

DISTRICT COUNCIL

22 JANUARY 2019

MAYORAL COMMITTEE

18 JANUARY 2019

**REPORT: SECTION 72 MID-YEAR BUDGET AND PERFORMANCE
ASSESSMENT 31 DECEMBER 2018 / VERSLAG: ARTIKEL 72
HALFJAARLIJKE BEGROTING EN PRESTASIE ASSESSERING: 31
DESEMBER 2018**

(6/18/7)

15 January 2019

REPORT FROM THE ACCOUNTING OFFICER (MG STRATU)

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 submit the report by the 25th of January 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 as well as performance indicators set in the service delivery and budget implementation plan;*
- iii. The previous 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.

After my review performed, it is recommended that an adjustment budget is needed.

FINANCIAL IMPLICATIONS

To be addressed in 2018/19 Adjustment Budget report.

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 veranderinge 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 2018.
- iii. Council takes note that an adjustment budget will be tabled for consideration.

AANBEVELING

Dit word aanbeveel dat:

- i. Die Raad kennis neem van die halfjaarlikse Prestasieverslag voorgelê in terme van Artikel 72 van die Munisipale Finansiële Bestuurswet, en*
- ii. Die Raad kennis neem van die SDBIP Prestasieverslag vir die eerste ses maande van die jaar geëindig 31 Desember 2018.*
- iii. Die Raad kennis neem dat 'n aangepaste begroting voorgelê gaan word vir oorweging.*

ANNEXURES

Section 72 Mid-year Budget and Performance Report for the period ending 31 December 2018



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2018 - 2019

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 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 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 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 Municipality. I would like to express a hearty warm welcome to you all and express my warm wishes to you and your families for 2019. We trust that 2019 will be a great year for us all and especially for the Council and the citizens of the region.

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, the class of 2018 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 their communities.

Although this is a new year, 2019, feels like a new beginning, in terms of our fiscal year we are half way through the 2018/19 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.

The biggest challenge that can be highlighted by the past 6 months is the implementation of the mSCOA reform; currently the municipality are still not in a position to accurately report but progress are being made and the municipality are committed to work with the vendor to resolve these challenges.

Various other revenue and expenditure adjustments are 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 require, it is proposed that an adjustment budget be tabled in February 2019.

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

Revenue by source

The total revenue budget for 2018/19 year totals R251 002 000 (excluding Roads Agency). Performance for the mid-year ending 31 December 2018 totals R82 536 000. This represents a total of 32.88% of the revenue budgeted. The majority of revenue is from the Equitable Share allocation received to date of R63 015 000.

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

Interest on external investments received was R232 000 against a budget of R15 715 000 by the end of December 2018. The low percentage reflected is because of incorrect allocation of income and system related challenges faced, the municipality are in the progress of addressing these challenges.

Operating expenditure

Operational performance in terms of spending totals R105 734 000 of the mid-year ending 31 December 2018 against the budgeted amount of R248 725 000 (**excluding Roads Agency**). This represents a 42.51% spending based on the budgeted amounts. The majority of these expenditure totals include Employee and Councillor related cost of R69 115 000, Contracted Services of R12 930 000 and General Expenses of R23 689 000.

Capital Budget performance

Council approved a capital budget of R9 303 378 during the May budget process. Spending levels of the existing capital budget totals R649 907 which represents 7%. Expenditure will improve in the third quarter.

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 30 – 33.

SDBIP:

Highlights

The Top Level SDBIP was approved by the Mayor within the legislative required timeframe. The Departmental SDBIP was approved by the Municipal Manager also within legislative required timeframe. 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
- Phase 1 (Task grade 15 – 9) has been implemented
- Phase 2 (Task grade 14 – 8) will be implemented next

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 2019 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:

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 2018.
- iii. Council takes note that an adjustment budget will be tabled in February 2019 for consideration.

SECTION 2 – RESOLUTIONS

SECTION 72 – MID YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT

These are the resolutions being presented to Council in the 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 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 2018.
- iii. Council takes note that an adjustment budget will be tabled in February 2019 for consideration.

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 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

The total revenue received for the 6-month period to December 2018 amounts to **R82 536 000**, in comparison to a budgeted figure of **R251 002 000** representing **32.88%** of annual revenue.

Operating Expenditure by type

Operating expenditure for the 6-month period ending December 2018 amounts to **R105 734 000**, which is reported against a budget of **R248 725 000**, representing **42.51%** of annual expenditure. Spending will increase as the year progresses.

Capital Expenditure

The capital expenditure budgeted for the financial year amounts to **R9 303 378**. The year-to-date expenditure in respect of the capital programme amounts to **R649 907**, representing **7%** of total budget.

See attached capital expenditure progress report on page 29.

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 2018 to 31 December 2018.

3.5 Annual Report

The Annual Report 2017/2018 is finalised and was be tabled at the council meeting on the 19th of December 2018.

3.6 Long-term financial sustainability

PWC was appointed to investigate and propose a revenue enhancement strategy with specific focus on properties and resorts; the municipality received the outcome and will implement proposals made. The municipality established a revenue enhancement committee to create a platform to discuss the way forward.

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 February 2019. 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, the 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 2018 will be presented under the different sections of the report.

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 - Mid-Year Assessment

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) - Mid-Year Assessment

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. Due to financial system challenges and limitations, the municipality are not able to populate Table C2 and 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 32.88% performance for Revenue for the 6 months ending 31 December 2018. Most of the revenue which consist of the grants and mainly the equitable share.

Operating Expenditure

The budget for own funded expenditure totals R248 725 000 for the financial year. This total excludes the Roads Agency function of R145 000 000 (only consolidated with the compilation of the financial statements at year-end) approved during the May 2018 Council budget. Performance based on these expenditure reflects a 42.51% or R105 734 000 for the period ending 31 December 2018. Non-cash items budgeted for are only accounted for at the end of the financial year. This includes the following:

- Provision for Bad Debts
- Actuarial Loss
- Contributions to provisions.

Adjustments to the budget will be tabled to council during February 2019 in order to improve performance and enhance service delivery. 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) - Mid-Year

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) - Mid-Year Assessment

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 (provisionary allocations)								-		
(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 first 6 months no income for rental of facilities could 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 earned for the first 6 months totals R232 000 with a budgeted amount of R15 715 000 give a percentage earned of 1.47% for the mid-year ending 31 December 2018.

Interest raised – Outstanding debtors

There was no interest on outstanding debtors for the mid-year 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. There were no Agency Services income recorded for the mid-year ending December 2018 due to the system challenges experienced and inability to accurately report on Roads expenditure.

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 R14 392 000 year to date for the mid-year 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

See explanation under section 8 of the document.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. There was no depreciation recorded for the period ending 31 December 2018. The municipality are still experiencing challenges with the asset system and the integration of asset data into the main financial system.

Finance charges

No spending on finance charges as no loans were taken up during the current financial year and it's envisioned that no new loans will be taken up in the future.

Contracted services

Contracted Services amounted to R12 930 000 for the mid-year ending 31 December 2018.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounted to R23 689 000 for the mid-year ending 31 December 2018.

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)
- Contributions to provisions
- Actuarial Loss

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

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

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

Variances explained in Supporting Table C5

The municipality recorded a capital spending of 7% of a budget of **R9 303 378**. Capital spending totals **R649 907** at mid-year. Spending will improve in the third quarter of the financial year.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

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	–

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 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

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 totals R11 284 845.72 for the period ending 31 December 2018. Finance is continuously improving the cash flow reporting to ensure more detailed and accurate figures are presented.

More information regarding this is reported under section 7 below.

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: CONTINGENT 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 Rens berg & 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 - Mid-Year Assessment

Description	NT Code	Budget Year 2018/19											
		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
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	-	-

Long outstanding debtors that mainly consist of fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

Section 6 – Creditors' analysis

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description R thousands	NT Code	Budget Year 2018/19									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									-	
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

	Balance as at 01 December 2018	Movements for the month			Balance as at 31 December 2018	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
<i>Eikenburg Municipality</i>							
Interest Received YTD							
Standard Bank	30 000 000 00				30 000 000 00		2 5 573 96
Investec Bank	30 000 000 00				30 000 000 00		2 11 427 00
ABSA							2 5 508 58
Wesbank	30 000 000 00				30 000 000 00		2 5 508 58
Standard Bank - Bank of Botswana Investment							
Investment	-55 221 60				-55 221 60	5 075	1 400 43
BANK DEPOSITS	90 155 224 90	-	-	-	90 155 035 68	810 78	650 711 87

Total invested funds at the end of 31 December 2018 totals R90 000 000 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 5 major banks in South Africa and no more than 33.3% 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 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

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	4		360				150	(150)	-100,0%	360
Other transfers and grants [insert description]							–	–		
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

8.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Supporting Table C-1: Monthly Budget Statement - Transfers and grant expenditure - and Year Assessment										
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										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
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 Manangement 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

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 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

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)	1									
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

Salary and remuneration of councillor's expenditure totals 65.4% of all operational expenditures for the period ending 31 December 2018.

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. A separate report will be tabled with regards to the SDBIP.

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

Section 11 – Capital programme performance

Capital expenditure for the mid-year ending 31 December 2018 amounts to R649 907 which is 7% of the total capital budget of R9 303 378.

Amendments to the capital budget will be requested during the February 2019 adjustment budget process.

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.
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.
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.

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.
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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o the progress on their projects.
071207390002	34	IMS 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.t.o 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.
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.
071110240001	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.
071110240002	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	2x 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 & 10 x 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 – Municipal manager’s quality certification



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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 period 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 STRATH

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

Signature 

Date 9/1/18



Section 72

Non Financial Performance Report

2018/2019

MID-YEAR PERFORMANCE ASSESSMENT FOR GARDEN ROUTE DISTRICT MUNICIPALITY

General

Purpose of Report

To submit to the Executive Mayor an assessment report on the Municipality's Performance covering the period

1 July 2018 to 31 December 2018.

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 has been approved.

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

5. Top Level Service Delivery and Budget Implementation Plan (SDBIP)

6. Departmental SDBIP (for information purpose)

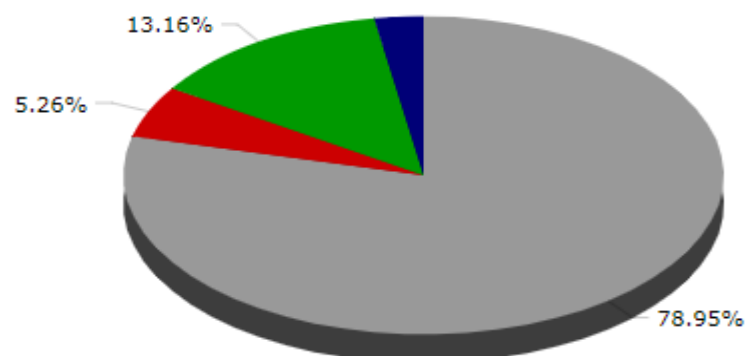
7. Recommendations

5. Top Level Service Delivery and Budget Implementation Plan (SDBIP)

Garden Route District Municipality

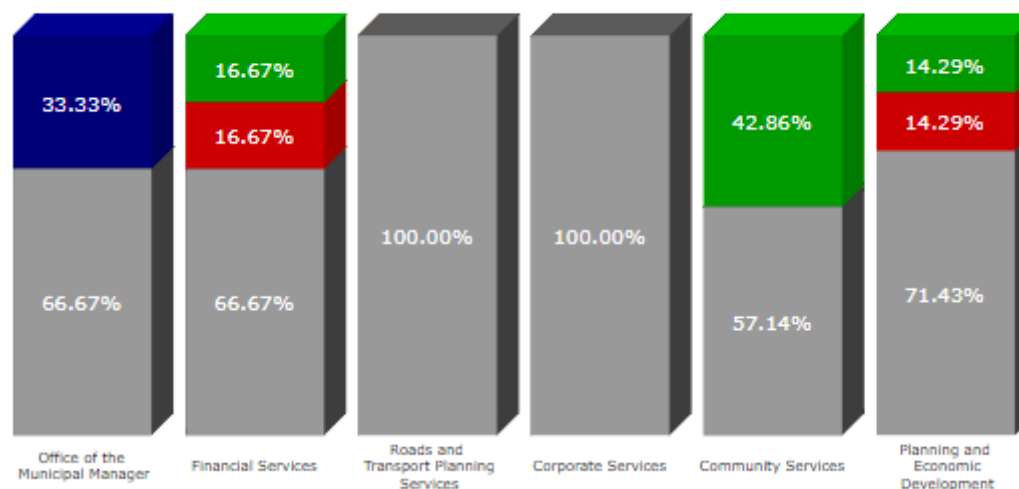
Report drawn on 15 January 2019 at 11:01
for the months of September 2018 to December 2018.

Garden Route District Municipality



KPI Not Yet Measured	30 (78.95%)
KPI Not Met	2 (5.26%)
KPI Almost Met	-
KPI Met	5 (13.16%)
KPI Well Met	-
KPI Extremely Well Met	1 (2.63%)
Total:	38 (100%)

Directorate



Explanatory Graph

	Office of the Municipal Manager	Financial Services	Roads and Transport Planning Services	Corporate Services	Community Services	Planning and Economic Development
KPI Not Yet Measured	2 (66.67%)	4 (66.67%)	6 (100.00%)	9 (100.00%)	4 (57.14%)	5 (71.43%)
KPI Not Met	-	1 (16.67%)	-	-	-	1 (14.29%)
KPI Almost Met	-	-	-	-	-	-
KPI Met	-	1 (16.67%)	-	-	3 (42.86%)	1 (14.29%)
KPI Well Met	-	-	-	-	-	-
KPI Extremely Well Met	1 (33.33%)	-	-	-	-	-
Total:	3 (7.89%)	6 (15.79%)	6 (15.79%)	9 (23.68%)	7 (18.42%)	7 (18.42%)

The above graph indicates the following per Directorate;

Office of the Municipal Manager

Ref	Directorate	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	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	1	B	0	1	B
TL2	Office of the Municipal Manager	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	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

Financial 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
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 it's 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

Roads and Transport Planning

Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	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	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	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	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	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	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	0	0	N/A	0	0	N/A	0	0	N/A

Corporate 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
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
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

Community Services

Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	KPI Owner	September 2018			December 2018			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

Planning and Economic Development

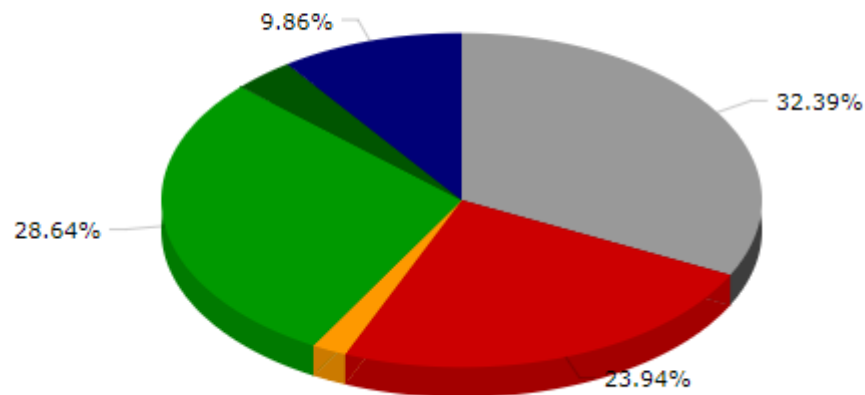
Ref	Directorate	Strategic Objective	KPI	Unit of Measurement	KPI Owner	September 2018			December 2018			Overall Performance for Sep 2018 to Dec 2018		
						Target	Actual	R	Target	Actual	R	Target	Actual	R
TL26	Planning and Economic Development	Good Governance	Develop a 5 year District Tourism Strategy 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

6. Departmental SDBIP (for information purpose)

Garden Route District Municipality - Departmental

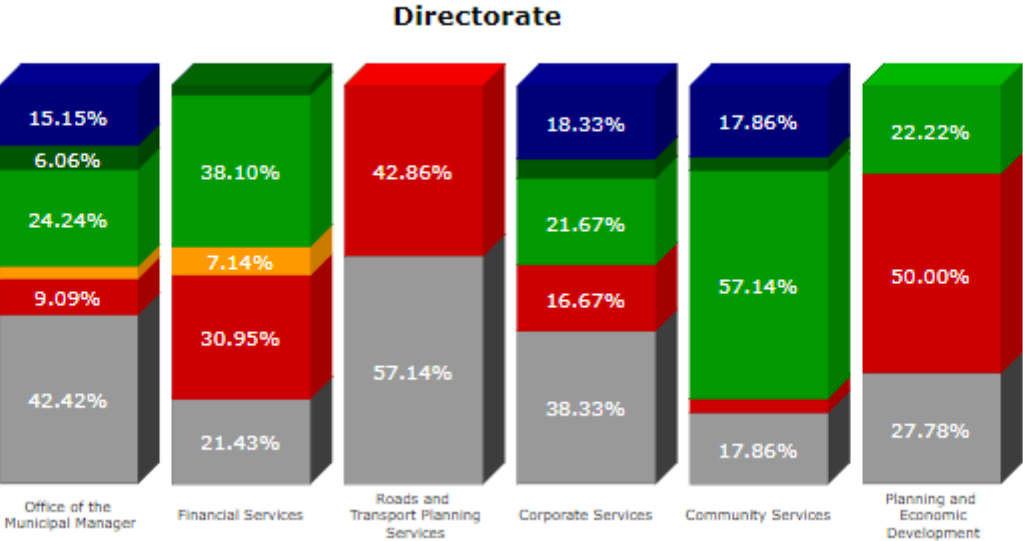
Report drawn on 16 January 2019 at 14:33
for the months of July 2018 to December 2018.







Garden Route District Municipality



KPI Not Yet Measured	69 (32.39%)
KPI Not Met	51 (23.94%)
KPI Almost Met	4 (1.88%)
KPI Met	61 (28.64%)
KPI Well Met	7 (3.29%)
KPI Extremely Well Met	21 (9.86%)
Total:	213 (100%)

Explanatory Information per Department



	Office of the Municipal Manager	Financial Services	Roads and Transport Planning Services	Corporate Services	Community Services	Planning and Economic Development
 KPI Not Yet Measured	<u>14 (42.42%)</u>	<u>9 (21.43%)</u>	<u>8 (57.14%)</u>	<u>23 (38.33%)</u>	<u>5 (17.86%)</u>	<u>10 (27.78%)</u>
 KPI Not Met	<u>3 (9.09%)</u>	<u>13 (30.95%)</u>	<u>6 (42.86%)</u>	<u>10 (16.67%)</u>	<u>1 (3.57%)</u>	<u>18 (50.00%)</u>
 KPI Almost Met	<u>1 (3.03%)</u>	<u>3 (7.14%)</u>	-	-	-	-
 KPI Met	<u>8 (24.24%)</u>	<u>16 (38.10%)</u>	-	<u>13 (21.67%)</u>	<u>16 (57.14%)</u>	<u>8 (22.22%)</u>
 KPI Well Met	<u>2 (6.06%)</u>	<u>1 (2.38%)</u>	-	<u>3 (5.00%)</u>	<u>1 (3.57%)</u>	-
 KPI Extremely Well Met	<u>5 (15.15%)</u>	-	-	<u>11 (18.33%)</u>	<u>5 (17.86%)</u>	-
Total:	33 (15.49%)	42 (19.72%)	14 (6.57%)	60 (28.17%)	28 (13.15%)	36 (16.90%)

The information as stipulated above comprises of the complete Service Delivery and Budget Implementation Plan of the municipality for the 2018/2019 financial year.

The above graph indicates the following;

- The total KPI's for the Municipality is 213
- The total Top Level KPI's are 38 and the Departmental KPI's are 175

Explanation of Colour Coding;

- **Grey (N/A)** – KPI's with targets that are not set for the period under review
- **Red (R)** – KPI's which were not met for the period under review, $0\% < = \text{Actual/Target} < = 74.9\%$
- **Orange (O)** – KPI's that were almost met, $75\% < = \text{Actual/Target} < = 99\%$
- **Green (G)**– KPI's where targets are achieved, $\text{Actual/Target} = 100\%$
- **Dark Green (G2)** - KPI's that are well met,(over achievement) $100\% < = \text{Actual/Target} , = 149\%$
- **Dark Blue (B)** – KPI's that are extremely well met,(over achievement) $150\% < = \text{Actual /Target}$

Recommendations

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

Service Delivery and Budget Implementation Plan (SDBIP)

- The revision of the Top Level and the Departmental SDBIP which is informed by the adjustment budget, should be tabled before the end of February 2019
- The revised Top Level SDBIP should be submitted to the Executive Mayor and Council for approval
- The revised Departmental SDBIP should be submitted to the Municipal Manager for approval

Electronic System for Performance Management (Ignite)

- Executive Managers should provide assurance on all their updated KPI's on the system

Portfolio of Evidence (source of evidence/POE)

The following recommendations have to be made going forward;

- All POE's for updated KPI's relating to the previous month, should be submitted to the performance office by the 16th of each month
- POE's should go through a quality review by the respective Executive Manager, before it is submitted to the performance office

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