

**REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / VERSLAG:
SEKSIE 52 VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER ()**

(6/18/7)

15 January 2019

REPORT FROM THE EXECUTIVE MAYOR (M BOOYSEN)

PURPOSE OF THE REPORT

The report is tabled to Council in terms of Section 52(d) as required in terms of the Municipal Finance Management Act 56 of 2003

BACKGROUND

Section 52 of the Municipal Finance Management Act 2003 (No.56) (MFMA) requires the Mayor to report to council on the financial affairs of the municipality.

Section 52 (d)

The mayor of a municipality –

Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality

FINANCIAL IMPLICATIONS

None

RELEVANT LEGISLATION

Municipal Finance Management Act, No 56 of 2003, section 52
Municipal Budget and Reporting Regulations, 17 April 2009

UITVOERENDE OPSOMMING

Die burgemeester van die munisipaliteit moet binne 30 dae na die einde van die kwartaal 'n verslag aan die raad voorlê oor die finansiële posisie van die munisipaliteit.

RECOMMENDATION

That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the period ending 31 December 2018.

AANBEVELING

Dat die Raad kennis neem van die kwartaallikse verslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot op datum en die periode geëindig 31 Desember 2018.

ISINDULULO

Sesokuba umongo Wengxelo yolawulo lwemali nenikezelwe inyanga ephela 30 kweyeSilimela 2018 uthathelwe ingqalelo.

APPENDIX

Section 52 report



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2018 - 2019

QUARTERLY MAYORAL SECTION 52 REPORT

**YEAR TO DATE ENDING
31 DECEMBER 2018**

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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 revised 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.

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.

MSCOA – Municipal Standard Chart of Accounts

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 Garden Route 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 52: Quarterly budget statements

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

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL FOREWORD

Honourable Speaker, leaders of the opposition, honourable members of the Garden Route.

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 Garden Route District. I would like to express a hearty warm welcome to you all.

These figures are presented in terms of Section 52 of the MFMA. The information is presented for the 2nd Quarter ending 31 December 2018.

But before we go to the figures, herewith an overview of the 2nd Quarter's events:

On 21 October 2018 wildfires ignited in Vermaaklikheid near Riversdale in Hessequa. A few days later, more wildfires started in the George municipal area. The Disaster Management Centre of Garden Route District Municipality (GRDM) recorded 12 wildfires over the month of October/November 2018, which also resulted in the death of 9 people, including a Working on Fire pilot. Said to be one of the biggest wildfires recorded since the great wildfire of 1869, the Garden Route is facing a new “normal”. The change can be seen across the globe and it is almost common knowledge that climate change is not on our side. Our town planners need to factor wildland fire risk into future development planning and our bylaws, as well as building codes, will have to be altered to ensure resilience to this type of fire incidents. We would like to thank the following role players for their selfless dedication during the raging fires: Provincial Disaster Management Centre, Working on Fire (WoF), South African National Defence Force, Cape Nature, SANParks, George Municipality, Knysna Municipality, Oudtshoorn Municipality, Bitou Municipality, Hessequa Municipality, Mossel Bay Municipality, Kannaland Municipality, Overberg DM, Cape Winelands DM, West Coast DM, City of Cape Town, Various NGOs and FBOs (Lions Alert, Rotary SA, Gift of the Givers, Garden Route Rebuild), SPCA, National and Provincial Departments, Department of Health, EMS, Human settlements, Rural Development, Housing Development Agency, Department of Agriculture, Department of Education, SASSA, DSD, ESKOM, Department of Transport, Provincial Traffic and SAPS.

The fires had a significant financial impact on the municipal budget as one can imagine but fortunately enough the municipality received an additional allocation from Provincial Treasury to the amount of R10 000 000 in respect of the Disaster Management Grant. The money will be utilised to supplement the Fire Fighting and Disaster Management operational budget as well as to acquire purchase two 4x4 strike units (complete with skid units) and one 6 000 litre water tanker. The 1st Adjustment Budget of 2018/19 will be tabled on 22 January 2019 to Council to account for the additional grant allocations.

On 30 November 2018 the Audit Report for the Financial Year 2017/18 was issued by the Auditor General. The municipality has already established an OPCAR ('Operation Clean Audit Report') committee to address audit findings raised and internal control deficiencies identified. Supply Chain Management were once again one of the main focus areas of the audit, especially procurement by means of deviations.

On Thursday, 13 December 2018, during a Special Council Meeting, Cllr Eleanore Bouw-Spies was inaugurated in as Councillor of the Garden Route District Council. Soon after her inauguration, she was also elected as the Speaker of the Garden Route District Municipality. The Speaker position became vacant after Councillor Mark Willemse (former Speaker) resigned on 11 June 2018. During the absence of the permanent speaker, Cllr Barend Groenewald acted as Speaker of Council and served for a period of 7 months.

Herewith an executive summary of the performance of the Council for the 2nd Quarter ending 31 December 2018. The actual and budgeted figures reported, excludes the Roads Budget.

Revenue by source

The total revenue received by source for the 2nd quarter amounts to **R8 143 000**, against an adjusted budget of **R251 002 000 (excluding Roads Agency)**. This represents **3.2%** recording of revenue for the quarter second quarter and year to date received amounts to **R82 536 000** representing **32.88%**.

The roads agency function is consolidated at year-end in the financial records.

Operating Expenditure by source

For the second quarter of the financial year the municipality records expenditure performance of **R59 702 000** against an adjusted budget of **R248 725 000 (excluding Roads Agency)**, representing **24%** of expenditure. The year to date expenditure amounts to **R105 734 000** representing **42.51%** of expenditure for the first half of financial year.

The salary expenditure for the second quarter was R37 099 000 to an adjusted budget of R132 799 000 (which includes contributions to post retirement benefits) representing 27% spending of budget for the quarter and year to date amounts to R63 827 000 representing 48%.

The councillor remuneration for the second quarter amounts to R2 754 000 to an annual budget of R11 572 000 representing 16% of budget and year to date actual expenditure amounts to R4 434 000 representing 38% spending.

Spending on contracted services was R8 297 000 in the second quarter representing 12% spending of an adjusted budget of R66 523 000 for the quarter and year to date amounts to R12 930 000 representing 19% spending. The increase in the adjusted budget is due to the roll-

over application for the Energy Efficiency Demand Grant of R4 987 000 and the Integrated Transport Planning Grant of R900 000. National Treasury however declined the roll-over application of the Energy Efficiency and Demand Side Management Grant (EEDG), and instructed the municipality to pay back the unspent monies. The budget will be adjusted accordingly during February 2019.

Spending on general expenses was R12 365 000 in the second quarter with an annual budget of R31 903 000 (excluding Roads Budget) representing 43% spending for the quarter and year to date actual amounts to R24 544 000 representing 77% spending.

The roads agency function is consolidated at year-end in the financial records.

Capital Expenditure

The annual capital expenditure budget for the financial year amounts to **R9 303 378**. For the second quarter capital expenditure was R615 000 representing 6.6% of the budget and year to date amounts to R649 907 representing 7% of spending.

Please refer to the following comments from the respective departments with regards to the capital expenditure:

Office of the Municipal Manager

Risk Management System (R500,000).

Closing date for submission of bids was on 11 January 2019.

Planning and Economic Development

1. Palisade Fencing : R 190 000.00 – In process to issue order.
2. Computers : R 49 000.00 – In process to receive informal tender.
3. Roofs Calitzdorp Spa Tender loaded on collaborator (Completion March 2019) Estimation received R1,670 000
4. Upgrading of Server Room R 180 000 (To be transferred to IT during adjustment budget as discussed with Mr Koos Niewoudt)

Community Services

Fire Department Capital Expenditure 2018/2019 financial year

The capital budget allocation for this financial year was originally R 5,690,000.00 and has subsequently been reduced to R2,690,000.00 due to the building of the fire station being postponed, and the budget of R3,000,000.00 for the fire station being transferred out of the department. The procurement of wildland firefighting vehicles has been adjudicated and awarded to TFM Manufacturing for an amount of R2,027,822.60 per vehicle.

Should the above capital projects be included the projected capital expenditure will increase to 52%.

Refer to detailed capital expenditure performance on pages 29 – 32.

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 - SECTION 52: General responsibilities of the Mayor

This is the resolution being presented to Council in the quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 52 of the Municipal Finance Management Act 56 of 2003.

RECOMMENDATION:

That Council takes note of the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the period ending 31 December 2018.

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

These figures are presented in terms of section 52(d) of the MFMA. The information is presented for the 2nd quarter ending 31 December 2018.

3.2 Consolidated performance

3.2.1 Against annual budget (original)

The actual and budgeted figures reported, excludes the Roads Budget.

Revenue by source

For the second quarter the municipality records revenue performance of **R8 143 000 (3.2%)** against a budget of **R251 002 000** and a year to date received amounts to **R82 536 000** representing **32.88%** revenue received.

Operating Expenditure by type

For the second quarter of the financial year the municipality records expenditure performance of **R59 702 000** against a budget of **R248 725 000**, representing **24%** of expenditure and year to date amounts to **R105 734 000** representing **42.51%** spending.

Capital Expenditure

The annual capital expenditure budget for the financial year amounts to **R9 303 378**. For the second quarter capital expenditure was **R615 000** representing **6.6%** of the budget and year to date amounts to **R649 907** representing **7%** spending.

3.3 Material variances from SDBIP

Attached to this report as Annexure is the SDBIP report for the 2nd quarter ending 31 December 2018.

This report reflects information in terms of the implementation of the budget. All changes required to the SDBIP in terms of KPI's are managed via the Performance Management Unit situated in the Office of the Municipal Manager.

3.4 Remedial or corrective steps

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

3.5 Conclusion

Detailed analysis of the municipal performance for the period ending 31 December 2018 will be presented under the different sections of the report. More information regarding the municipal performance and explanations will be provided below.

SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

4.1 Monthly budget statements

4.1.1 Table C1: s71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2017/18	Budget Year 2018/19							
	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	12 084	15 715	–	–	232	7 857	(7 625)	-97%	15 715
Transfers and subsidies	160 545	158 885	5 708	–	67 911	79 443	(11 532)	-15%	158 885
Other own revenue	211 471	215 515	179	1 183	14 392	106 180	(91 787)	-86%	215 515
Total Revenue (excluding capital transfers and contributions)	384 100	390 115	5 887	1 183	82 536	193 480	(110 944)	-57%	390 115
Employee costs	128 751	133 669	(871)	11 315	63 827	66 835	(3 008)	-5%	133 669
Remuneration of Councillors	10 815	11 572	–	854	5 288	5 786	(498)	-9%	11 572
Depreciation & asset impairment	3 060	3 272	–	–	–	1 636	(1 636)	-100%	3 272
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	–	185	–	–	–	93	(93)	-100%	185
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	236 793	239 139	6 758	7 062	36 619	119 570	(82 950)	-69%	239 139
Total Expenditure	379 419	387 838	5 887	19 232	105 734	193 919	(88 185)	-45%	387 838
Surplus/(Deficit)	4 681	2 278	–	(18 048)	(23 198)	(439)	(22 759)	5182%	2 278
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	4 681	2 278	–	(18 048)	(23 198)	(439)	(22 759)	5182%	2 278
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	4 681	2 278	–	(18 048)	(23 198)	(439)	(22 759)	5182%	2 278
Capital expenditure & funds sources									
Capital expenditure	4 677	9 303	–	327	650	4 652	(4 002)	-86%	9 273
Capital transfers recognised	–	–	–	–	–	–	–		–
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	4 677	9 303	–	327	650	4 652	(4 002)	-86%	–
Total sources of capital funds	4 677	9 303	–	327	650	4 652	(4 002)	-86%	–
Financial position									
Total current assets	178 609	180 332	–		126 705				180 332
Total non current assets	293 385	301 107	–		284 060				301 107
Total current liabilities	72 878	75 705	(82)		60 636				75 623
Total non current liabilities	153 943	163 153	–		137 987				163 153
Community wealth/Equity	–	–	–		212 142				–
Cash flows									
Net cash from (used) operating	19 110	3 097	–	(18 048)	(23 198)	1 549	24 747	1598%	3 097
Net cash from (used) investing	(4 677)	(7 938)	–	(327)	2 422	(5 547)	(7 969)	144%	(7 938)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	14 434	(4 841)	–	–	11 285	(3 999)	(15 284)	382%	27 220
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	1 041	218	63	19 171	–	–	–	–	20 493
Creditors Age Analysis									
Total Creditors	–	9	34	88	53	–	101	–	285

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

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		229 916	211 013	5 887	753	80 125	105 506	(25 381)	-24%	211 013
Executive and council		228 590	209 608	5 887	753	80 027	104 804	(24 777)	-24%	209 608
Finance and administration		1 326	1 405	-	-	98	703	(605)	-86%	1 405
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 921	8 041	-	426	2 365	4 021	(1 656)	-41%	8 041
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		6 713	7 821	-	412	2 209	3 910	(1 701)	-43%	7 821
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		208	221	-	14	155	110	45	40%	221
<i>Economic and environmental services</i>		145 314	145 333	-	4	46	72 666	(72 620)	-100%	145 333
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		145 000	145 000	-	-	-	72 500	(72 500)	-100%	145 000
Environmental protection		314	333	-	4	46	166	(120)	-72%	333
<i>Trading services</i>		1 950	25 728	-	-	-	12 864	(12 864)	-100%	25 728
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 950	25 728	-	-	-	12 864	(12 864)	-100%	25 728
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	384 100	390 115	5 887	1 183	82 536	195 058	(112 522)	-58%	390 115
Expenditure - Functional										
<i>Governance and administration</i>		114 375	121 256	-	8 725	53 433	60 628	(7 195)	-12%	121 256
Executive and council		44 720	49 677	-	3 709	22 045	24 838	(2 793)	-11%	49 677
Finance and administration		67 115	69 211	-	4 799	30 056	34 606	(4 550)	-13%	69 211
Internal audit		2 540	2 368	-	217	1 332	1 184	148	12%	2 368
<i>Community and public safety</i>		81 927	78 374	4 987	8 029	40 630	39 187	1 443	4%	78 374
Community and social services		11 727	8 596	-	927	5 414	4 298	1 116	26%	8 596
Sport and recreation		12 640	13 677	-	1 277	5 996	6 838	(842)	-12%	13 677
Public safety		27 498	29 149	-	3 370	14 033	14 574	(541)	-4%	29 149
Housing		-	-	-	-	-	-	-	-	-
Health		30 062	26 953	4 987	2 455	15 186	13 477	1 710	13%	26 953
<i>Economic and environmental services</i>		176 412	161 155	900	2 185	9 216	80 578	(71 362)	-89%	161 155
Planning and development		5 630	9 236	-	1 383	7 057	4 618	2 439	53%	9 236
Road transport		168 320	148 325	900	539	732	74 163	(73 430)	-99%	148 325
Environmental protection		2 462	3 595	-	263	1 427	1 797	(370)	-21%	3 595
<i>Trading services</i>		18	25 738	-	182	1 740	12 869	(11 129)	-86%	25 738
Energy sources		18	18	-	-	-	9	(9)	-100%	18
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	25 720	-	182	1 740	12 860	(11 121)	-86%	25 720
<i>Other</i>		2 866	1 314	-	111	716	657	59	9%	1 314
Total Expenditure - Functional	3	375 598	387 838	5 887	19 232	105 734	193 919	(88 185)	-45%	387 838
Surplus/ (Deficit) for the year		8 503	2 278	-	(18 048)	(23 198)	1 139	(24 337)	-2137%	2 278

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services. Table C3, Financial Performance is reported 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.

Operational performance for the revenue budget totals **R8 143 000** for the second quarter ending 31 December 2018. Based on an adjusted Garden Route budget of **R251 002 000** this represents **3.2%** of budgeted revenue for the quarter under review. The year to date received amounts to R82 536 000 representing 32.88% received. Most of the revenue which consist of the grants and mainly the equitable share.

Operating Expenditure

Operational performance for the expenditure budget totals **R59 702 000** for the second quarter ending 31 December 2018. Based on an adjusted Roads budget of **R248 725 000** this represents a **24%** of budgeted expenditure. The year to date expenditure amounts to R105 734 000 representing 42.51% expenditure. Spending consists mostly of the municipal operational activities.

The spending of transactions related to provisions and contributions can only be processed at year-end with the compilation of the annual financial statements. All these cost items still need to be accounted for.

More details regarding the operational expenditures below.

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

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description		Ref	2017/18	Budget Year 2018/19							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue by Vote		1									
Vote 1 - Executive and Council			229 035	210 080	5 887	753	80 027	105 040	(25 013)	-23,8%	210 080
Vote 2 - Budget and Treasury Office			—	—	—	—	—	—	—	—	—
Vote 3 - Corporate Services			880	933	—	—	98	466	(368)	-79,0%	933
Vote 4 - Planning and Development			—	—	—	—	—	—	—	—	—
Vote 5 - Public Safety			—	—	—	—	—	—	—	—	—
Vote 6 - Health			208	221	—	14	155	110	45	40,5%	221
Vote 7 - Community and Social Services			—	—	—	—	—	—	—	—	—
Vote 8 - Sport and Recreation			6 713	7 821	—	412	2 209	3 910	(1 701)	-43,5%	7 821
Vote 9 - Waste Management			1 950	25 728	—	—	—	12 864	(12 864)	-100,0%	25 728
Vote 10 - Roads Transport			—	—	—	—	—	—	—	—	—
Vote 11 - Waste Water Management			—	—	—	—	—	—	—	—	—
Vote 12 - Water			—	—	—	—	—	—	—	—	—
Vote 13 - Environment Protection			314	333	—	4	46	166	(120)	-72,1%	333
Vote 14 - Roads Agency Function			145 000	145 000	—	—	—	72 500	(72 500)	-100,0%	145 000
Vote 15 - Electricity			—	—	—	—	—	—	—	—	—
Total Revenue by Vote		2	384 100	390 115	5 887	1 183	82 536	195 058	(112 522)	-57,7%	390 115
Expenditure by Vote		1									
Vote 1 - Executive and Council			47 274	48 199	—	3 777	23 731	24 100	(368)	-1,5%	48 199
Vote 2 - Budget and Treasury Office			20 362	19 830	—	1 376	10 243	9 915	328	3,3%	19 830
Vote 3 - Corporate Services			39 345	42 835	—	3 239	18 481	21 417	(2 937)	-13,7%	42 835
Vote 4 - Planning and Development			16 688	19 357	—	1 775	10 027	9 679	348	3,6%	19 357
Vote 5 - Public Safety			35 010	34 829	—	4 015	16 980	17 414	(434)	-2,5%	34 829
Vote 6 - Health			33 479	31 454	4 987	2 789	16 377	15 727	651	4,1%	31 454
Vote 7 - Community and Social Services			—	—	—	—	—	—	—	—	—
Vote 8 - Sport and Recreation			12 640	13 677	—	1 277	5 996	6 838	(842)	-12,3%	13 677
Vote 9 - Waste Management			3 821	25 720	—	182	1 740	12 860	(11 121)	-86,5%	25 720
Vote 10 - Roads Transport			3 320	3 325	900	539	732	1 663	(930)	-55,9%	3 325
Vote 11 - Waste Water Management			—	—	—	—	—	—	—	—	—
Vote 12 - Water			—	—	—	—	—	—	—	—	—
Vote 13 - Environment Protection			2 461	3 595	—	263	1 427	1 797	(370)	-20,6%	3 595
Vote 14 - Roads Agency Function			165 000	145 000	—	—	—	72 500	(72 500)	-100,0%	145 000
Vote 15 - Electricity			—	—	—	—	—	—	—	—	—
Total Expenditure by Vote		2	379 401	387 820	5 887	19 232	105 734	193 910	(88 176)	-45,5%	387 820
Surplus/ (Deficit) for the year		2	4 699	2 295	—	(18 048)	(23 198)	1 148	(24 346)	-2121,4%	2 295

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.

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

DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description		Ref	2017/18	Budget Year 2018/19							
			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								-			
Service charges - electricity revenue								-			
Service charges - water revenue								-			
Service charges - sanitation revenue								-			
Service charges - refuse revenue								-			
Service charges - other								-			
Rental of facilities and equipment			3 507	2 718		-	1 359	(1 359)	-100%	2 718	
Interest earned - external investments			12 084	15 715		232	7 857	(7 625)	-97%	15 715	
Interest earned - outstanding debtors			846	897		-	448	(448)	-100%	897	
Dividends received						-	-	-		-	
Fines, penalties and forfeits						-	-	-		-	
Licences and permits			314	333		-	166	(166)	-100%	333	
Agency services			15 300	19 022		-	9 511	(9 511)	-100%	19 022	
Transfers and subsidies			160 545	158 885	5 708	67 911	79 443	(11 532)	-15%	158 885	
Other revenue			191 504	189 390	179	1 183	14 392	94 695	(80 303)	-85%	189 390
Gains on disposal of PPE				3 156		-	-	-		3 156	
Total Revenue (excluding capital transfers and contributions)			384 100	390 115	5 887	1 183	82 536	193 480	(110 944)	-57%	390 115
Expenditure By Type											
Employee related costs			128 751	133 669	(871)	11 315	63 827	66 835	(3 008)	-5%	133 669
Remuneration of councillors			10 815	11 572		854	5 288	5 786	(498)	-9%	11 572
Debt impairment			1 522	1 601				800	(800)	-100%	1 601
Depreciation & asset impairment			3 060	3 272				1 636	(1 636)	-100%	3 272
Finance charges								-	-		-
Bulk purchases			-	-				-	-		-
Other materials				185				93	(93)	-100%	185
Contracted services			23 330	60 636	5 887	3 541	12 930	30 318	(17 388)	-57%	60 636
Transfers and subsidies			-	-			-	-	-		-
Other expenditure			211 942	176 903	871	3 521	23 689	88 451	(64 762)	-73%	176 903
Loss on disposal of PPE								-			
Total Expenditure			379 419	387 838	5 887	19 232	105 734	193 919	(88 185)	-45%	387 838
Surplus/(Deficit)			4 681	2 278	-	(18 048)	(23 198)	(439)	(22 759)	0	2 278
Transfers and subsidies - capital (monetary assistance) (National / Provincial and District)									-		
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)									-		
Transfers and subsidies - capital (in-kind - all)									-		
Surplus/(Deficit) after capital transfers & contributions			4 681	2 278	-	(18 048)	(23 198)	(439)			2 278
Taxation									-		
Surplus/(Deficit) after taxation			4 681	2 278	-	(18 048)	(23 198)	(439)			2 278
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			4 681	2 278	-	(18 048)	(23 198)	(439)			2 278
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			4 681	2 278	-	(18 048)	(23 198)	(439)			2 278

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:

For the second quarter no income for rental of facilities can be recorded due to the system challenges experienced. Income per line item could not be updated and rental income was therefore included under 'Other income'.

Interest earned – External Investments:

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. Interest received for the second quarter ending 31 December 2018 amounts to R232 000.

Interest raised – Outstanding debtors

There was no interest on outstanding debtors for the second quarter ending 31 December 2018 this is due to challenges experienced with the new financial system on the Income module and backlog in income allocations.

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 is received on the original allocation and 3% on the cost of additional reseal projects. No admin fee income were recorded for the second quarter ending 31 December 2018.

Transferred recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. The first instalment of R 63,015,000 for the Equitable Share was received during July 2018. An amount of R256,000 for EPWP Grant were received as first instalment during August, R1,483,000 were also received from Provincial Treasury for the Fire Service Capacity Building Grant, R1,698,000 as first instalment of the Rural Roads Asset Management Grant and R1,000,000 were received from National Treasury for the Finance Management Grant. A second instalment of R459 000 toward the EPWP grant were received during November 2018 and R900 000 during December 2018 for Integrated Transport Planning but not allocated to the ledger yet.

The municipality followed the application for roll-over process with regards to the unspent grant balances. The request was submitted to National and Provincial Treasury on 31 August 2018 and the balances applied for agreed with the pre-audited Annual Financial Statements for the year ended 30 June 2018. National Treasury however declined the roll-over application of the Energy Efficiency and Demand Side Management Grant (EEDG), and instructed the municipality to pay back the unspent monies. The budget will be adjusted accordingly during February 2019.

Other revenue / Sundry income

Other revenue reflects an amount of R7 451 000 for the second quarter ending 31 December 2018. Other revenue consists of the following: Interest on current account, resorts income and rental of facilities and equipment.

Expenditure by Type

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

Employee Related cost / Remuneration of councillors

Remuneration related expenditure for the second quarter ending 31 December 2018 amounted to R39 853 000 of an adjusted budgeted amount of R144 370 000 that represents 26.12% of the budgeted amount. The year to date amounts to R68 261 000 representing 47.28% spending.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The asset management system are not fully integrated with the financial system yet and depreciation journals will be processed at the end of the financial year as soon as the integration are resolved. No depreciation were recorded for the second quarter and year to date ending 31 December 2018.

Finance charges

The municipality have no outstanding loans and it is not envisioned that Council will take up any new loans.

Contracted services

Contracted services amounted to R8 297 000 for the second quarter ending 31 December 2018, representing 12%.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounted to R13 687 000 for the second quarter ending 31 December 2018, representing 77% of the budget.

Most of the other expenditure is only accounted for at the end of the financial year. The other expenditure consists of the following:

- Repairs and Maintenance
- Operating Projects (own funds)
- General expenses
- Contributions to provisions
- Actuarial Loss

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

Variances explained in Supporting Table C5

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2017/18	Budget Year 2018/19							
		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		421	30	-	-	31	15	16	107%	30
Vote 2 - Budget and Treasury Office		-	42	-	-	10	21	(11)	-52%	42
Vote 3 - Corporate Services		1 633	1 368	-	297	480	684	(204)	-30%	1 368
Vote 4 - Planning and Development		64	-	-	-	-	-	-		-
Vote 5 - Public Safety		1 319	5 790	-	-	14	2 895	(2 881)	-100%	5 790
Vote 6 - Health		31	43	-	-	57	22	36	166%	43
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		1 100	2 000	-	30	58	1 000	(942)	-94%	2 000
Vote 9 - Waste Management		-	-	-	-	-	-	-		-
Vote 10 - Roads Transport		-	-	-	-	-	-	-		-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		109	30	-	-	-	15	(15)	-100%	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	4 677	9 303	-	327	650	4 652	(4 002)	-86%	9 273
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 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		-	-	-	-	-	-	-		-
Vote 9 - Waste Management		-	-	-	-	-	-	-		-
Vote 10 - Roads Transport		-	-	-	-	-	-	-		-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		-	-	-	-	-	-	-		-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	-	-	-	-	-	-	-		-
Total Capital Expenditure		4 677	9 303	-	327	650	4 652	(4 002)	-86%	9 273

The original capital budget for the financial year amounts to **R 9,303,378**. For the second quarter ended 31 December 2018, capital expenditure amounted to **R615 000**, representing 6.6% of the budget.

Provincial treasury required the municipality to provide more information in terms of the commitments of capital items on the budget. Refer to Section 11 for more details regarding the progress of the spending of capital budget projects.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		169 768	164 927		101 285	164 927
Call investment deposits		–	–			–
Consumer debtors		–	–		16 151	–
Other debtors		2 181	8 217		672	8 217
Current portion of long-term receivables		3 227	3 550		4 108	3 550
Inventory		3 433	3 639		4 489	3 639
Total current assets		178 609	180 332	–	126 705	180 332
Non current assets						
Long-term receivables		59 717	61 508		–	61 508
Investments		26	26		26	26
Investment property		85 712	84 677		78 943	84 677
Investments in Associate						–
Property, plant and equipment		146 146	152 178		145 995	152 178
Agricultural						–
Biological						–
Intangible		1 784	2 717		1 363	2 717
Other non-current assets					57 733	–
Total non current assets		293 385	301 107	–	284 060	301 107
TOTAL ASSETS		471 994	481 439	–	410 765	481 439
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing					857	
Consumer deposits						
Trade and other payables		44 578	46 012	(82)	51 437	45 930
Provisions		28 300	29 692		8 342	29 692
Total current liabilities		72 878	75 705	(82)	60 636	75 623
Non current liabilities						
Borrowing		–	–		591	
Provisions		153 943	163 153		137 396	163 153
Total non current liabilities		153 943	163 153	–	137 987	163 153
TOTAL LIABILITIES		226 822	238 857	(82)	198 623	238 775
NET ASSETS	2	245 172	242 582	82	212 142	242 664
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)					31 705	–
Reserves					180 437	–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	–	–	212 142	–

The financial position of Council is recorded at the end of the quarter 31 December 2018. This table excludes the figures for Roads department.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		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								-		
Service charges								-		
Other revenue		208 325	211 462		1 183	14 392	105 731	(91 339)	-86%	211 462
Government - operating		153 325	158 885	5 887	-	67 911	79 443	(11 532)	-15%	164 772
Government - capital		-	-					-		
Interest		12 930	15 715		-	232	7 857	(7 625)	-97%	15 715
Dividends								-		
Payments										
Suppliers and employees		(355 470)	(382 965)	(5 887)	(19 232)	(105 734)	(191 483)	(85 749)	45%	(388 852)
Finance charges								-		
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		19 110	3 097	-	(18 048)	(23 198)	1 549	24 747	1598%	3 097
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			3 156					-		3 156
Decrease (Increase) in non-current debtors			-					-		
Decrease (increase) other non-current receivables			(1 791)			3 072	(896)	3 968	-443%	(1 791)
Decrease (increase) in non-current investments			-					-		
Payments										
Capital assets		(4 677)	(9 303)		(327)	(650)	(4 652)	(4 002)	86%	(9 303)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 677)	(7 938)	-	(327)	2 422	(5 547)	(7 969)	144%	(7 938)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		14 434	(4 841)	-	(18 376)	(20 776)	(3 999)			(4 841)
Cash/cash equivalents at beginning:						32 061	-			32 061
Cash/cash equivalents at month/year end:		14 434	(4 841)	-		11 285	(3 999)			27 220

The municipal bank balance at 31 December 2018 totals R11 284 845.72

More detailed information regarding the cash position is tabled below that is giving a breakdown of the commitments against the cash of council.

REPORTING MONTH: 31 DECEMBER 2018		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 December 2018	32 060 973,78	11 284 845,72
Other Cash & Cash Equivalents: Short term deposits	90 000 000,00	90 000 000,00
LESS:	80 701 971,97	110 518 108,43
Unspent Conditional Grants	10 918 116,30	10 067 249,43
Provision for staff leave	10 425 847,00	10 425 847,00
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	432 599,00	432 599,00
Trade Payables	3 359 262,00	3 643 940,47
Unspent Capital budget	969 258,98	8 633 308,20
Unspent Operational budget	17 132 972,68	39 851 248,33
Sub total	41 359 001,81	-9 233 262,71
PLUS:	6 776 010,49	57 436 344,53
VAT Receivable	317 038,00	560 412,70
Receivable Exchange	6 458 972,49	6 463 931,83
Equitable Share Debtor to be paid	-	50 412 000,00
	48 135 012,30	48 203 081,82
LESS OTHER MATTERS:		
Capital Replacement Reserve	31 704 865,00	33 878 931,27
Sub Total	16 430 147,30	14 324 150,55
LESS: CONTIGENT LIABILITIES	6 088 685,61	5 788 685,61
Theunis Barnard	38 231,00	38 231,00
I Gerber	21 840,00	21 840,00
A de Wet	614 675,00	614 675,00
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
Laurington Sithemile Stone	43 271,61	43 271,61
Banger Car Hire	18 800,00	18 800,00
Combined summons between George Municipality, Garden Route DM and D Stoffels	20 836,00	20 836,00
Combined summons between G Brown and Garden Route DM	31 032,00	31 032,00
Labour disputes: V Blom & Roode	500 000,00	500 000,00
Labour disputes: L Janse van Rensburg & A Grobler	300 000,00	-
Recalculated available cash balance	10 341 461,69	8 535 464,94

PART 2 – SUPPORTING DOCUMENTATION

SECTION 5 – DEBTORS' ANALYSIS

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2018/19									Total over 90 days	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			
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	(67)			13					(55)	13		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	1 108	218	63	19 158					20 548	19 158		
Total By Income Source	2000	1 041	218	63	19 171	-	-	-	-	20 493	19 171	-	-
2017/18 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200									-	-		
Commercial	2300									-	-		
Households	2400	(67)	-	-	13					(55)	13		
Other	2500	1 108	218	63	19 158					20 548	19 158		
Total By Customer Group	2600	1 041	218	63	19 171	-	-	-	-	20 493	19 171	-	-

SECTION 6 – CREDITORS' ANALYSIS

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description R thousands	NT Code	Budget Year 2018/19									Prior year
		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	totals for chart (same period)
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		9	34	88	53	-	101		285	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	-	9	34	88	53	-	101	-	285	-

SECTION 7 – INVESTMENT PORTFOLIO ANALYSIS

7.1 Investment monitoring information

The municipality invest access funds on a 30 days' short-term investment period in order to maximise the interest received and to have cash readily available when needed and is done in line with the Cash Management and Investment Policy of council.

With implementation of mSCOA, departments must provide cash flow projections on spending to the finance department, which will enable the finance department to accurately perform cash flow projections.

This should be done in line with the Cash Management and Investment policy of council.

	Balance as at 01 December 2018	Movements for the month			Balance as at 31 December 2018	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
						Month	Year to date
Eden district municipality							
<i>Interest Received YTD</i>					-		
<i>Standard Bank</i>	30 000 000,00	-			30 000 000,00	-	215 976,99
<i>Investec Bank</i>	30 000 000,00	-			30 000 000,00	-	-
<i>ABSA</i>	-				-	-	211 627,40
<i>Nedbank</i>	30 000 000,00				30 000 000,00	-	218 506,85
<i>Standard Bank - Bank Guarantee investment</i>	155 224,90				156 035,68	810,78	4 600,63
BANK DEPOSITS	90 155 224,90	-	-	-	90 156 035,68	810,78	650 711,87

SECTION 8 – ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

8.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		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:		151 805	157 166	4 987	–	67 911	67 564	(2 078)	-3,1%	162 153
Local Government Equitable Share		146 055	151 237			63 015	63 015	(0)	0,0%	151 237
Finance Management		1 250	1 000			1 000	417			1 000
EPWP Incentive		1 280	1 021			715	425			1 021
NT - Rural Roads Asset Management Systems		2 420	2 425			1 698	1 010			2 425
Fire Service Capacity Building Grant		800	1 483			1 483	618			1 483
Energy Efficiency and Demand Management	3			4 987		–	2 078	(2 078)	-100,0%	4 987
Other transfers and grants [insert description]								–		
								–		
								–		
								–		
Provincial Government:		3 520	1 540	900	–	–	1 017	(900)	-88,5%	2 440
Integrated Transport Planning		900	900	900		–	750	(750)	-100,0%	1 800
WC Support Grant -Finance Support Grant		620	280			–	117			280
Disaster Manangement Grant		2 000				–	–	–		–
WC Support Grant			–			–	–	–		–
WC Support Grant: HR Capacity Building:Bursary Programme			360				150	(150)	-100,0%	360
Other transfers and grants [insert description]	4							–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
								–		
Total Operating Transfers and Grants	5	155 325	158 706	5 887	–	67 911	68 580	(2 978)	-4,3%	164 593

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

8.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		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:		151 805	157 166	4 987	657	1 991	81 077	(79 085)	-97,5%	162 153
Local Government Equitable Share		146 055	151 237		–	–	75 619	(75 619)	-100,0%	151 237
Finance Management		1 250	1 000		45	633	500	133	26,6%	1 000
EPWP Incentive		1 280	1 021		73	400	511	(110)	-21,6%	1 021
NT - Rural Roads Asset Management Systems		2 420	2 425		539	732	1 213	(480)	-39,6%	2 425
Fire Service Capacity Building Grant		800	1 483			213	742	(529)	-71,3%	1 483
Energy Efficiency and Demand Management				4 987		13	2 494	(2 481)	-99,5%	4 987
Other transfers and grants [insert description]								–		
Provincial Government:		3 520	1 540	900	–	1	1 220	(1 219)	-99,9%	2 440
Integrated Transport Planning		900	900	900	–	–	900	(900)	-100,0%	1 800
Disaster Management Grant		2 000	–			–	–	–		–
WC Support Grant		620	280			–	140	(140)	-100,0%	280
WC Support Grant: HR Capacity Building:Bursary Programme			360			1	180	(179)	-99,6%	360
Other transfers and grants [insert description]							–	–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		155 325	158 706	5 887	657	1 992	82 297	(80 304)	-97,6%	164 593

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act that stipulates reporting on all grant performance should be done from the receiving officer. RSC Equitable Share is an unconditional grant hence the day-to-day running of the business are dependent on it.

SECTION 9 – EXPENDITURE ON COUNCILLOR AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

Supporting Table C8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							
		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)										
Basic Salaries and Wages		6 908	8 947		600	3 772	4 474	(702)	-16%	8 947
Pension and UIF Contributions		261	247		34	187	123	64	52%	247
Medical Aid Contributions		142	52		11	55	26	29	112%	52
Motor Vehicle Allowance		2 312	1 020		87	538	510	28	6%	1 020
Cellphone Allowance		325	664		72	432	332	100	30%	664
Housing Allowances		367	642		51	303	321	(18)	-6%	642
Other benefits and allowances		500					-	-		
Sub Total - Councillors		10 815	11 572	-	854	5 288	5 786	(498)	-9%	11 572
% increase	4		7,0%							7,0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 014	5 277		359	2 617	2 638	(22)	-1%	5 277
Pension and UIF Contributions		551	359		53	383	180	203	113%	359
Medical Aid Contributions		139	161		12	92	81	12	15%	161
Overtime		-					-	-		-
Performance Bonus		554	777		703	703	388	314	81%	777
Motor Vehicle Allowance		628	772		53	375	386	(11)	-3%	772
Cellphone Allowance		59	83		9	60	42	18	44%	83
Housing Allowances		90	285		22	132	143	(11)	-7%	285
Other benefits and allowances		-	100	(1)	24	39	50	(10)	-20%	99
Payments in lieu of leave		70	77	(77)			(0)	0	-100%	(0)
Long service awards							-	-		-
Post-retirement benefit obligations	2						-	-		-
Sub Total - Senior Managers of Municipality		6 104	7 890	(78)	1 234	4 401	3 906	495	13%	7 812
% increase	4		29,3%	-101,3%						28,0%
Other Municipal Staff										
Basic Salaries and Wages		71 440	79 891	(1 685)	6 599	36 404	39 103	(2 699)	-7%	78 206
Pension and UIF Contributions		15 225	10 474	(3 279)	1 100	5 326	3 598	1 728	48%	7 195
Medical Aid Contributions		10 067	9 132	(228)	527	3 157	4 452	(1 295)	-29%	8 904
Overtime		2 590	2 985	(35)	494	1 661	1 475	185	13%	2 950
Performance Bonus		-				-	-	-		-
Motor Vehicle Allowance		4 940	6 539	(902)	514	3 221	2 819	402	14%	5 637
Cellphone Allowance		115	174	(99)	7	35	38	(2)	-6%	75
Housing Allowances		879	1 397	(268)	81	496	565	(69)	-12%	1 129
Other benefits and allowances		3 557	3 424	6 789	289	2 298	5 107	(2 808)	-55%	10 213
Payments in lieu of leave		5 265	6 064	(6 064)	387	5 563	3 032	2 531	83%	0
Long service awards		525		-	83	112	-	112	#DIV/0!	-
Post-retirement benefit obligations	2	8 043	5 698	4 978		1 153	5 338	(4 185)	-78%	10 676
Sub Total - Other Municipal Staff		122 646	125 779	(793)	10 081	59 426	65 525	(6 099)	-9%	124 986
% increase	4		2,6%	-100,6%						1,9%
Total Parent Municipality		139 566	145 242	(871)	12 170	69 115	75 217	(6 103)	-8%	144 371

Remuneration related expenditure for the second quarter ending 31 December 2018 amounted to **R37 719 000** of an adjusted budgeted amount of **R144 370 000** that represents **26.12%** of the budgeted amount.

SECTION 10 – MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

SECTION 11 – CAPITAL PROGRAMME PERFORMANCE

The table below provides information on capital budget spending:

SCOA config	Nr	Project description	Cost centre	Original Budget R'000	YTD Expenditure R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
071201240006	1	Filing Cabinet (4 Drawers)	1302	R 3 500,00	R 3 243,48	1 750,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230001	2	Upgrading of Roads Link	1207	R 25 000,00	R 25 000,00	12 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207390001	3	Risk Management System	1207	R 500 000,00		250 000,00	In Process	Formal tender closed on 11 January 2019, currently at evaluation process, tender planned to be awarded in February 2019	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240001	4	Laptop	1207	R 163 200,00	R 152 570,55	81 600,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305220001	5	Water Tankers (CRR)	2305	R 1 550 000,00		775 000,00	In Process	Tender Awarded	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071201240007	6	Portable Voice recorders	1302	R 7 000,00		3 500,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071201240008	7	Steel Shelves	1308	R 33 000,00	R 22 897,71	16 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071203240001	9	Chairs	1203	R 15 000,00	R 10 050,00	7 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071203240002	10	Chair	1203	R 5 000,00		2 500,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071203240003	11	Visitors Chairs	1203	R 6 000,00		3 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071203240004	12	Desk	1203	R 5 000,00		2 500,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071203240005	13	Chair	1203	R 5 000,00		2 500,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071203240006	14	Visitors Chairs	1203	R 6 000,00		3 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071206240001	15	Office Chairs (Recruitment and Selection)	1305	R 10 000,00		5 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071206240002	16	Evacuation Chair (OHS)	1305	R 30 000,00		15 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207230002	17	Replacing ICT Capital Equipment beyond economical repairs	1207	R 50 000,00	R 16 205,98	25 000,00	In Process	Spending will occur continuously through the year as the need for replacing equipment realise	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305230002	19	Two Way Radio Repeater	2305	R 50 000,00		25 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072502240001	20	3x Notice Boards	1803	R 4 500,00		2 250,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072502240002	21	3 Drawer Desk	1805	R 4 300,00		2 150,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.

SCOA config	Nr	Project description	Cost centre	Original Budget: R'000	YTD Expenditure R'	Year to date Budg	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
072502240003	22	Desk shell lockable top drawer	1805	R 3 871,00		1 935,50	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071209240002	23	CANON BATTERIES	1311	R 3 000,00	R 1 940,00	1 500,00	In Process	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071209240003	24	CANON CAMERA Canon 6D	1311	R 17 000,00	R 12 813,91	8 500,00	In Process	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071209240004	25	LAMINATING MACHINE	1311	R 2 800,00		1 400,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072109240001	26	Water Cooler/Dispensers	2109	R 5 000,00	R 4 086,96	2 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072109230001	27	Conference Speaker / recording system with 12 mics	2109	R 80 000,00		40 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072109240002	28	Chairs	2109	R 12 000,00	R 7 800,00	6 000,00	In Process	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072109240003	29	Small fridge	2109	R 3 000,00	R 1 735,00	1 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072109240004	30	Kettle	2109	R 200,00		100,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072204300001	31	Upgrading of Council Buildings	2204	R 2 000 000,00	R 58 073,67	1 000 000,00	In Process	Tender loaded on Collaborator	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305300001	32	New Fire Station/ Training Academy (CRR Funding)	2305	R 3 000 000,00		1 500 000,00	Not Started	The project will not realise this financial year, and project postponed till next financial year	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240004	33	ICT Technicians	1207	R 3 000,00		1 500,00	In Process	Additional funds transferred - procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207390002	34	MS Office	1207	R 124 000,00		62 000,00	In Process	Part of formal tender process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240005	35	Printer HP Black\White	1207	R 3 500,00		1 750,00	In Process	Additional funds transferred - procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240006	36	Printer HP 4 in One	1207	R 18 000,00	R 13 779,00	9 000,00	In Process	Additional funds transferred - procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240007	37	Printer HP Colour	1207	R 5 300,00		2 650,00	In Process	Additional funds transferred - procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071208240001	38	Chair	1208	R 5 000,00	R 3 350,00	2 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071209240001	39	CHAIRS	1311	R 7 000,00	R 6 536,77	3 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207230003	40	Insurance claims	1207	R 20 000,00		10 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240003	41	Personal Computers	1207	R 142 500,00	R 139 204,19	71 250,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305220002	42	LDV - 1 x Skid Unit & 1 x Command Unit (CRR)	2305	R 550 000,00		275 000,00	In Process	Tender Awarded	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.

SCOA config	Nr	Project description	Cost centre	Original Budget R'000	YTD Expenditure R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
072305290001	43	Hazmat suits - Level A	2305	R 160 000,00		80 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072305290002	44	Thermal Imaging Camera	2305	R 80 000,00		40 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072305230001	45	Hazmat Rescue & Fire Equipment Equipment	2305	R 300 000,00		150 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
07110240001	46	Office Chair	1018	R 10 000,00		5 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
07110240002	47	Two Visitors chairs - PA of the Deputy Mayor	1003	R 10 000,00		5 000,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071201240001	48	Filing Cabinet	1301	R 3 500,00	R 5 291,30	1 750,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071201240002	49	Highback Chair Bonded Leather - Personal Assistant	1301	R 5 000,00	R 3 800,00	2 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071201240003	50	Desk	1302	R 3 000,00	R 2 465,22	1 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071201240004	51	Highback Chair Bonded Leather	1302	R 10 000,00	R 8 462,56	5 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071201240005	52	Visitor Chairs Leather	1302	R 5 000,00	R 3 652,17	2 500,00	Completed	Completed	No expected challenges anticipated	Finance Department was informed that the goods will be delivered by 30 June 2018 but due to mentioned challenges the furniture is not yet in our possession. The furniture that was
072502240004	53	Highback swivel chair	1805	R 944,00		472,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072502240005	54	2 x Saver Arm chair	1805	R 1 183,00		591,50	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072502240006	55	1x Conference Table & 10x Saver arm chair	1805	R 24 176,00		12 088,00	In Process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072502240007	56	3 High back office desk chairs	1804	R 4 104,00	R 3 717,15	2 052,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071307102401	58	Sound System (IDP)	1307	R 30 000,00	R 29 000,00	15 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240011	59	Portable Printer	1207	R 4 000,00	R 3 319,00	2 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240012	60	Wireless Access Points	1207	R 40 000,00	R 23 484,00	20 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240013	61	Voice Recorder	1207	R 2 800,00		1 400,00	In Process	Additional funds transferred - procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
073305230002	62	Aluminium Tables	1018	R 15 000,00	R 9 600,00	7 500,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240008	63	Projector	1207	R 10 000,00		5 000,00	In Process	Additional funds transferred - procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240009	64	Heavy Duty Printer	1207	R 20 000,00	R 13 101,05	10 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240010	65	Scanners	1207	R 40 000,00	R 38 683,48	20 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071805102801	66	Security Fence Mosselbay Office	1805	R 30 000,00	R 26 043,48	15 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071206006600	67	Vacuum Cleaner	1308	R 17 000,00		8 500,00	In Process	Procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
Totals				9 303 378,00	649 906,63	4 651 689,00			No expected challenges anticipated	
Project status: If the project is in the SCM process of being procured. Please state in which stage (planning, specification, advertising, etc)										

Commitments against capital for the month December 2018				
071110240002	47	Two Visitors chairs - PA of the Deputy Mayor	1003	5287
071110240001	46	Office Chair	1018	4891
071206006600	67	Vacuum Cleaner	1308	6408
071209240004	25	LAMINATING MACHINE	1311	947
Total Commitments				17 533

Total tenders awarded by 31 December 2018 not included in commitments							
				Budget amount	Awarded amount	Awarded item	
072305220001	5	Water Tankers (CRR)	2305	1 550 000,00	2 027 822,60	The procurement of wildland firefighting vehicles has been adjudicated and awarded to TFM Manufacturing for an amount of R2,027,822.60 per vehicle	
072305220002	42	LDV - 1 x Skid Unit & 1 x Command Unit (CRR)	2305	550 000,00			
Total tenders awarded				2 100 000	2 027 823		

Should the commitments of the abovementioned tender be included, the total capital expenditure will improve from 7% to 28.8% as at 31 December 2018.

Capital projects in SCM process:

Risk Management System R500 000

Upgrading of Council Buildings R2 040 000



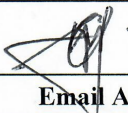
Should the above capital projects in the SCM process also be included, the projected capital expenditure will increase to 52%

The R3m budget for the New fire station will be discussed for reallocation during the February 2019 second adjustment budget.

SECTION 12 – OPERATIONAL PROJECTS PERFORMANCE

Please note: Unfortunately, insufficient information from the financial system are available to allow for accurate reporting.

SECTION 13 – SECTION 11 WITHDRAWALS

 PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts In accordance with Section 11, Sub-section 1 (b) to (j) 		
NAME OF MUNICIPALITY:		GARDEN ROUTE DISTRICT MUNICIPALITY
MUNICIPAL DEMARCATION CODE:		DC4
QUARTER ENDED:		31 DECEMBER 2018
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only - (b) to defray expenditure authorised in terms of section 26(4); (c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1); (d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section; (e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including - (i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or (ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state; (f) to refund money incorrectly paid into a bank account; (g) to refund guarantees, sureties and <i>security</i> deposits; (h) for cash management and <i>investment</i> purposes in accordance with section 13; (i) to defray increased expenditure in terms of section 31; or (j) for such other purposes as may be <i>prescribed</i> . (4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> - (a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and (b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	Amount	Reason for withdrawal
	none	
	none	
	none	
	none	
	none	
	none	
	none	
	R 0,00	Investments made for the 2nd Quarter
	none	
	^ R 59 702 000,00	Quarter 2 expenditure
	Name and Surname: M Stratu	
Rank/Position: Municipal Manager		
Signature: 		
Tel number	Fax number	Email Address
044 803 1340		geraldine@edendm.co.za
The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or before the 15th of the month following the end of each quarter.		

SECTION 14 – MUNICIPAL MANAGER'S QUALITY CERTIFICATE



54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

Tel: 044 803 1300
Fax: 086 555 6303
E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Johan Stander
Reference: 6/1/1 – 18/19
Date: 15 January 2019

Provincial Treasury
Local Government Budget Analysis
Private Bag X9165
CAPE TOWN
8000

National Treasury
Local Government Budget Analysis
Private Bag X115
PRETORIA

Sir / Madam

QUALITY CERTIFICATE

I, MG STRATU, the accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the–

- ☐ The monthly budget statement
- ☐ **Quarterly report on the implementation of the budget and financial state of affairs of the municipality**
- ☐ Mid- year budget and performance assessment

for the quarter ended **31 DECEMBER 2018**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Disclaimer: Please note that the Section 71 Reporting is subject to changes due to the fact that the Municipality are experiencing challenges with the reporting of M06 December 2018 due to the lack of completeness and credibility of information on the financial system (Phoenix). The municipality populated the C-Schedule manually, and aligned the December 2018 figures to the actual year-to-date figures as reflected on the ledger in order to align with the data strings.

Print Name MONDE STRATU

Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4).**

Signature 

Date 9/1/18



PERFORMANCE MANAGEMENT:

QUARTER 2

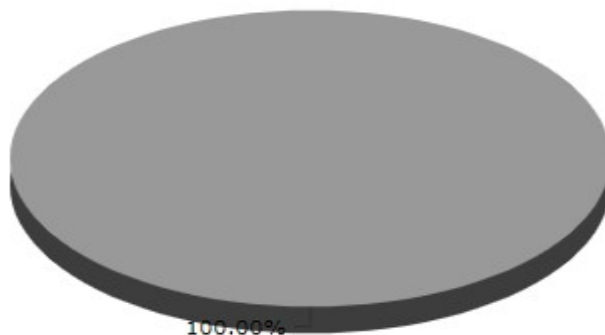
September (October) 2018 – December 2018

**PERFORMANCE MANAGEMENT Q 2 REPORT: September (October) -
December 2018**

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4. Corporate Services	
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6. Planning and Economic Development	
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PERFORMANCE MANAGEMENT Q 2 REPORT: September (October) - December 2018

Office of the Municipal Manager



KPI Not Yet Measured	3 (100.00%)
KPI Not Met	-
KPI Almost Met	-
KPI Met	-
KPI Well Met	-
KPI Extremely Well Met	-
Total:	3 (100%)

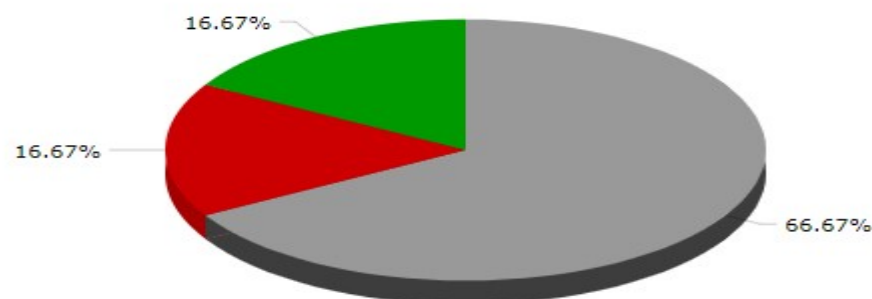
Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	KPI Owner	September 2018			December 2018			Overall Performance for Sep 2018 to Dec 2018		
						Target	Actual	R	Target	Actual	R	Target	Actual	R
TL1	Office of the Municipal Manager	Good Governance	Submit the Final Annual Report 2017/18 to Council by 31 March 2019	Final Annual Report for 2017/18 submitted to Council	Municipal Manager	0	0	N/A	0	0	N/A	0	0	N/A
TL2	Office of the Municipal Manager	Good Governance	Submit the District Municipal Communication Strategy to Council by 31 March 2019	District Municipal Communication Strategy submitted to Council by 31 March 2019	Municipal Manager	0	0	N/A	0	0	N/A	0	0	N/A
TL3	Office of the Municipal Manager	Good Governance	Submit the Top layer SDBIP for the 2019/20 financial year for approval by the Mayor within 14 days after the budget has been approved	Top Layer SDBIP for the 2019/20 budget submitted to the Mayor within 14 days after the budget has been approved	Municipal Manager	0	0	N/A	0	0	N/A	0	0	N/A

Explanation:

No Targets set for the second quarter of the 2018/2019 financial year

PERFORMANCE MANAGEMENT Q 2 REPORT: September (October) - December 2018

Financial Services

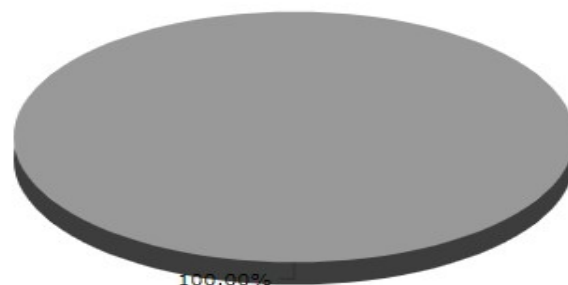


KPI Not Yet Measured	4 (66.67%)
KPI Not Met	1 (16.67%)
KPI Almost Met	-
KPI Met	1 (16.67%)
KPI Well Met	-
KPI Extremely Well Met	-
Total:	6 (100%)

Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	KPI Owner	September 2018			December 2018			Overall Performance for Sep 2018 to Dec 2018		
						Target	Actual	R	Target	Actual	R	Target	Actual	R
TL4	Financial Services	Bulk Infrastructure Co-ordination	Report on the percentage of the municipal capital budget spent on capital projects by 30 June 2019 (Actual amount spent on capital projects / Total amount budgeted for capital projects)	% of capital budget spent by 30 June 2019	CFO	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
TL5	Financial Services	Financial Viability	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2019 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	CFO	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
TL6	Financial Services	Financial Viability	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months that available cash is sufficient to cover the monthly operating expenditure	CFO	0	0	N/A	0	0	N/A	0	0	N/A
TL7	Financial Services	Bulk Infrastructure Co-ordination	Submit the Annual Financial Statements of 2017/18 to the Auditor-General by 31 August 2018	Annual financial statements of 2017/18 submitted by 31 August 2018	CFO	1	1	G	0	0	N/A	1	1	G
TL8	Financial Services	Financial Viability	Achieve a current ratio of 1 (Current assets : Current liabilities) by 30 June 2019	Number of times the municipality can pay back its short term-liabilities with its short-term assets	CFO	0	0	N/A	0	0	N/A	0	0	N/A
TL9	Financial Services	Financial Viability	Submit a bi-annual report to Council on the sustainability of Eden District Municipality	Number of reports submitted to Council	CFO	0	0	N/A	1	0	R	1	0	R

PERFORMANCE MANAGEMENT Q 2 REPORT: September (October) - December 2018

Roads and Transport Planning Services



KPI Not Yet Measured	6 (100.00%)
KPI Not Met	-
KPI Almost Met	-
KPI Met	-
KPI Well Met	-
KPI Extremely Well Met	-
Total:	6 (100%)

Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	KPI Owner	September 2018			December 2018			Overall Performance for Sep 2018 to Dec 2018		
						Target	Actual	R	Target	Actual	R	Target	Actual	R
TL33	Roads and Transport Planning Services	Bulk Infrastructure Co-ordination	Spent 95% of the roads maintenance budget allocation by 30 June 2019 (Actual expenditure divided by approved allocation received)	% of the roads maintenance budget spent by 30 June 2019	Executive Manager: Roads and Transport Planning	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
TL34	Roads and Transport Planning Services	Bulk Infrastructure Co-ordination	Reseal 23.6km of roads by 30 June 2019	Number of km's of roads resealed	Executive Manager: Roads and Transport Planning	0	0	N/A	0	0	N/A	0	0	N/A
TL35	Roads and Transport Planning Services	Bulk Infrastructure Co-ordination	Regravel 42.68km of roads by 30 June 2019	Number of km's of roads regavelled	Executive Manager: Roads and Transport Planning	0	0	N/A	0	0	N/A	0	0	N/A
TL36	Roads and Transport Planning Services	Bulk Infrastructure Co-ordination	Repair 5000m ² of black top patching by 30 June 2019	Number of m ² repaired	Executive Manager: Roads and Transport Planning	0	0	N/A	0	0	N/A	0	0	N/A
TL37	Roads and Transport Planning Services	Bulk Infrastructure Co-ordination	Blade 10000km of roads by 30 June 2019	Number of km's of roads bladed	Executive Manager: Roads and Transport Planning	0	0	N/A	0	0	N/A	0	0	N/A
TL38	Roads and Transport Planning Services	A Skilled Workforce and Communities	Compile an Annual Training Framework and submit to Corporate Services by 31 March 2019	Number of frameworks submitted	Executive Manager: Roads and Transport Planning	0	0	N/A	0	0	N/A	0	0	N/A

Explanation:

No Targets set for the second quarter of the 2018/2019 financial year

PERFORMANCE MANAGEMENT Q 2 REPORT: September (October) - December 2018

Corporate Services



KPI Not Yet Measured	9 (100.00%)
KPI Not Met	-
KPI Almost Met	-
KPI Met	-
KPI Well Met	-
KPI Extremely Well Met	-
Total:	9 (100%)

Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	KPI Owner	September 2018			December 2018			Overall Performance for Sep 2018 to Dec 2018		
						Target	Actual	R	Target	Actual	R	Target	Actual	R
TL10	Corporate Services	Good Governance	The number of people from employment equity target groups appointed in the three highest levels of management during the 2018/19 financial year in compliance with the municipality's approved Employment Equity Plan	Number of people appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Executive Manager: Corporate Services	0	0	N/A	0	0	N/A	0	0	N/A
TL11	Corporate Services	A Skilled Workforce and Communities	Spend 0.5% of the personnel budget on training by 30 June 2019 (Actual total training expenditure divided by total personnel budget)	% of the personnel budget spent on training	Executive Manager: Corporate Services	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
TL12	Corporate Services	Good Governance	Limit the vacancy rate to 15% of budgeted posts by 30 June 2019 (Number of funded posts vacant divided by number of budgeted funded posts)	% vacancy rate	Executive Manager: Corporate Services	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A
TL13	Corporate Services	Good Governance	Review the Organisational Structure and submit to Council by 30 June 2019	Organisational structure reviewed and submitted to Council by 30 June 2019	Executive Manager: Corporate Services	0	0	N/A	0	0	N/A	0	0	N/A
TL14	Corporate Services	Good Governance	Award 2 external bursaries to qualifying candidates by 31 March 2019	Number of external bursaries awarded	Executive Manager: Corporate Services	0	0	N/A	0	0	N/A	0	0	N/A

PERFORMANCE MANAGEMENT Q 2 REPORT: September (October) - December 2018

Corporate Services

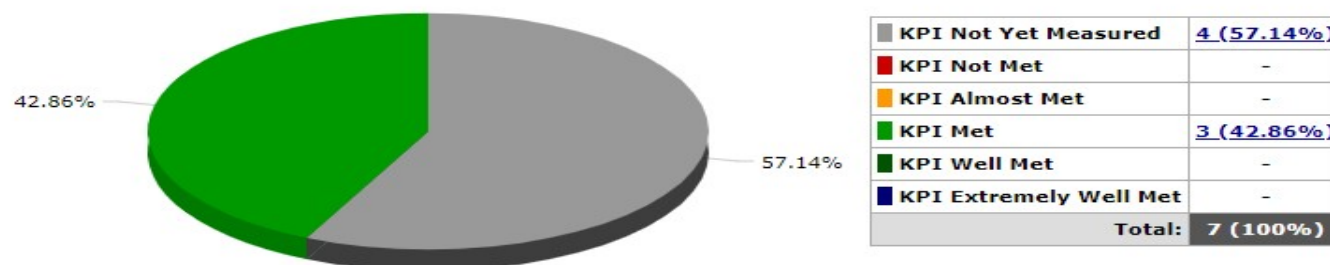
TL15	Corporate Services	Good Governance	Develop a Corporate Plan for the Eden District Municipality and submit to Council by 30 June 2019	Number of plans submitted to Council	Executive Manager: Corporate Services	0	0	N/A	0	0	N/A	0	0	N/A
TL16	Corporate Services	Good Governance	Develop an ICT Strategic Plan for the Eden District Municipality and submit to the Management Committee (MANCOM) by 30 June 2019	Number of plans submitted to MANCOM	Executive Manager: Corporate Services	0	0	N/A	0	0	N/A	0	0	N/A
TL17	Corporate Services	Good Governance	Submit a report to Council on the development of a Council Resolution System by 31 January 2019	Number of reports submitted to Council	Executive Manager: Corporate Services	0	0	N/A	0	0	N/A	0	0	N/A
TL18	Corporate Services	Good Governance	Develop a Strategic Plan for the Centralisation of all records for the Municipality and submit to the Management Committee MANCOM by 31 January 2019	Number of plans submitted to MANCOM	Executive Manager: Corporate Services	0	0	N/A	0	0	N/A	0	0	N/A

Explanation:

No Targets set for the second quarter of the 2018/2019 financial year

PERFORMANCE MANAGEMENT Q 2 REPORT: September (October) - December 2018

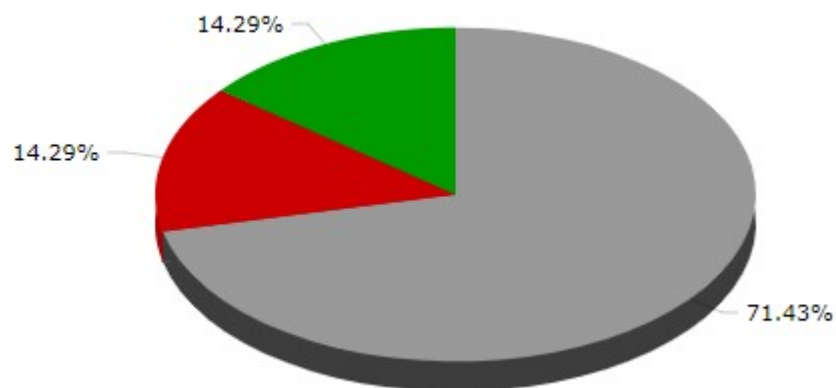
Community Services



Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	KPI Owner	September 2018			December 2018			Overall Performance for Sep 2018 to Dec 2018		
						Target	Actual	R	Target	Actual	R	Target	Actual	R
TL19	Community Services	Sustainable Environmental Management and Public Safety	Develop and submit a Climate Change Strategy to Council for approval by 30 June 2019	Number of Climate Change Strategies developed and submitted to Council	Executive Manager: Community Service	0	0	N/A	0	0	N/A	0	0	N/A
TL20	Community Services	Sustainable Environmental Management and Public Safety	Submit bi-annual progress reports to Council on the construction of the Regional Landfill Site in Mossel Bay	Number of progress reports submitted	Executive Manager: Community Service	0	1	B	1	0	R	1	1	G
TL21	Community Services	Sustainable Environmental Management and Public Safety	Install a Disaster Management System at Eden District Municipality by 31 March 2019	Number of systems installed	Executive Manager: Community Service	0	0	N/A	0	0	N/A	0	0	N/A
TL22	Community Services	Growing an Inclusive District Economy	Submit bi-annual reports to Council on the progress of Eden District Municipality becoming a Water Service Authority	Number of progress reports submitted	Executive Manager: Community Service	0	0	N/A	1	1	G	1	1	G
TL23	Community Services	Healthy and Socially Stable Communities	Conduct training sessions on Public Health Awareness and Responsibilities to 50 school governing bodies in the Eden District Municipal area	Number of training sessions conducted	Executive Manager: Community Service	0	0	N/A	25	25	G	25	25	G
TL24	Community Services	Sustainable Environmental Management and Public Safety	Appoint a service provider for the construction of the Fire Station by 30 June 2019	Number of service providers appointed	Executive Manager: Community Service	0	0	N/A	0	0	N/A	0	0	N/A
TL25	Community Services	Sustainable Environmental Management and Public Safety	Submit the Eden Air Quality Management Plan to Council by 30 June 2019	Number of plans submitted	Executive Manager: Community Service	0	0	N/A	0	0	N/A	0	0	N/A

PERFORMANCE MANAGEMENT Q 2 REPORT: September (October) - December 2018

Planning and Economic Development



KPI Not Yet Measured	5 (71.43%)
KPI Not Met	1 (14.29%)
KPI Almost Met	-
KPI Met	1 (14.29%)
KPI Well Met	-
KPI Extremely Well Met	-
Total:	7 (100%)

Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	KPI Owner	September 2018			December 2018			Overall Performance for Sep 2018 to Dec 2018		
						Target	Actual	R	Target	Actual	R	Target	Actual	R
TL26	Planning and Economic Development	Good Governance	Develop a 5 year District Tourism Strategy and submit to Council by 31 March 2019	District Tourism Strategy submitted to Council	Executive Manager: Planning and Development	0	0	N/A	0	0	N/A	0	0	N/A
TL27	Planning and Economic Development	Growing an Inclusive District Economy	Submit the Expanded Public Works Programme (EPWP) business plan to the National Minister of Public Works for all internal projects by 30 June 2019	EPWP business plan submitted to the National Minister of Public Works	Executive Manager: Planning and Development	0	0	N/A	0	0	N/A	0	0	N/A
TL28	Planning and Economic Development	Growing an Inclusive District Economy	Create job opportunities through the Expanded Public Works Programme (EPWP) by 30 June 2019	Number of job opportunities created through the EPWP programme	Executive Manager: Planning and Development	0	0	N/A	0	0	N/A	0	0	N/A
TL29	Planning and Economic Development	Growing an Inclusive District Economy	Conduct work sessions with Small, Medium and Micro-Enterprises (SMME's) on development with special focus on export development	Number of work sessions conducted	Executive Manager: Planning and Development	0	0	N/A	1	0	R	1	0	R
TL30	Planning and Economic Development	Growing an Inclusive District Economy	Sign an agreement with the Western Cape Economic Development Partnership by 31 December 2018	Number of agreements signed	Executive Manager: Planning and Development	0	0	N/A	1	1	G	1	1	G
TL31	Planning and Economic Development	Good Governance	Appoint a service provider for the development of a Tourism Strategy for Kannaland Municipality by 31 March 2019	Number of service providers appointed	Executive Manager: Planning and Development	0	0	N/A	0	0	N/A	0	0	N/A
TL32	Planning and Economic Development	Growing an Inclusive District Economy	Submit the reviewed District Integrated Development Plan (IDP) to Council by 31 May 2019	Number of IDP's submitted	Executive Manager: Planning and Development	0	0	N/A	0	0	N/A	0	0	N/A