Pension and UIF Contributions		11,424	13,240	13,240	865	5,333	6,620	(1,287)	-19%	13,240
Medical Aid Contributions		8,150	9,163	9,163	655	3,927	4,582	(654)	-14%	9,163
Overtime		1,027	1,144	1,144	40	389	572	(183)	-32%	1,144
Performance Bonus		35						-		
Motor Vehicle Allowance		5,863	5,461	5,461	481	3,200	2,731	470	17%	5,461
Cellphone Allowance		119	149	149		2	75	(72)	-97%	149
Housing Allowances		516	554	554	64	357	277	80	29%	554
Other benefits and allowances		692	2,099	2,099	48	279	1,050	(771)	-73%	2,099
Payments in lieu of leave		4,342	4,671	4,671	318	4,206	2,336	1,871	80%	4,671
Long service awards								-		-
Post-retirement benefit obligations								-		-
Sub Total - Other Municipal Staff		89,781	96,032	96,032	6,983	51,094	48,016	3,078	6%	96,032
% increase	4		7.0%	7.0%						7.0%
Total Parent Municipality		102,038	109,894	109,894	8,576	57,030	54,947	2,084	4%	109,394

Salary and remuneration of councillors expenditure totals 73.8% of all operational expenditures for the period ending 31 December 2015. The municipality budgeted for various vacancies during the May budget process. This list of vacancies will be amended during the January adjustment budget process with the latest outstanding vacancies.

Section 10 – Material variances to the service delivery and budget implementation plan

The measurement of the performance of the municipality in terms of the implementation of the Service Delivery and Budget Implementation plan are dealt with separately.

Information regarding this is not dealt with under this section of the report.

The IDP manager developed a IDP template which addresses the alignment of the IDP, Budget and Performance Management Systems which will be implemented during this financial year.

Section 11 – Capital programme performance

Capital expenditure for the mid-year ending 31 December 2015 amounts to 22.7% of the total capital budget of R 1 035 000.

Amendments to the capital budget will be requested during the January 2016 adjustment budget process.

Section 12 – Municipal manager’s quality certification

NAVRAE: J Stander
ENQUIRIES:
KONTAKNR 044 803 1449
CONTACT NO



VERW: 6/18/7/2015-2016
REF:
KANTOOR: George
OFFICES:
DATUM 18 January 2016
DATE

QUALITY CERTIFICATE

I, **G W LOUW**, the Accounting Officer of **EDEN DISTRICT MUNICIPALITY DC4**, 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 period **1 July 2015 to 31 December 2015** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: -----

Accounting Officer of **EDEN DISTRICT MUNICIPALITY DC4**.

Signature -----

Date -----



EDEN

DISTRICT MUNICIPALITY
UMASIPALA WESITHILI
DISTRKSMUNISIPALITEIT

PERFORMANCE MANAGEMENT

SECTION 72 REPORT

2015/2016

INDEX

Purpose of Report

KPI Monitoring -and Evaluation Graphs:

1. Municipality
2. Office of the Municipal Manager
3. Financial Services
4. Corporate Services
5. Roads Services
6. Community Services
7. Attached Annexure: **Performance Report on the Top Level SDBIP 2015/2016
(July 2015 – Dec 2015)**
8. Recommendation

MID-YEAR PERFORMANCE ASSESSMENT FOR EDEN DISTRICT MUNICIPALITY

Purpose of report

To submit to the Executive Mayor an assessment report on the Municipality's Performance covering the period 1 July 2015 to 31 December 2015.

1. Summary

In terms of Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the accounting officer of a municipality must, by 25 January of each financial year, assess the performance of the municipality during the first half of the financial year and submit a report on such an assessment to the Mayor of the municipality, the National Treasury and the relevant provincial treasury. The Mayor must in turn, comply with the provisions of Section 54, which includes submitting the report to Council by 31 January of each year.

2. Constitutional and Policy Implications

The process is currently driven by legislation. A reviewed policy is being compiled for approval.

3. Legal Implications

3.1 Section 72 (1), Local Government: Municipal Finance Management Act, 2003 (Act 55 of 2003), **referred to as the MFMA**

3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 200) (Chapter 6 and sections 16 and 26 of Chapters 4 and 5, respectively), as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003)

4. Background

4.1 In terms of Section 72 (1) of the MFMA, the accounting officer of a Municipality must by 25 January of each year;

(a) assess the performance of the municipality during the first half of the financial year, taking into account-

- (i) the monthly statements referred to in section 71 for the first half of the financial year;
- (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and the performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole and shared control of the municipality, taking into account report in terms of section 88 from any such entity; and

(b) submit a report on such assessment to-

- (i) the Mayor of the municipality
- (ii) the National Treasury; and
- (iii) the relevant Provincial Treasury

4.2 Thereafter, the mayor must, in terms of Section 54 (1)-

- (a) consider the report
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget;
- (d) issue any appropriate instructions to the accounting officer to ensure-
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) submit the report to the council by 31 January of each year

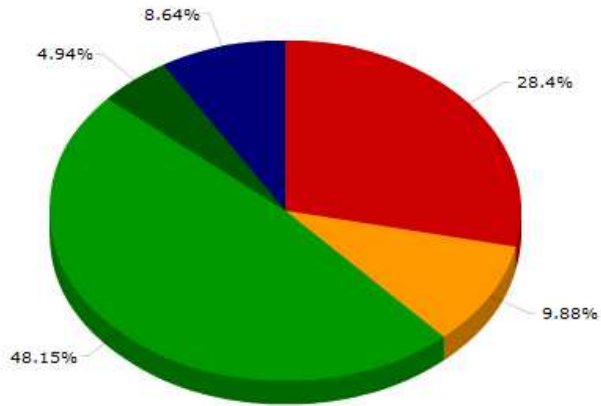
KPI Monitoring - and Evaluation Graphs

KPI Monitoring - and Evaluation Graphs

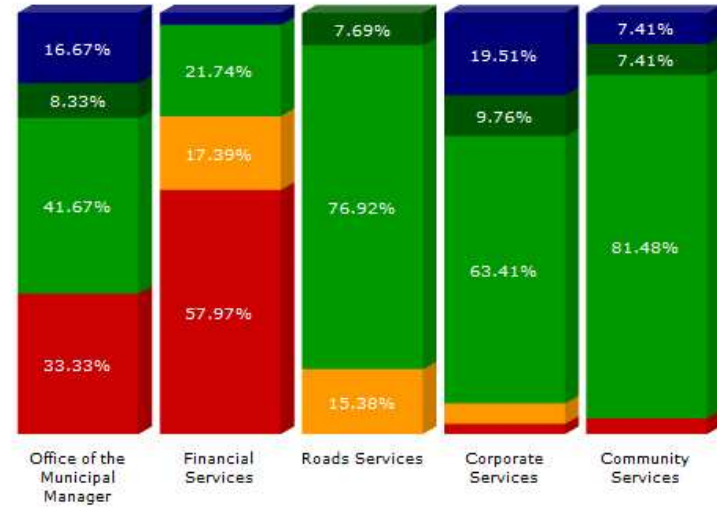
Entire Municipality

Report drawn on 19 January 2016 at 07:48
for the months of July 2015 to December 2015.

Eden District Municipality



Directorate

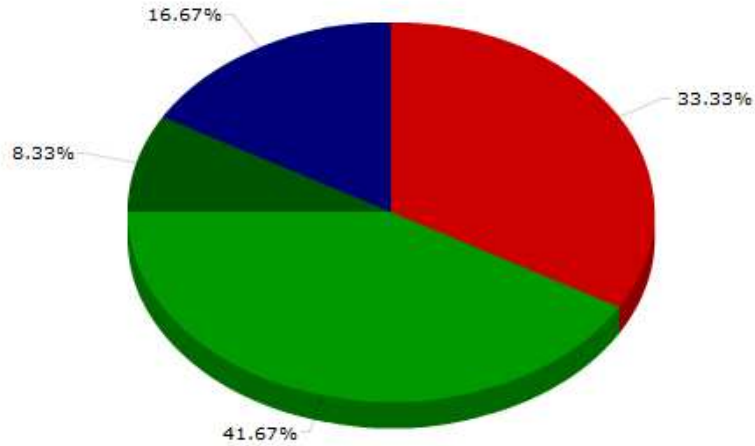


	Eden District Municipality	Directorate				
		Office of the Municipal Manager	Financial Services	Roads Services	Corporate Services	Community Services
KPI Not Met	46 (28.4%)	4 (33.3%)	40 (58%)	-	1 (2.4%)	1 (3.7%)
KPI Almost Met	16 (9.9%)	-	12 (17.4%)	2 (15.4%)	2 (4.9%)	-
KPI Met	78 (48.1%)	5 (41.7%)	15 (21.7%)	10 (76.9%)	26 (63.4%)	22 (81.5%)
KPI Well Met	8 (4.9%)	1 (8.3%)	-	1 (7.7%)	4 (9.8%)	2 (7.4%)
KPI Extremely Well Met	14 (8.6%)	2 (16.7%)	2 (2.9%)	-	8 (19.5%)	2 (7.4%)
Total:	162	12	69	13	41	27

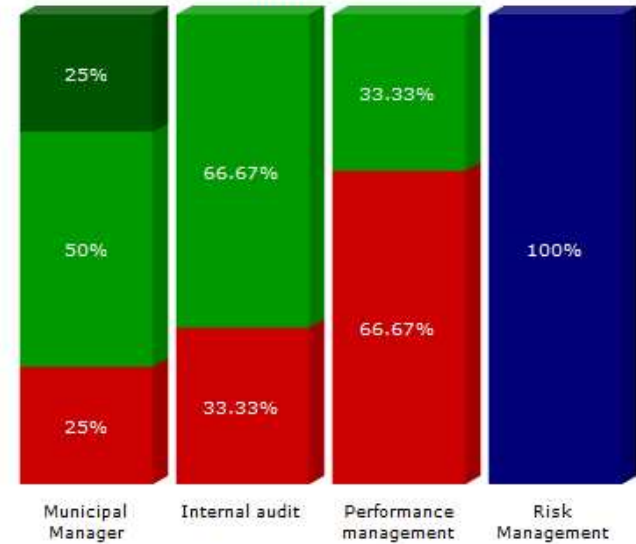
Office of the Municipal Manager

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Office of the Municipal Manager



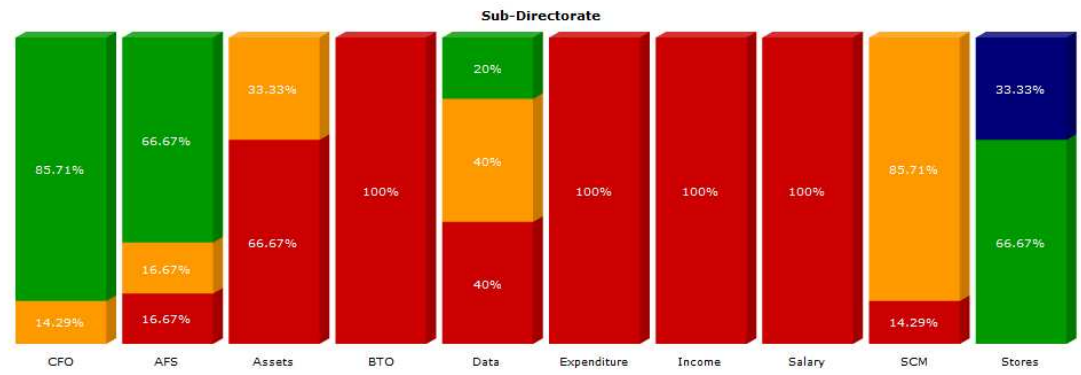
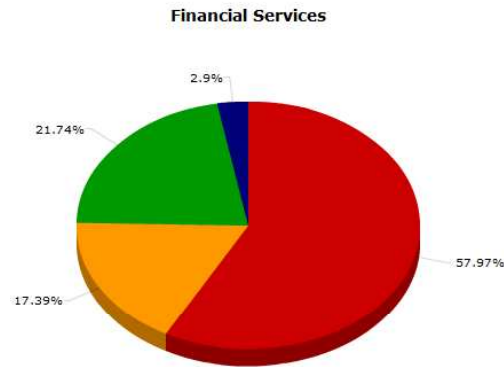
Sub-Directorate



	Office of the Municipal Manager	Sub-Directorate			
		Municipal Manager	Internal audit	Performance management	Risk Management
■ KPI Not Met	4 (33.3%)	1 (25%)	1 (33.3%)	2 (66.7%)	-
■ KPI Almost Met	-	-	-	-	-
■ KPI Met	5 (41.7%)	2 (50%)	2 (66.7%)	1 (33.3%)	-
■ KPI Well Met	1 (8.3%)	1 (25%)	-	-	-
■ KPI Extremely Well Met	2 (16.7%)	-	-	-	2 (100%)
Total:	12	4	3	3	2

Financial Services

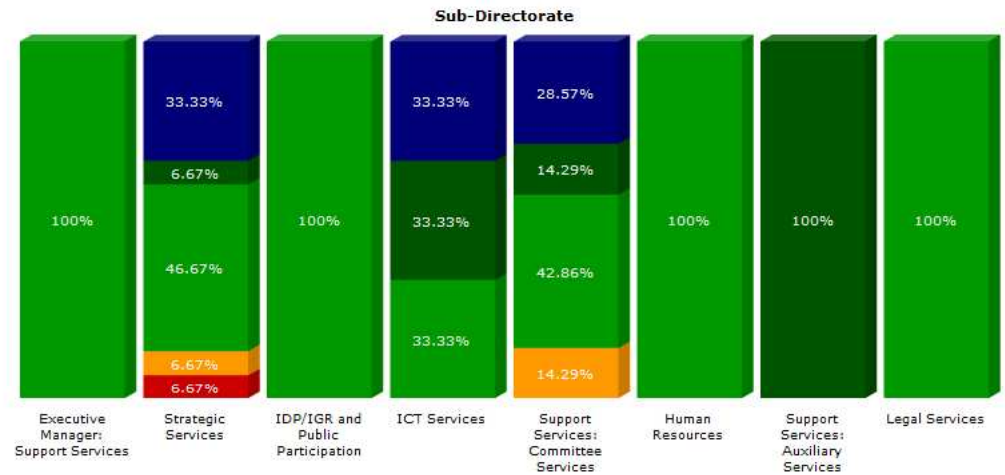
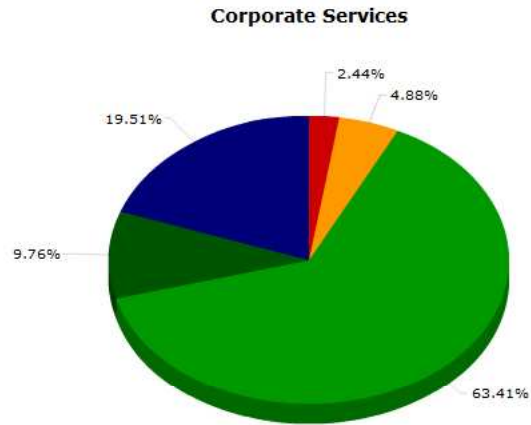
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for the months of July 2015 to December 2015.



	Financial Services	Sub-Directorate									
		CFO	AFS	Assets	BTO	Data	Expenditure	Income	Salary	SCM	Stores
KPI Not Met	40 (58%)	-	1 (16.7%)	4 (66.7%)	6 (100%)	2 (40%)	11 (100%)	6 (100%)	9 (100%)	1 (14.3%)	-
KPI Almost Met	12 (17.4%)	1 (14.3%)	1 (16.7%)	2 (33.3%)	-	2 (40%)	-	-	-	6 (85.7%)	-
KPI Met	15 (21.7%)	6 (85.7%)	4 (66.7%)	-	-	1 (20%)	-	-	-	-	4 (66.7%)
KPI Well Met	-	-	-	-	-	-	-	-	-	-	-
KPI Extremely Well Met	2 (2.9%)	-	-	-	-	-	-	-	-	-	2 (33.3%)
Total:	69	7	6	6	6	5	11	6	9	7	6

Corporate Services

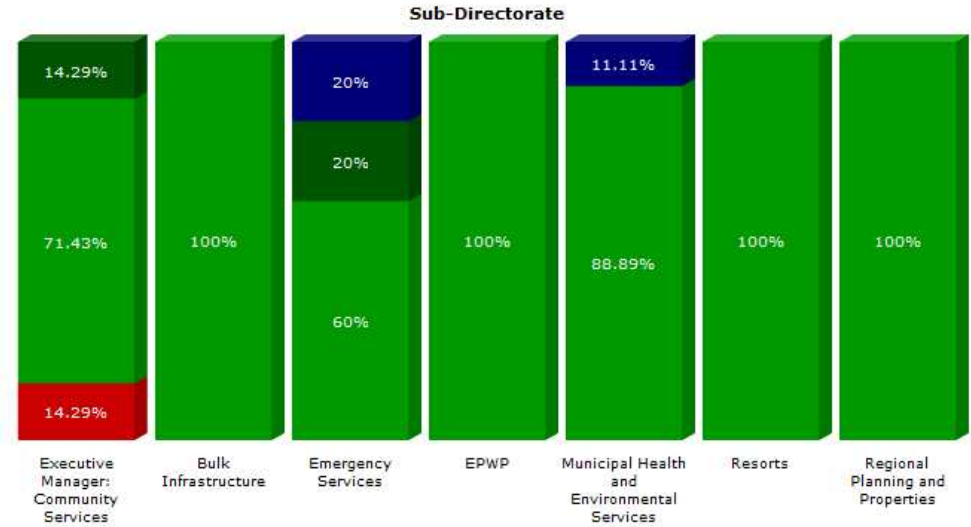
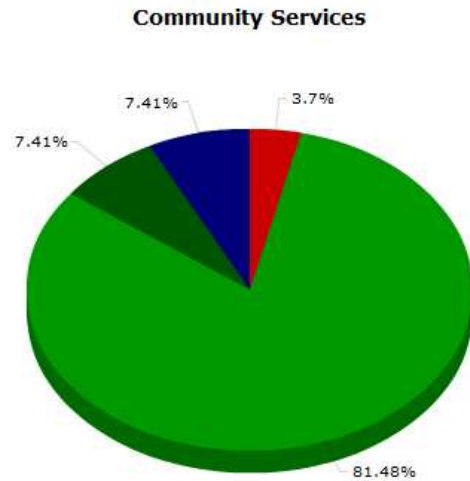
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for the months of July 2015 to December 2015.



	Corporate Services	Sub-Directorate							
		Executive Manager: Support Services	Strategic Services	IDP/IGR and Public Participation	ICT Services	Support Services: Committee Services	Human Resources	Support Services: Auxiliary Services	Legal Services
KPI Not Met	<u>1 (2.4%)</u>	-	<u>1 (6.7%)</u>	-	-	-	-	-	-
KPI Almost Met	<u>2 (4.9%)</u>	-	<u>1 (6.7%)</u>	-	-	<u>1 (14.3%)</u>	-	-	-
KPI Met	<u>26 (63.4%)</u>	<u>6 (100%)</u>	<u>7 (46.7%)</u>	<u>2 (100%)</u>	<u>1 (33.3%)</u>	<u>3 (42.9%)</u>	<u>3 (100%)</u>	-	<u>4 (100%)</u>
KPI Well Met	<u>4 (9.8%)</u>	-	<u>1 (6.7%)</u>	-	<u>1 (33.3%)</u>	<u>1 (14.3%)</u>	-	<u>1 (100%)</u>	-
KPI Extremely Well Met	<u>8 (19.5%)</u>	-	<u>5 (33.3%)</u>	-	<u>1 (33.3%)</u>	<u>2 (28.6%)</u>	-	-	-
Total:	41	6	15	2	3	7	3	1	4

Community Services

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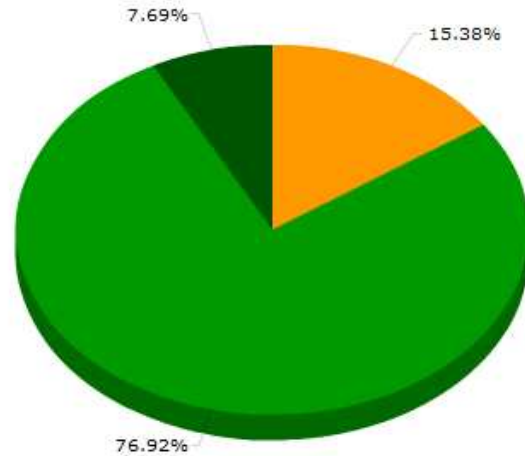


	Community Services	Sub-Directorate						
		Executive Manager: Community Services	Bulk Infrastructure	Emergency Services	EPWP	Municipal Health and Environmental Services	Resorts	Regional Planning and Properties
KPI Not Met	<u>1 (3.7%)</u>	<u>1 (14.3%)</u>	-	-	-	-	-	-
KPI Almost Met	-	-	-	-	-	-	-	-
KPI Met	<u>22 (81.5%)</u>	<u>5 (71.4%)</u>	<u>1 (100%)</u>	<u>3 (60%)</u>	<u>3 (100%)</u>	<u>8 (88.9%)</u>	<u>1 (100%)</u>	<u>1 (100%)</u>
KPI Well Met	<u>2 (7.4%)</u>	<u>1 (14.3%)</u>	-	<u>1 (20%)</u>	-	-	-	-
KPI Extremely Well Met	<u>2 (7.4%)</u>	-	-	<u>1 (20%)</u>	-	<u>1 (11.1%)</u>	-	-
Total:	27	7	1	5	3	9	1	1

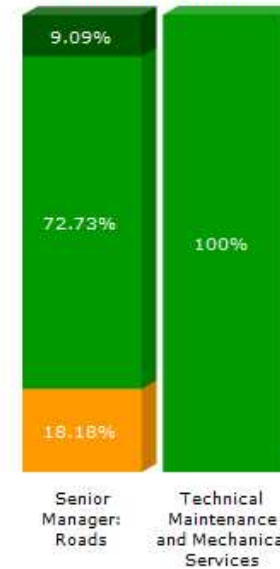
Roads Services

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Roads Services



Sub-Directorate

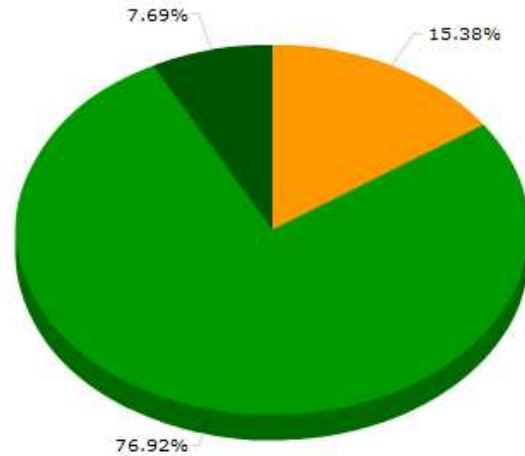


	Roads Services	Sub-Directorate	
		Senior Manager: Roads	Technical Maintenance and Mechanical Services
■ KPI Not Met	-	-	-
■ KPI Almost Met	<u>2 (15.4%)</u>	<u>2 (18.2%)</u>	-
■ KPI Met	<u>10 (76.9%)</u>	<u>8 (72.7%)</u>	<u>2 (100%)</u>
■ KPI Well Met	<u>1 (7.7%)</u>	<u>1 (9.1%)</u>	-
■ KPI Extremely Well Met	-	-	-
Total:	13	11	2

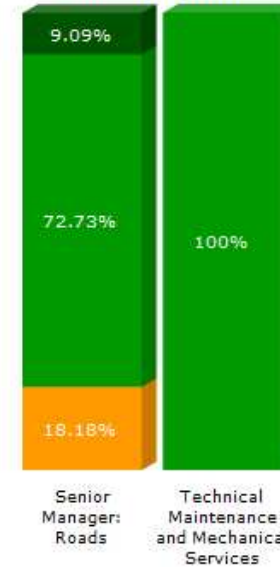
Roads Services

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for the months of July 2015 to December 2015.

Roads Services



Sub-Directorate



	Roads Services	Sub-Directorate	
		Senior Manager: Roads	Technical Maintenance and Mechanical Services
■ KPI Not Met	-	-	-
■ KPI Almost Met	<u>2 (15.4%)</u>	<u>2 (18.2%)</u>	-
■ KPI Met	<u>10 (76.9%)</u>	<u>8 (72.7%)</u>	<u>2 (100%)</u>
■ KPI Well Met	<u>1 (7.7%)</u>	<u>1 (9.1%)</u>	-
■ KPI Extremely Well Met	-	-	-
Total:	13	11	2

7. Attached Annexure: **Performance Report on the Top Level SDBIP 2015/2016**
(July 2015 – Dec 2015)

8. Recommendations

The following recommendations are made with regards to the performance management of Eden District Municipality:

1. The Departmental SDBIP be revised
2. The Top Level SDBIP be revised
3. All adjustments to the SDBIP commence after the adjustment budget has been approved and submitted as follows;
 - Top Level SDBIP – The Executive Mayor for approval
 - Departmental SDBIP – The Municipal Manager for approval
4. That the content of this report be approved by the Executive Mayor and forwarded to the relevant Governmental Department