

**REPORT: SECTION 72 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT 31
DECEMBER 2019 / VERSLAG: ARTIKEL 72 HALFJAARLIKSE BEGROTING EN PRESTASIE
ASSESSERING: 31 DESEMBER 2019 / INGXELO: UMHLATHI 72 ULWABIWOMALI-LOMBINDI
NYANKA KUNYE NOQWALASELO LOMSEBENZI 31 KWEYOMNGA 2019(885086)**

(6/18/7)

14 January 2020

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 2019/20 Second 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.

RECOMMENDATIONS

It is recommended that:

1. Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
2. Council takes note of the SDBIP performance report for the six months ending 31 December 2019.
3. Council takes note that an adjustment budget will be tabled for consideration.

AANBEVELINGS

Dit word aanbeveel dat:

1. *Die Raad kennis neem van die halfjaarlikse Prestasieverslag voorgelê in terme van Artikel 72 van die Munisipale Finansiële Bestuurswet, en*

2. Die Raad kennis neem van die SDBIP Prestasieverslag vir die eerste ses maande van die jaar geëindig 31 Desember 2019.
3. Die Raad kennis neem dat 'n aangepaste begroting voorgelê gaan word vir oorweging.

IZINDULULO

Kundululwe okokuba:

1. iBhunga lithathele ingqalelo ulwabiwo-mali lombindi nyaka kunye noqwalaselo lomsebenzi ngokwemithetho yoMhlathi 72 woMthetho woLawulo Lwemali zoMasipala;
2. iBhunga lithathele ingqalelo ingxelo yomsebenzi we SDBIP kwinyanga ezintandathu eziphela ngomhla 31 kweyoMnga 2019.
3. iBhunga lithathele ingqalelo ukuba kuzakuthiwa thaca ulungelelwaniso lolwabiwo-mali ukuze luqwalaselwe.

ANNEXURES

Section 72 Mid-year Budget and Performance Report for the period ending 31 December 2019



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2019 - 2020

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 2020. We trust that 2020 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 2019 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, 2020, feels like a new beginning, in terms of our fiscal year we are half way through the 2019/20 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.

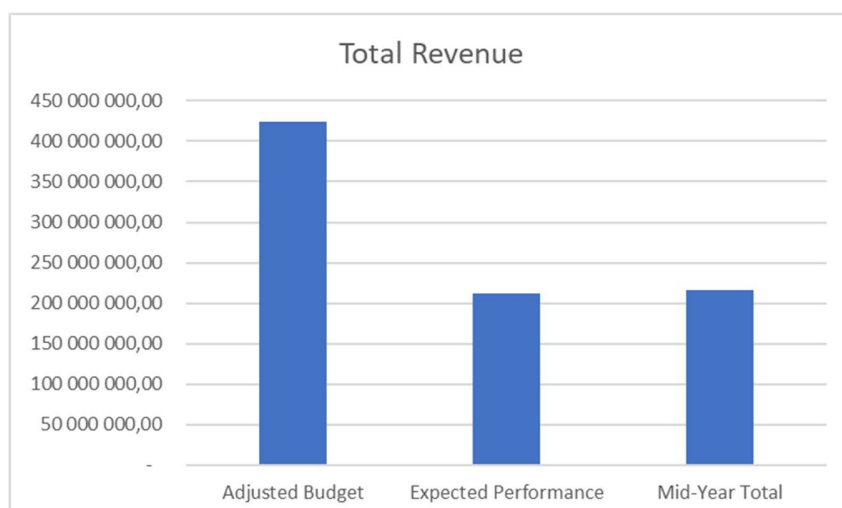
Garden Route District Municipality (GRDM) received its second consecutive unqualified audit opinion with findings for the 2018/19 Audited Financial Year. The Auditor-General (AG) attributed the Western Cape municipalities' 2018/19 success to "effective leadership culture, the implementation of action plans, and established policies and procedures".

Council approved a ten-year and eight-month contractual agreement for a Public-Private Partnership (PPP) between GRDM and Eden Waste Management in respect of the Landfill Site. This is a first PPP of its kind for South Africa. We are the first district municipality out of 44 district municipalities in South Africa to champion such an initiative and are looking forward to successfully manage the site.

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

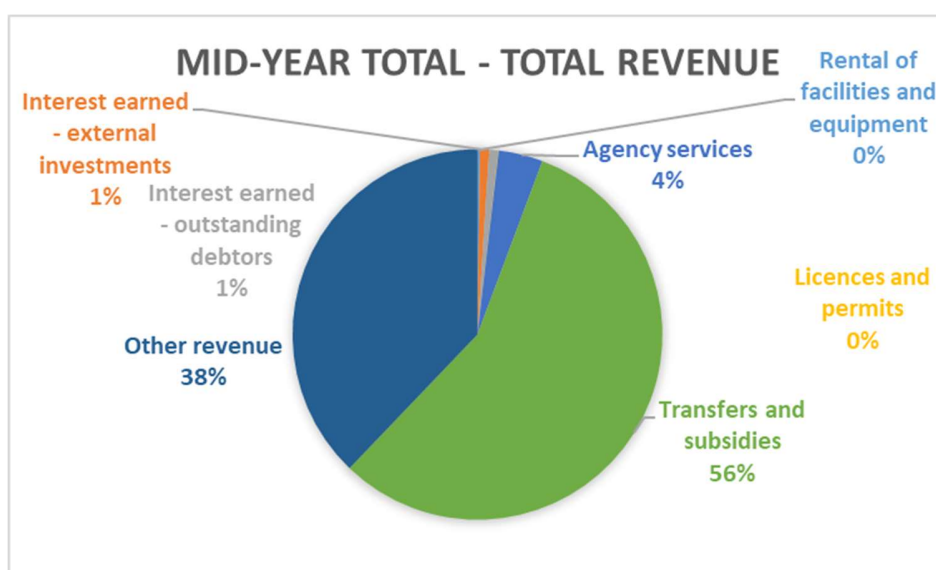
Revenue by source

The total adjusted revenue budget for 2019/20 year totals **R 423,921,000 (including Roads Agency)**. Performance for the mid-year ending 31 December 2019 totals **R 216,321,877**. This represents a total of **51%** of the budgeted revenue, this is in line with expected performance of 50% for the first 6 months.



The majority of revenue is from Transfers and subsidies received to date to the amount of **R 122,110,000**, which is **56%** of the revenue received for the first 6 months.

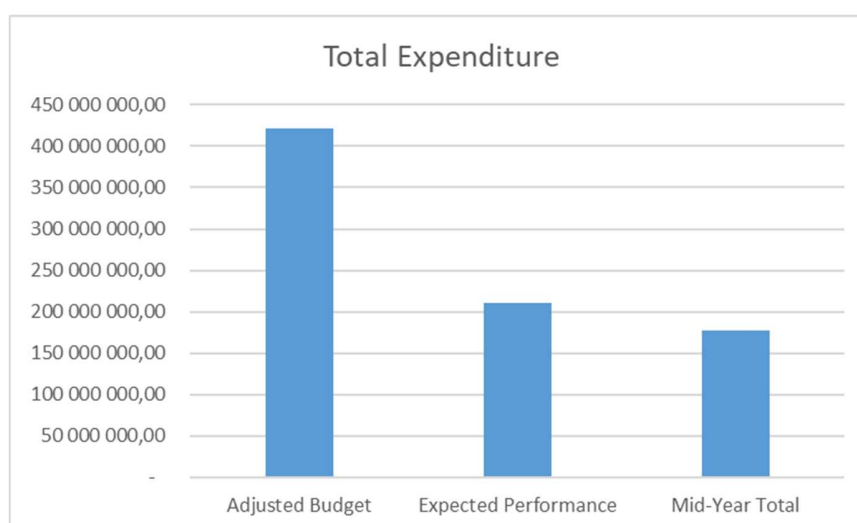
The revenue in respect of the roads agency function is integrated on a monthly basis in the financial records and this amount is included under 'Other revenue'.



Operating expenditure

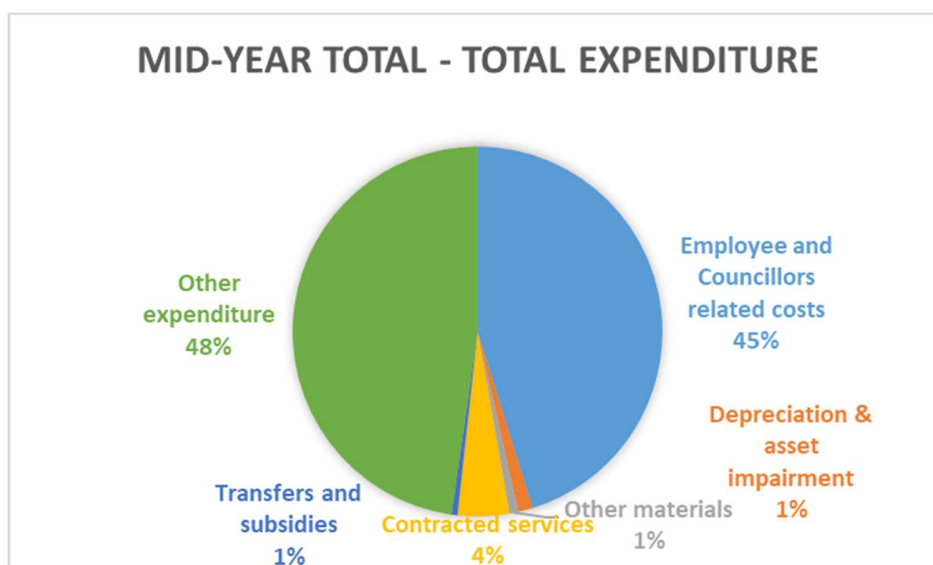
The total adjusted expenditure budget for 2019/20 totals **R 421,475,000 (including Roads Agency)**. Performance for the mid-year ending 31 December 2019 totals **R 177,950,289**.

This represents a **42.2%** spending based on the budgeted expenditure, this is lower than 50% mainly due to non-cash items (e.g. debt impairment and actuarial losses) that is only accounted for at year-end.



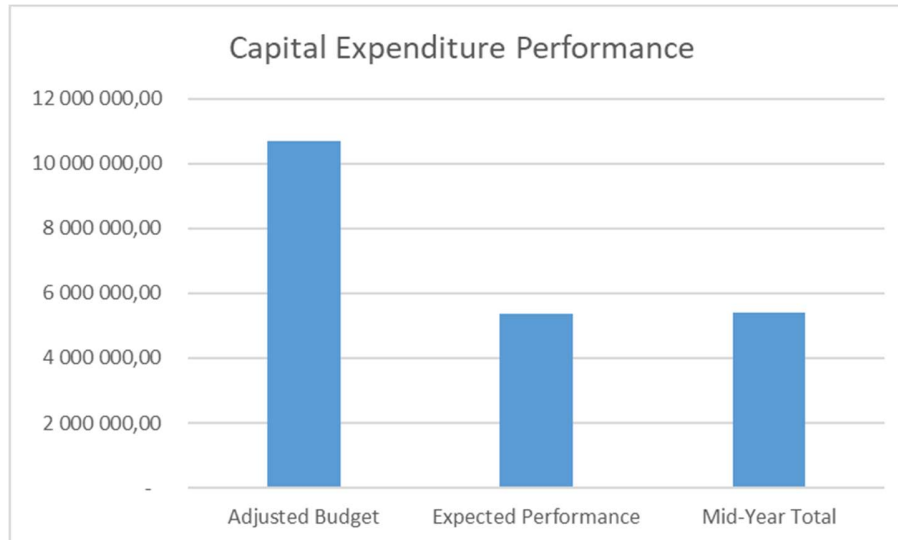
The majority of these expenditure totals include Employee and Councillors related cost of **R80,437,750**, Contracted services of **R 8,024,234** and Other expenditure of **R 84,937,877**.

The expenditure in respect of the roads agency function is integrated on a monthly basis in the financial records and this amount is included under 'Other expenditure'.



Capital Budget performance

The adjusted capital budget for the financial year amounts to **R 10,705,000**. For the first 6 months, capital expenditure was **R 5,396,811** representing **50.4%** of the budget, this is in line with expected performance of 50% for the first 6 months.



Refer to detailed capital expenditure performance on pages 34 – 37.

- **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 Top Level SDBIP –
- Individual Performance is due for full implementation by June 2021.

Challenges

- Personnel shortage in the Performance Unit

I wish you a great 2020 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 2019.
- iii. Council takes note that an adjustment budget will be tabled in February 2020 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 2019.

- iii. Council takes note that an adjustment budget will be tabled in February 2020 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 2019.

3.2 Consolidated Performance

3.2.1 Against Annual Budget (original)

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

Revenue by source

The total revenue received for the first 6 months ending 31 December 2019 amounts to **R 216,321,877**, in comparison to an adjusted budgeted figure of **R 423,921,000 (including Roads Agency)** representing **51%** of budgeted revenue, this is in line with expected performance of 50% for the first 6 months.

Operating Expenditure by type

Operating expenditure for the first 6 months ending 31 December 2019 amounts to **R 177,950,289**, which is reported against an adjusted budget of **R 421,475,000 (including Roads Agency)**, representing **42.2%** of budgeted expenditure, this is below 50% mainly due to non-cash items (e.g. debt impairment and actuarial losses) that is only accounted for at year-end.

Capital Expenditure

The adjusted capital budget for the financial year amounts to **R 10,705,000**. For the first 6 months, capital expenditure was **R 5,396,811** representing **50.4%** of the budget, this is in line with expected performance of 50% for the first 6 months.

See attached capital expenditure progress report on page 34-37.

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 2019 to 31 December 2019.

3.5 Annual Report

The Annual Report 2018/19 is finalised and was tabled at the council meeting on the 13th of December 2019.

3.6 Long-term financial sustainability

Mubesko was appointed to develop a Long Term Financial Plan, funding was received from Provincial Treasury in the form of the Western Cape Financial Management Support Grant to fund this project. 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 2020. 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 2019 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	2018/19	Budget Year 2019/20							
	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	15 715	16 893	16 893	277	1 757	8 447	(6 690)	-79%	16 893
Transfers and subsidies	172 435	165 426	172 027	52 319	122 110	86 014	36 096	42%	172 027
Other own revenue	214 495	235 001	235 001	19 401	92 455	117 500	(25 045)	-21%	235 001
Total Revenue (excluding capital transfers and contributions)	402 645	417 320	423 921	71 997	216 322	211 961	4 361	2%	423 921
Employee costs	140 534	144 964	144 964	12 434	75 495	72 482	3 013	4%	144 964
Remuneration of Councillors	11 933	12 828	12 828	833	4 943	6 414	(1 471)	-23%	12 828
Depreciation & asset impairment	3 172	3 477	3 477	377	2 260	1 738	522	30%	3 477
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	36	4 084	4 084	522	1 344	2 042	(698)	-34%	4 084
Transfers and subsidies	–	1 965	1 965	–	946	983	(36)	-4%	1 965
Other expenditure	242 728	251 339	254 158	16 253	92 962	127 079	(34 117)	-27%	254 158
Total Expenditure	398 403	418 656	421 475	30 419	177 950	210 737	(32 787)	-16%	421 475
Surplus/(Deficit)	4 242	(1 336)	2 446	41 578	38 372	1 223	37 149	3037%	2 446
Transfers and subsidies - capital (monetary allocation)	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	4 242	(1 336)	2 446	41 578	38 372	1 223	37 149	3037%	2 446
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	4 242	(1 336)	2 446	41 578	38 372	1 223	37 149	3037%	2 446
Capital expenditure & funds sources									
Capital expenditure	10 623	6 923	10 705	5 006	5 397	5 352	44	1%	10 705
Capital transfers recognised	4 000	–	3 782	2 748	2 748	1 891	857	45%	3 782
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	6 623	6 923	6 923	2 258	2 649	3 461	(813)	-23%	6 923
Total sources of capital funds	10 623	6 923	10 705	5 006	5 397	5 352	44	1%	10 705
Financial position									
Total current assets	196 625	178 550	178 550		196 658				178 550
Total non current assets	307 314	292 602	296 384		311 068				296 384
Total current liabilities	102 393	82 034	82 034		43 087				82 034
Total non current liabilities	137 987	86 240	86 240		144 852				86 240
Community wealth/Equity	263 560	302 878	306 661		319 786				306 661
Cash flows									
Net cash from (used) operating	13 793	(755)	3 028	41 578	38 372	1 514	(36 858)	-2435%	3 028
Net cash from (used) investing	(9 258)	366	(3 417)	(43 206)	8 705	(1 708)	(10 413)	610%	(3 417)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	174 303	169 379	169 379	–	180 111	169 573	(10 538)	-6%	132 646
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	1 170	428	442	510	585	339	14 559	15 171	33 204
Creditors Age Analysis									
Total Creditors	295	426	53	29	3	1	85	87	979

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	2018/19	Budget Year 2019/20							
		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>		232 272	217 702	224 303	56 788	138 375	112 152	26 223	23%	224 303
Executive and council		231 601	216 981	223 582	56 793	138 109	111 791	26 318	24%	223 582
Finance and administration		671	721	721	(6)	266	361	(94)	-26%	721
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		8 041	8 856	8 856	3 011	4 743	4 428	315	7%	8 856
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		7 820	8 406	8 406	2 985	4 503	4 203	300	7%	8 406
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		221	450	450	26	240	225	15	7%	450
<i>Economic and environmental services</i>		162 333	160 105	160 105	12 198	73 062	80 053	(6 991)	-9%	160 105
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		162 000	160 000	160 000	12 188	73 005	80 000	(6 995)	-9%	160 000
Environmental protection		333	105	105	10	57	53	4	8%	105
<i>Trading services</i>		-	30 657	30 657	-	142	15 329	(15 187)	-99%	30 657
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	142	-	142	#DIV/0!	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	30 657	30 657	-	-	15 329	(15 329)	-100%	30 657
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	402 645	417 320	423 921	71 997	216 322	211 961	4 361	2%	423 921
Expenditure - Functional										
<i>Governance and administration</i>		123 554	126 483	128 493	8 802	53 368	64 247	(10 879)	-17%	128 493
Executive and council		44 144	45 692	46 892	3 860	18 107	23 446	(5 339)	-23%	46 892
Finance and administration		76 860	78 090	78 900	4 803	34 161	39 450	(5 289)	-13%	78 900
Internal audit		2 550	2 702	2 702	139	1 100	1 351	(251)	-19%	2 702
<i>Community and public safety</i>		90 298	79 377	79 377	6 864	37 884	39 688	(1 804)	-5%	79 377
Community and social services		20 403	9 814	9 814	1 302	5 466	4 907	559	11%	9 814
Sport and recreation		12 767	13 225	13 225	1 257	6 018	6 612	(594)	-9%	13 225
Public safety		27 288	25 301	25 301	1 859	10 883	12 651	(1 767)	-14%	25 301
Housing		-	-	-	-	-	-	-	-	-
Health		29 841	31 037	31 037	2 445	15 516	15 518	(2)	0%	31 037
<i>Economic and environmental services</i>		178 859	176 200	177 009	14 280	83 878	88 504	(4 626)	-5%	177 009
Planning and development		8 640	9 147	9 147	1 765	9 008	4 574	4 435	97%	9 147
Road transport		166 635	163 468	164 277	12 188	72 925	82 138	(9 213)	-11%	164 277
Environmental protection		3 585	3 585	3 585	326	1 944	1 792	152	8%	3 585
<i>Trading services</i>		5 018	33 470	33 470	369	2 092	16 735	(14 643)	-88%	33 470
Energy sources		-	-	-	-	-	-	-	-	-
Water management		10	10	10	244	1 722	5	1 717	33677%	10
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 008	33 460	33 460	125	370	16 730	(16 360)	-98%	33 460
<i>Other</i>		674	3 126	3 126	105	729	1 563	(834)	-53%	3 126
Total Expenditure - Functional	3	398 403	418 656	421 475	30 419	177 950	210 737	(32 787)	-16%	421 475
Surplus/ (Deficit) for the year		4 242	(1 336)	2 446	41 578	38 372	1 223	37 148	3037%	2 446

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.

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 **51%** performance for Revenue for the first 6 months ending 31 December 2019, this is in line with expected performance of 50% for the first 6 months. Most of the revenue which consist of the grants and mainly the equitable share.

Operating Expenditure

The municipality reported a **42.2%** performance for Expenditure for the first 6 months ending 31 December 2019, this is below 50% mainly due to non-cash items (e.g. debt impairment and actuarial losses) that is only accounted for at year-end.

Adjustments to the budget will be tabled to council during February 2020 in order to improve performance and enhance service delivery.

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	2018/19	Budget Year 2019/20							
		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		232 074	216 981	223 582	56 793	138 109	111 791	26 318	23,5%	223 582
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		198	721	721	(6)	266	361	(94)	-26,1%	721
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		221	450	450	26	240	225	15	6,8%	450
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		7 820	8 406	8 406	2 985	4 503	4 203	300	7,1%	8 406
Vote 9 - Waste Management		-	30 657	30 657	-	142	15 329	(15 187)	-99,1%	30 657
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		333	105	105	10	57	53	4	7,9%	105
Vote 14 - Roads Agency Function		162 000	160 000	160 000	12 188	73 005	80 000	(6 995)	-8,7%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	402 645	417 320	423 921	71 997	216 322	211 961	4 361	2,1%	423 921
Expenditure by Vote	1									
Vote 1 - Executive and Council		46 981	51 456	52 656	3 855	18 674	26 328	(7 654)	-29,1%	52 656
Vote 2 - Budget and Treasury Office		24 519	21 608	22 068	1 652	11 963	11 034	930	8,4%	22 068
Vote 3 - Corporate Services		41 210	42 339	42 689	3 109	21 548	21 345	203	1,0%	42 689
Vote 4 - Planning and Development		22 739	24 234	24 234	2 513	12 093	12 117	(24)	-0,2%	24 234
Vote 5 - Public Safety		41 369	32 060	32 060	2 518	13 993	16 030	(2 037)	-12,7%	32 060
Vote 6 - Health		33 581	33 212	33 212	2 631	16 699	16 606	93	0,6%	33 212
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 767	13 225	13 225	1 257	6 018	6 612	(594)	-9,0%	13 225
Vote 9 - Waste Management		5 008	33 460	33 460	369	2 092	16 730	(14 638)	-87,5%	33 460
Vote 10 - Roads Transport		4 225	3 468	4 277	-	-	2 138	(2 138)	-100,0%	4 277
Vote 11 - Waste Water Management		(7)	10	10	-	-	5	(5)	-100,0%	10
Vote 12 - Water		18	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 585	3 585	3 585	326	1 944	1 792	152	8,5%	3 585
Vote 14 - Roads Agency Function		162 410	160 000	160 000	12 188	72 925	80 000	(7 075)	-8,8%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	398 403	418 656	421 475	30 419	177 950	210 737	(32 787)	-15,6%	421 475
Surplus/ (Deficit) for the year	2	4 242	(1 336)	2 446	41 578	38 372	1 223	37 148	3037,3%	2 446

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

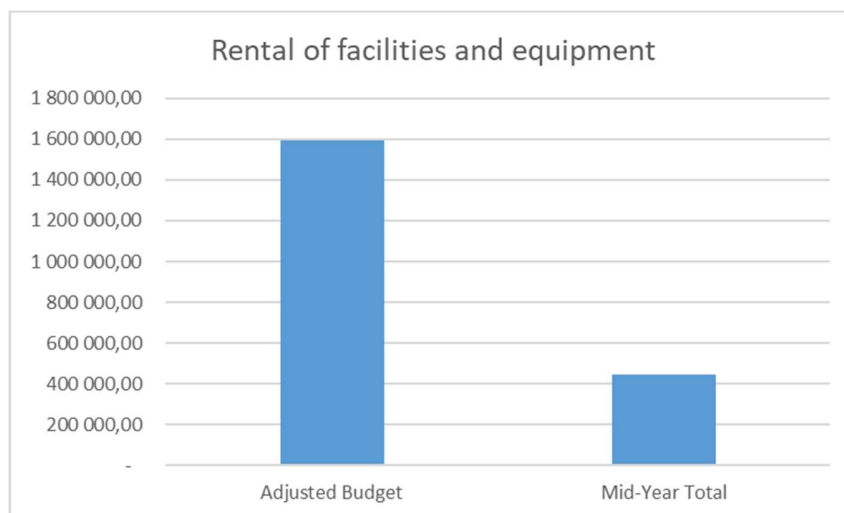
BOP Current Account - Table 4: Monthly Budget Statement - Financial Performance (Revenue and Expenditure) and Year Assessment										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	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								-		
Rental of facilities and equipment		3 846	1 593	1 593	70	447	797	(350)	-44%	1 593
Interest earned - external investments		15 715	16 893	16 893	277	1 757	8 447	(6 690)	-79%	16 893
Interest earned - outstanding debtors		897	964	964	290	1 722	482	1 240	257%	964
Dividends received		-	-	-			-	-	-	-
Fines, penalties and forfeits		-	-	-			-	-	-	-
Licences and permits		333	105	105	10	57	53	4	8%	105
Agency services		21 062	23 015	23 015	2 794	8 381	11 507	(3 126)	-27%	23 015
Transfers and subsidies		172 435	165 426	172 027	52 319	122 110	86 014	36 096	42%	172 027
Other revenue		184 358	205 672	205 672	16 238	81 849	102 836	(20 987)	-20%	205 672
Gains on disposal of PPE		4 000	3 652	3 652			1 826	(1 826)	-100%	3 652
Total Revenue (excluding capital transfers and contributions)		402 645	417 320	423 921	71 997	216 322	211 961	4 361	2%	423 921
Expenditure By Type										
Employee related costs		140 534	144 964	144 964	12 434	75 495	72 482	3 013	4%	144 964
Remuneration of councillors		11 933	12 828	12 828	833	4 943	6 414	(1 471)	-23%	12 828
Debt impairment		1 601	1 721	1 721			860	(860)	-100%	1 721
Depreciation & asset impairment		3 172	3 477	3 477	377	2 260	1 738	522	30%	3 477
Finance charges		-	-	-			-	-	-	-
Bulk purchases		-	-	-			-	-	-	-
Other materials		36	4 084	4 084	522	1 344	2 042	(698)	-34%	4 084
Contracted services		50 354	46 505	49 324	1 550	8 024	24 662	(16 638)	-67%	49 324
Transfers and subsidies		-	1 965	1 965	-	946	983	(36)	-4%	1 965
Other expenditure		190 773	203 113	203 113	14 703	84 938	101 556	(16 619)	-16%	203 113
Loss on disposal of PPE							-	-		-
Total Expenditure		398 403	418 656	421 475	30 419	177 950	210 737	(32 787)	-16%	421 475
Surplus/(Deficit)		4 242	(1 336)	2 446	41 578	38 372	1 223	37 149	0	2 446
Transfers and subsidies - capital (monetary) expenditure (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		4 242	(1 336)	2 446	41 578	38 372	1 223			2 446
Taxation								-		
Surplus/(Deficit) after taxation		4 242	(1 336)	2 446	41 578	38 372	1 223			2 446
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		4 242	(1 336)	2 446	41 578	38 372	1 223			2 446
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		4 242	(1 336)	2 446	41 578	38 372	1 223			2 446

Revenue by Source

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

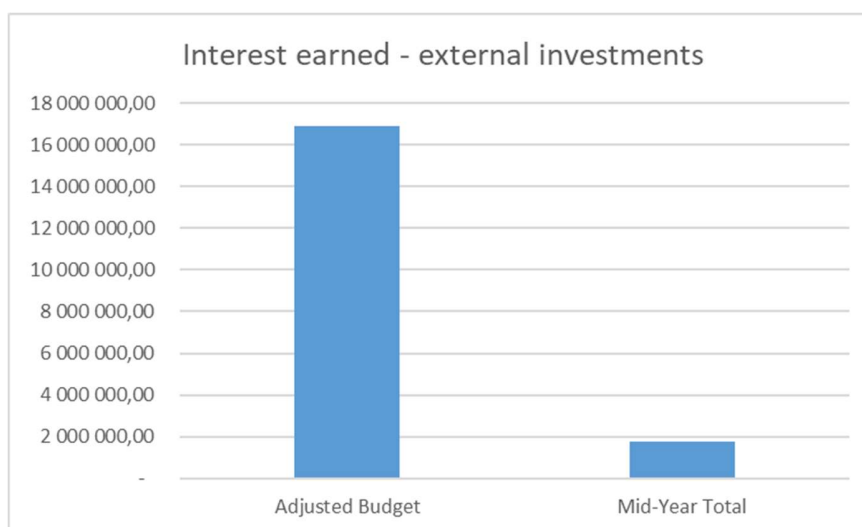
Rental of facilities and equipment:

Rental of facilities and equipment for the first 6 months ending 31 December 2019 amounted to R446,896. Duplicate billing runs occurred with the July and September 2019 billing runs which resulted in a reported increase during Quarter 1, correcting journals was passed during October 2019 to correct this.



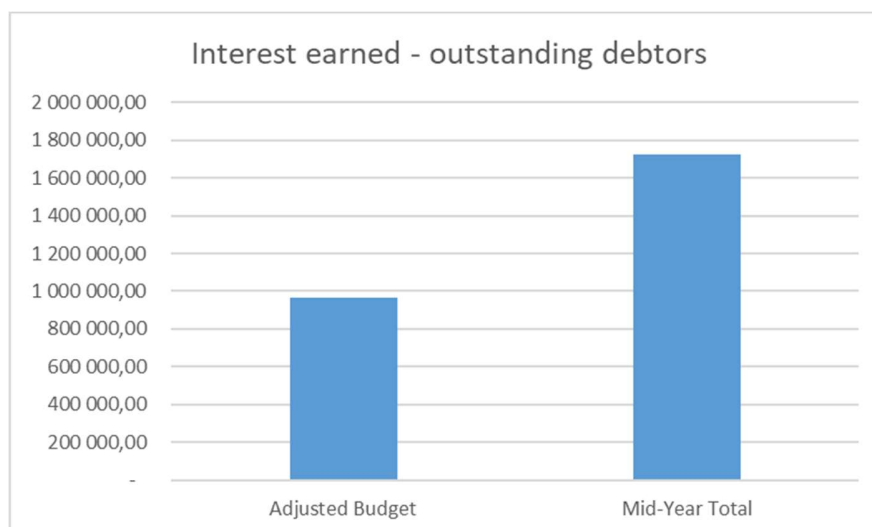
Interest earned – External Investments:

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. Interest on external investments received for the first 6 months ending 31 December 2019 amounted to R 1,756,547. Interest is included in the financial records only once received upon maturity of the investments, and not monthly as it accrues until it is paid out. Maturity is dated in quarter 3 of the financial year, which will cause an increase in performance of interest earned on external investments.



Interest raised – Outstanding debtors

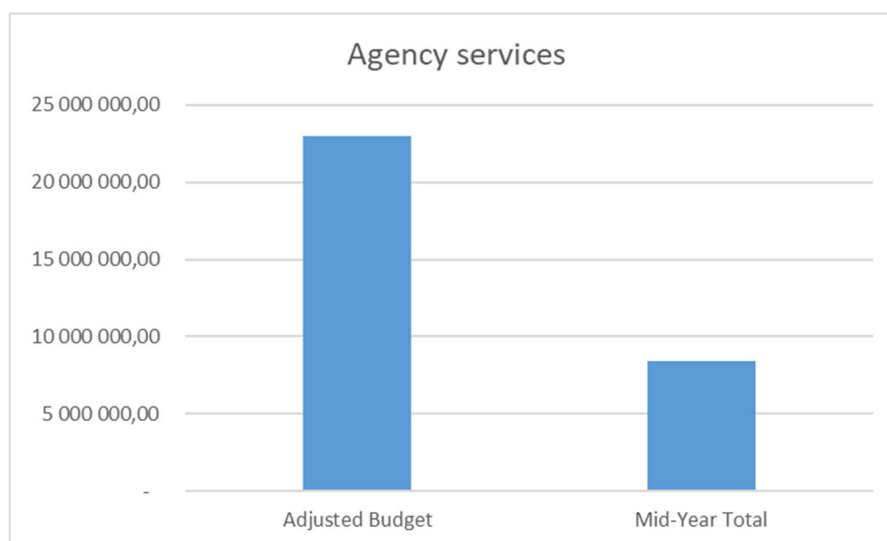
Interest on outstanding debtors for the first 6 months ending 31 December 2019 amounted to R 1,721,832. Duplicate billing runs occurred with the July and September 2019 billing runs which resulted in a reported increase during Quarter 1, correcting journals was passed during October 2019 to correct this.



Agency services

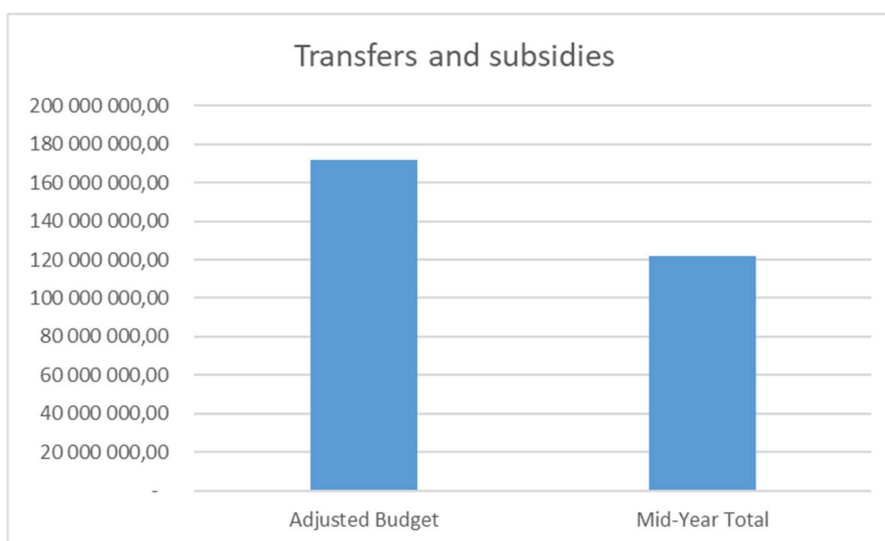
The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 3% on the cost of additional reseal projects. An amount of R 8,380,868 was recorded for the first 6 months ending 31 December 2019. During Quarter

1, 4 months admin fee was claimed instead of 3 months, therefore only 2 months was received during Quarter 2.



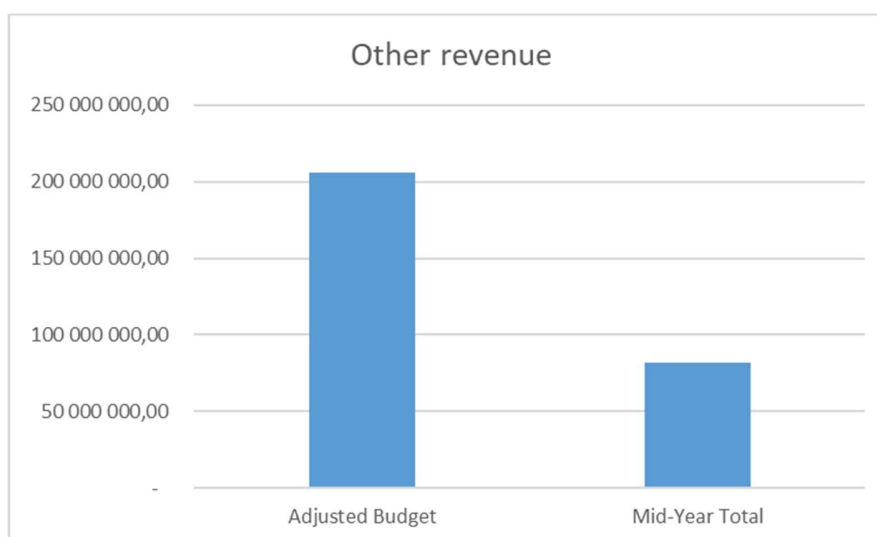
Transferred recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. The first instalment of R 65,571,000 for the Equitable Share was received during July 2019. The municipality received R 1,000,000 for the FMG grant and the first instalment to the amount of R 408,000 for EPWP grant in August 2019. An amount of R 1,798,000 for the Rural Roads Asset Management grant during the month of August 2019. The municipality received R 734,000 for the EPWP grant and R 280,000 in respect of the Western Cape Finance Support grant during November 2019. The municipality received its second instalment of Equitable Share to the amount of R 52,239,000 during December 2019 and also an R 80,000 for Disaster Management Internship Grant. National Treasury deducted the unspent funds of Rural Roads Asset Management Grant which were not approved for rollover to the amount of R218 000 from the Equitable Share amount transferred to the municipality during December 2019, correcting journals will be processed during January 2020.



Other revenue / Sundry income

Other revenue reflects an amount of R 81,849,098 for the first 6 months ending 31 December 2019. Other revenue consists of the following: Roads income (incorporated on a monthly basis by means of a journal), Interest on current account and resorts income.

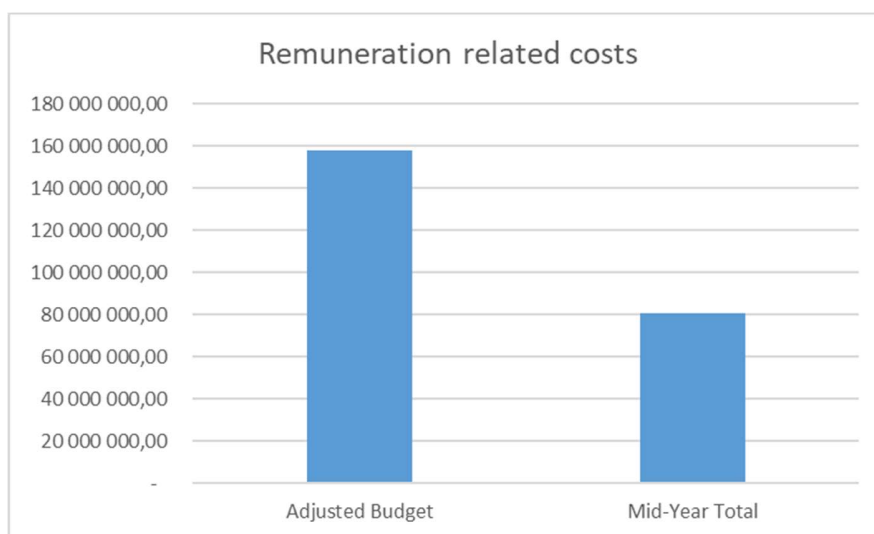


Expenditure by Type

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

Employee Related cost / Remuneration of councillors

Remuneration related expenditure for the first 6 months ending 31 December 2019 amounted to R 80,437,750.

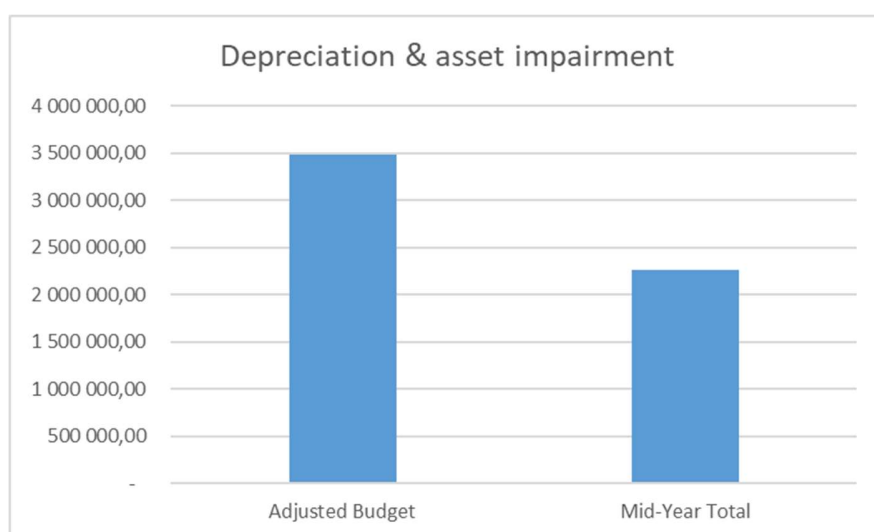


Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The fixed asset register module must still be implemented at Garden Route DM by the service provider of the financial system. The municipality are awaiting the service provider to implement the new fixed asset management system as the previous asset management system provider (Market Demand) terminated its services under the mSCOA contract. Phoenix had to develop a new asset register (at no additional cost to municipalities, as this was a mSCOA requirement when National Treasury awarded the transversal tender for financial systems). Garden Route DM must first test the new proposed asset register extensively to ensure it meets the requirements of mSCOA and GRAP and fully integrates seamlessly and correctly with the financial system before it can be implemented.

It is envisioned that the service provider will be able to present a complete asset management system during the third quarter. Extensive meetings have taken place between management and the management of the service provider regarding the fixed asset register. Currently the Excel asset register is used and manual journals are prepared monthly based on previous year figures to process the depreciation charges.

R 2,260,067 were recorded for the first 6 months ending 31 December 2019.

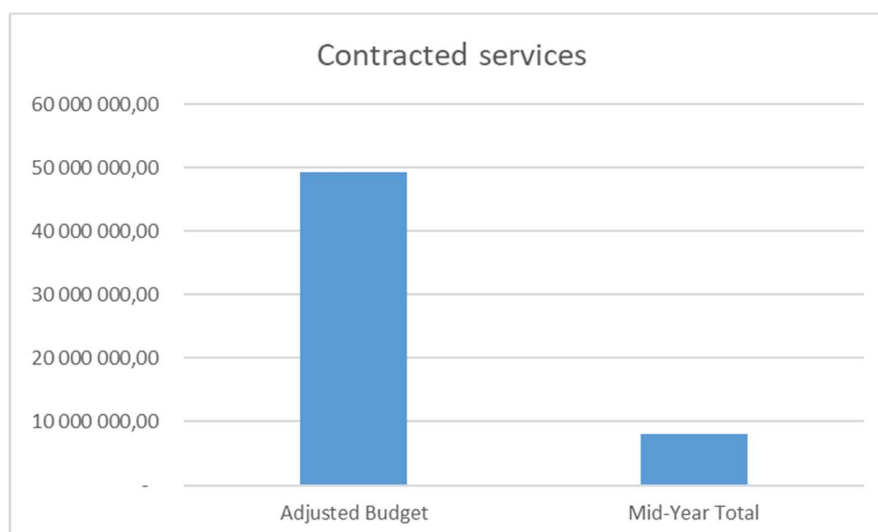


Finance charges

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

Contracted services

Contracted services amounted to R 8,024,234 for the first 6 months ending 31 December 2019.

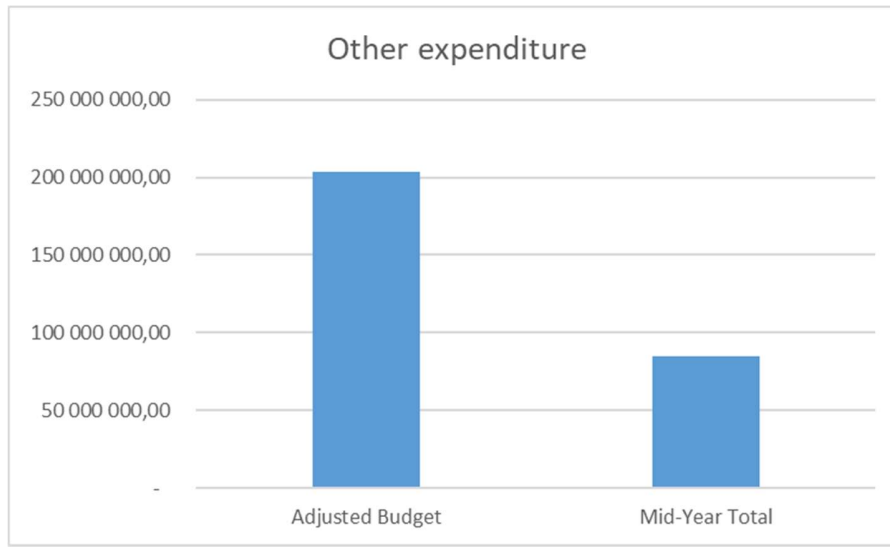


Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounted to R 84,937,877 for the first 6 months ending 31 December 2019.

The other expenditure consists of the following:

- Operating costs
- Operating Projects (own funds)
- Roads expenditure



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	2018/19	Budget Year 2019/20							
		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		30	500	500	-	-	250	(250)	-100%	500
Vote 2 - Budget and Treasury Office		42	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		2 428	1 503	1 503	-	359	751	(392)	-52%	1 503
Vote 4 - Planning and Development		37	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		4 713	2 000	2 000	-	-	1 000	(1 000)	-100%	2 000
Vote 6 - Health		2 343	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		1 000	-	-	(15)	-	-	-	-	-
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		30	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	10 623	4 003	4 003	(15)	359	2 001	(1 642)	-82%	4 003
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	70	70	17	27	35	(8)	-22%	70
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	400	4 182	2 748	2 755	2 091	664	32%	4 182
Vote 6 - Health		-	2 300	2 300	2 255	2 255	1 150	1 105	96%	2 300
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		-	150	150	-	-	75	(75)	-100%	150
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	2 920	6 702	5 021	5 037	3 351	1 686	50%	6 702
Total Capital Expenditure		10 623	6 923	10 705	5 006	5 397	5 352	44	1%	10 705

Variances explained in Supporting Table C5

For the first 6 months, capital expenditure was **R 5,396,811** representing **50.4%** of the budget, this is in line with expected performance of 50% for the first 6 months.

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	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		174 303	169 379	169 379	180 111	169 379
Call investment deposits		–	–	–	–	–
Consumer debtors		–	–	–	–	–
Other debtors		16 205	2 312	2 312	8 474	2 312
Current portion of long-term receivables		3 550	3 324	3 324	3 867	3 324
Inventory		2 568	3 536	3 536	4 205	3 536
Total current assets		196 625	178 550	178 550	196 658	178 550
Non current assets						
Long-term receivables		61 508	63 353	63 353	59 705	63 353
Investments		26	26	26	27	26
Investment property		84 677	83 831	83 831	86 081	83 831
Investments in Associate						
Property, plant and equipment		159 740	143 644	147 426	163 308	147 426
Biological						
Intangible		1 363	1 748	1 748	1 946	1 748
Other non-current assets						
Total non current assets		307 314	292 602	296 384	311 068	296 384
TOTAL ASSETS		503 940	471 152	474 935	507 725	474 935
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		857	–	–	698	
Consumer deposits						
Trade and other payables		71 843	51 753	51 753	15 076	51 753
Provisions		29 692	30 281	30 281	27 312	30 281
Total current liabilities		102 393	82 034	82 034	43 087	82 034
Non current liabilities						
Borrowing		591	1 462	1 462	28	1 462
Provisions		137 396	84 778	84 778	144 823	84 778
Total non current liabilities		137 987	86 240	86 240	144 852	86 240
TOTAL LIABILITIES		240 380	168 274	168 274	187 939	168 274
NET ASSETS	2	263 560	302 878	306 661	319 786	306 661
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		235 253	271 173	274 956	288 460	274 956
Reserves		28 307	31 705	31 705	31 326	31 705
TOTAL COMMUNITY WEALTH/EQUITY	2	263 560	302 878	306 661	319 786	306 661

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	2018/19	Budget Year 2019/20							
		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		214 495	230 385	230 385	19 401	92 455	115 192	(22 737)	-20%	230 385
Gov ernment - operating		172 435	165 426	168 245	52 319	122 110	84 122	37 988	45%	168 245
Gov ernment - capital		-	-	3 782		-	1 891	(1 891)	-100%	3 782
Interest		15 715	16 893	16 893	277	1 757	8 447	(6 690)	-79%	16 893
Dividends								-		
Payments										
Suppliers and employees		(388 852)	(411 494)	(411 494)	(30 419)	(177 004)	(205 747)	(28 743)	14%	(411 494)
Finance charges				-		-	-	-		-
Transfers and Grants			(1 965)	(4 784)	-	(946)	(2 392)	(1 446)	60%	(4 784)
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 793	(755)	3 028	41 578	38 372	1 514	(36 858)	-2435%	3 028
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 156	3 652	3 652			1 826	(1 826)	-100%	3 652
Decrease (Increase) in non-current debtors		-	3 636	3 636			1 818	(1 818)	-100%	3 636
Decrease (increase) other non-current receivables		(1 791)	-				-	-		
Decrease (increase) in non-current investments		-	-		(38 200)	14 102	-	14 102	#DIV/0!	
Payments										
Capital assets		(10 623)	(6 923)	(10 705)	(5 006)	(5 397)	(5 352)	44	-1%	(10 705)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9 258)	366	(3 417)	(43 206)	8 705	(1 708)	(10 413)	610%	(3 417)
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		4 535	(389)	(389)	(1 628)	47 077	(195)			(389)
Cash/cash equivalents at beginning:		169 768	169 768	169 768		133 035	169 768			133 035
Cash/cash equivalents at month/year end:		174 303	169 379	169 379		180 111	169 573			132 646

The municipal bank balance at 31 December 2019 totals R 2,111,389 and the short term deposits made amounts to R 178,000,000, therefore the total cash and cash equivalents amounts to R 180,111,389.

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

REPORTING MONTH: 31 DECEMBER 2019		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 December 2019	33 034 859,71	2 111 388,57
Other Cash & Cash Equivalents: Short term deposits	100 000 000,00	178 000 000,00
Total Cash & Cash Equivalents:	133 034 859,71	180 111 388,57
LESS:	92 164 390,25	133 614 509,20
Unspent Conditional Grants	6 893 627,64	2 893 312,64
Provision for staff leave	13 566 381,65	13 566 381,65
Provision for bonus	-	-
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	932 780,06	-
Grant received in advance	-	39 342 750,00
Trade Payables	6 154 817,05	7 516 489,62
Unspent Capital budget	4 069 566,85	44 476,67
Unspent Operational budget	23 083 300,99	32 787 182,62
Sub total	40 870 469,46	46 496 879,37
PLUS:	5 742 948,37	4 110 411,18
VAT Receivable	3 663 668,87	2 031 131,68
Receivable Exchange	2 079 279,50	2 079 279,50
	46 613 417,84	50 607 290,55
LESS OTHER MATTERS:		
Capital Replacement Reserve	34 802 548,35	34 802 548,35
Sub Total	11 810 869,49	15 804 742,20
LESS: CONTINGENT LIABILITIES	11 675 924,15	11 675 924,15
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
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
Combined summons between Brenda Kraft and Garden Route DM	415 264,31	415 264,31
Isivuno Auctioneers: Summons	223 574,84	223 574,84
Portion of Portion 2 of Farm 238, Hoogekraal	431 400,00	431 400,00
Erf 99, Glentana	4 021 781,00	4 021 781,00
Labour disputes: V Blom & Roode	350 000,00	350 000,00
Labour disputes: B Ntozini	70 000,00	70 000,00
Labour disputes: N Ndabeni	50 000,00	50 000,00
Labour disputes: IMATU obo Du Plessis & others	868 490,00	868 490,00
Recalculated available cash balance	134 945,34	4 128 818,05

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 2019/20											
		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.t.o 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	(12)	-	-	-	-	-	-	(34)	(47)	(34)		
Interest on Arrear Debtor Accounts	1810	287	288	287	288	283	291	1 034	1 297	4 053	3 192		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	896	140	155	222	302	48	13 525	13 909	29 198	28 007		
Total By Income Source	2000	1 170	428	442	510	585	339	14 559	15 171	33 204	31 164	-	-
2018/19 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(160)	87	133	145	59	40	934	3 007	4 244	4 184		
Commercial	2300	-	-	-	-	-	-	-	-	-	-		
Households	2400	-	-	-	-	-	-	-	-	-	-		
Other	2500	1 331	341	309	365	526	299	13 625	12 164	28 960	26 980		
Total By Customer Group	2600	1 170	428	442	510	585	339	14 559	15 171	33 204	31 164	-	-

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

The majority of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account.

The municipality are required to submit debtors aged analysis data strings on a monthly basis.

Currently the debtor section initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.

Section 6 – Creditors' analysis

Supporting Table C4

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

Description	NT Code	Budget Year 2019/20									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	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	295	426	53	29	3	1	85	87	979	
Auditor General	0800									-	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	295	426	53	29	3	1	85	87	979	-

The municipality are required to submit creditors aged analysis data strings on a monthly basis.

The reason for long outstanding creditors are due to invoices not submitted by either suppliers or user departments, other reasons also include disputes on certain invoices.

The municipality are continuously working towards resolving outstanding disputes on invoices and obtaining outstanding invoices.

Section 7 – Investment portfolio analysis

7.1 Investment monitoring information

	Balance as at 01 December 2019	Movements for the month			Balance as at 31 December 2019	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
						Month	Year to date
<i>Eden district municipality</i>							
<i>Interest Received YTD</i>					-		
<i>Standard Bank</i>	32 000 000,00	-	-26 000 000,00		58 000 000,00	-	571 943,15
<i>FNB</i>	-	-			-	-	174 410,96
<i>ABSA</i>	26 000 000,00				26 000 000,00	-	131 654,18
<i>Nedbank</i>	32 000 000,00		-36 000 000,00		68 000 000,00	-	601 716,24
<i>Investec Bank</i>	10 000 000,00	-10 000 000,00	-26 000 000,00		26 000 000,00	276 822,26	276 822,26
BANK DEPOSITS	100 000 000,00	-10 000 000,00	-88 000 000,00	-	178 000 000,00	276 822,26	1 756 546,79

Total invested funds at the end of 31 December 2019 totals R 178,000,000 as reflected above.

The municipality invest access funds on a 30 days' short-term investment period in order to maximise the interest received and to have cash readably available when needed and is done in line with the Cash Management and Investment Policy of 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	2018/19	Budget Year 2019/20							
		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:		157 166	162 568	164 471	52 973	121 750	82 236	38 282	46,6%	164 471
Local Government Equitable Share		151 237	157 370	157 370	52 239	117 810	78 685	39 125	49,7%	157 370
Finance Management		1 000	1 000	1 000		1 000	500			1 000
Municipal Systems Improvement		–		–			–			–
EPWP Incentive		1 021	1 629	1 629	734	1 142	815			1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787		1 798	1 394			2 787
Fire Service Capacity Building Grant	3	1 483		1 685			843	(843)	-100,0%	1 685
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	2 859	7 557	80	280	3 778	(3 233)	-85,6%	7 557
PT - Integrated Transport Plan		1 800	900	1 490			745	(745)	-100,0%	1 490
PT - WC Support Grant		1 450	280	1 090	–	280	545			1 090
PT - Disaster Management Grant		10 000		2 097	80		1 049	(1 049)	-100,0%	2 097
PT - WC Support Grant	4	360	379	379			190	(190)	-100,0%	379
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500			1 250	(1 250)	-100,0%	2 500
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Operating Transfers and Grants	5	171 976	165 427	172 028	53 053	122 030	86 014	35 049	40,7%	172 028

8.2 Supporting Table C7

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

Description	Ref	2018/19	Budget Year 2019/20							
		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:		157 166	162 568	164 471	1 945	3 257	82 236	(78 979)	-96,0%	164 471
Local Government Equitable Share		151 237	157 370	157 370			78 685	(78 685)	-100,0%	157 370
Finance Management		1 000	1 000	1 000	151	562	500	62	12,3%	1 000
Municipal Systems Improvement		–					–	–		–
EPWP Incentiv e		1 021	1 629	1 629	421	1 323	815	509	62,4%	1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787			1 394	(1 394)	-100,0%	2 787
Fire Service Capacity Building Grant		1 483		1 685	1 372	1 372	843	530	62,9%	1 685
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	2 859	7 557	1 376	1 376	3 778	(2 402)	-63,6%	7 557
PT - Integrated Transport Plan		1 800	900	1 490	–		745	(745)	-100,0%	1 490
PT - Disaster Management Grant		10 000	–	2 097	1 376	1 376	1 049	327	31,2%	2 097
PT - WC Support Grant		1 450	280	1 090	–		545	(545)	-100,0%	1 090
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500	–		1 250	(1 250)	-100,0%	2 500
Other transfers and grants [insert description]		360	379	379	–		190	(190)	-100,0%	379
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		171 976	165 427	172 028	3 321	4 633	86 014	(81 381)	-94,6%	172 028

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

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	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 481	11 359	11 359	767	4 584	5 680	(1 096)	-19%	11 359
Pension and UIF Contributions		2 408	232	232	5	26	116	(90)	-77%	232
Medical Aid Contributions		122	75	75	6	24	37	(13)	-35%	75
Motor Vehicle Allowance		1 696	199	199	8	32	100	(68)	-68%	199
Cellphone Allowance		1 125	–	–	48	277	–	277	#DIV/0!	–
Housing Allowances		1 046	434	434			217	(217)	-100%	434
Other benefits and allowances		–	528	528			264	(264)	-100%	528
Sub Total - Councillors		13 877	12 828	12 828	833	4 943	6 414	(1 471)	-23%	12 828
% increase	4		-7,6%	-7,6%						-7,6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 442	5 634	5 634	423	2 541	2 817	(276)	-10%	5 634
Pension and UIF Contributions		161	–	–	0	1	–	1	#DIV/0!	–
Medical Aid Contributions		124	256	256	4	27	128	(101)	-79%	256
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		838	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		805	–	–	70	364	–	364	#DIV/0!	–
Cellphone Allowance		111	–	–	9	54	–	54	#DIV/0!	–
Housing Allowances		194	–	–	–	–	–	–	–	–
Other benefits and allowances		(211)	–	–	0	0	–	0	#DIV/0!	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		6 464	5 890	5 890	507	2 987	2 945	42	1%	5 890
% increase	4		-8,9%	-8,9%						-8,9%
Other Municipal Staff										
Basic Salaries and Wages		86 899	85 591	85 591	7 631	43 364	42 795	568	1%	85 591
Pension and UIF Contributions		13 210	14 463	14 463	1 272	6 468	7 232	(764)	-11%	14 463
Medical Aid Contributions		10 314	10 904	10 904	578	2 846	5 452	(2 605)	-48%	10 904
Overtime		3 045	–	–	196	924	–	924	#DIV/0!	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		6 906	–	–	738	4 639	–	4 639	#DIV/0!	–
Cellphone Allowance		198	–	–	8	45	–	45	#DIV/0!	–
Housing Allowances		1 311	–	–	121	722	–	722	#DIV/0!	–
Other benefits and allowances		2 641	19 685	19 685	252	3 998	9 842	(5 844)	-59%	19 685
Payments in lieu of leave		6 064	–	–	465	6 225	–	6 225	#DIV/0!	–
Long service awards		–	–	–	145	145	–	145	#DIV/0!	–
Post-retirement benefit obligations	2	2 866	8 432	8 432	522	3 131	4 216	(1 085)	-26%	8 432
Sub Total - Other Municipal Staff		133 454	139 074	139 074	11 928	72 508	69 537	2 971	4%	139 074
% increase	4		4,2%	4,2%						4,2%
Total Parent Municipality		153 795	157 791	157 791	13 268	80 438	78 896	1 542	2%	157 791

Salary and remuneration of councillors expenditure totals 45% of all operational expenditures for the period ending 31 December 2019.

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

The adjusted capital budget for the financial year amounts to **R 10,705,000**. For the first 6 months, capital expenditure was **R 5,396,811** representing **50.4%** of the budget, this is in line with expected performance of 50% for the first 6 months.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	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.
071201240008	1	Steel Shelves	1308	6 800,00	6 780,00	Completed	Purchased & Delivered	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.
071206240002	2	Evacuation Chair	1305	20 000,00	4 950,00	In process	Order issued	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.
072204300001	3	Upgrading of Council Buildings	2204	450 000,00		In process	Order issued	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.
071307104104	4	Laptops	1307	125 900,00	125 676,52	Completed	Purchased & Delivered	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.
071307104109	5	Qnap File Server	1307	39 200,00		In process	SLA in process to be finalised	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.
071307104110	6	Projector/s	1307	30 000,00	8 559,00	In process	Order issued	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.
071307104111	7	Scanners	1307	19 000,00	17 826,09	Completed	Purchased & Delivered	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.
071307104113	8	24 Inch Monitors	1307	6 000,00	3 476,52	In process	Purchased & Delivered	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.
071307104116	9	Insurance Claims	1307	50 000,00		Not started yet	No ICT insurance claims up to date	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.
071307104117	10	High Spec PC Communication	1307	30 000,00		In process	Order issued	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.
071307104118	11	Printer HP black/white	1307	11 000,00	10 260,00	Completed	Purchased & Delivered	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.
071307104119	12	Printer HP 4 in One	1307	29 000,00	24 700,00	Completed	Purchased & Delivered	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.
071307104120	13	Printer HP Colour	1307	9 000,00	8 090,00	Completed	Purchased & Delivered	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.
071307104121	14	Office Automation	1307	418 468,00	25 440,26	In process	Order issued	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.
071307103001	15	Upgrade Server Room for hosting purposes	1307	110 000,00		Not started yet	Completion date: 31 May 2020	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.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	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.
071307104002	16	ICT Furniture	1307	58 250,00		In process	SLA in process to be finalised	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.
071806103101	17	Plett Office Building	1806	2 300 000,00	2 255 480,02	Completed	Purchased & Delivered	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.
072305230001	18	Hazmat Rescue & Fire Equipment Equipment	2305	382 500,00	6 600,00	In process	Item has been amended resulting in new specifications being compiled	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.
072305300001	19	New Fire Station/ Training Academy (CRR Funding)	2305	2 000 000,00		Not started yet	Project gonna roll-over to next financial year for completion	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.
074403230001	20	Home Composting Containers (Pilot Project) 100x R 800,00	4403	80 000,00		In process	An Informal Tender has been sent to potential suppliers after which a BEC meeting will commence once the tenders received have been reviewed	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.
074403230002	21	Vermi-Composting Holders and Red Wiggler Worms (Pilot Project)	4403	40 000,00		In process	An Informal Tender has been sent to potential suppliers after which a BEC meeting will commence once the tenders received have been reviewed	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.
074403230003	22	Recycling Mascot	4403	30 000,00		In process	Order issued	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.
071307104001	23	Fireproof Safe (800x625x500)	1307	11 300,00	11 237,00	Completed	Purchased & Delivered	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.
071307104101	24	Morpho Sigma Lite Biometric Devices	1307	105 000,00		In process	Waiting for order	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.
071307104102	25	UniFi Cloud Key Gen2 Plus	1307	5 000,00		In process	SLA in process to be finalised	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.
071307104103	26	UniFi Security Gateway	1307	6 000,00		In process	Order issued	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.
071307104105	27	Desktops	1307	111 750,00	111 641,74	Completed	Purchased & Delivered	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.
071307103901	28	MS Office	1307	200 000,00		In process	Waiting for order	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.
071307104106	29	8 Port Switches	1307	15 100,00		In process	Waiting for order	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.
071307104107	30	Ubiquiti UNIFI AC Pro Access Points	1307	19 200,00		In process	Waiting for order	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.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	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.
071.3071.04108	31	16 Port Switches	1307	32 500,00		In process	SLA in process to be finalised	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3071.04112	32	Voice Recorder	1307	4 000,00	2 652,17	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3071.04114	33	HD Infrared IP Dome Camera (Spack)	1307	11 000,00		In process	Waiting for order	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3071.04115	34	Replacing ICT Capital Equipment beyond economical repairs	1307	40 000,00	9 826,09	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.6011.03302	35	6000 litre Water Tanker	1601	2 097 288,40	1 375 888,14	In process	80% of total value were paid in previous financial year, the total will be paid on delivery of trucks	No expected challenges anticipated	Final payment (the outstanding 20%) was done in December 2019 and also the delivery of the vehicles. The payment of almost R687k were unfortunately booked against the prepayment vote. Correcting journals will be done in January 2020
072.3052.20001	36	Water tankers	1601	1 685 027,00	1 372 159,29	In process	80% of total value were paid in previous financial year, the total will be paid on delivery of trucks	No expected challenges anticipated	Final payment (the outstanding 20%) was done in December 2019 and also the delivery of the vehicles. The payment of almost R687k were unfortunately booked against the prepayment vote. Correcting journals will be done in January 2020
071.3080.40008	37	Desk	1308	5 542,00	5 541,74	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3080.40009	38	File Labelling Machines	1308	4 900,00	4 869,57	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3080.40010	39	Chairs	1308	5 200,00	5 156,52	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3080.40011	40	Water Dispenser	1308	2 600,00		In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
072.2043.00044	41	Office Equipment	2204	50 000,00		In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
072.3052.30004	42	Canopy	2305	17 500,00		Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3140.00452	43	Desk	1314	21 000,00		In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3081.02412	44	Back support for chairs	1308	7 500,00		In process	Waiting for order	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
071.3081.02413	45	Fridge	1308	2 458,00		In Process	Orders to be issued - veriments done to vote	No expected challenges anticipated	Monthly all project managers will report to the 8TD 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.
Totals				10 704 983,40	5 396 810,67				

Commitments against capital for the month December 2019				Committed Amount
071308040011	40	Water Dispenser	1308	2 556,52
071314000452	43	Desk	1314	18 120,00
072204300044	41	Office Equipment	2204	36 317,53
074403230003	22	Recycling Mascot	4403	26 990,00
		Total Commitments		83 984,05
032600004412		20% final payment on fire trucks		687 011,85
		Total expenditure + Total Commitments		6 167 806,57
		Total percentage spent		58%

Section 12 – Municipal manager's quality certification



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OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 19/20
Date: 15 January 2020

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 2019**, 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 72 Reporting is subject to changes due to the fact that the Municipality are experiencing challenges with the reporting of M06 December 2019 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 2019 figures to the actual year-to-date figures as reflected on the ledger in order to align with the data strings.

Print Name MONDE GIVEN SIRATHU

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

Signature 

Date 16/01/2020



Section 72
Non Financial Performance Report

2019/2020

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 2019 to 31 December 2019.

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;

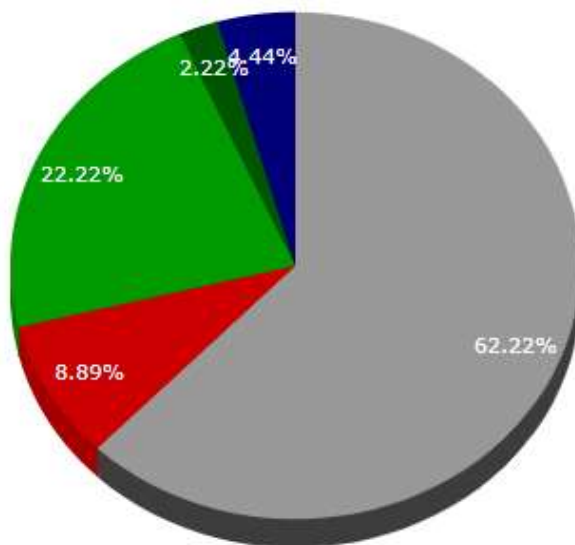
- (d) issue any appropriate instructions to the accounting officer to ensure-
- (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
- (i) that spending of funds and revenue collection proceed in accordance with the budget;
- (b) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (c) submit the report to the council by 31 January of each year

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

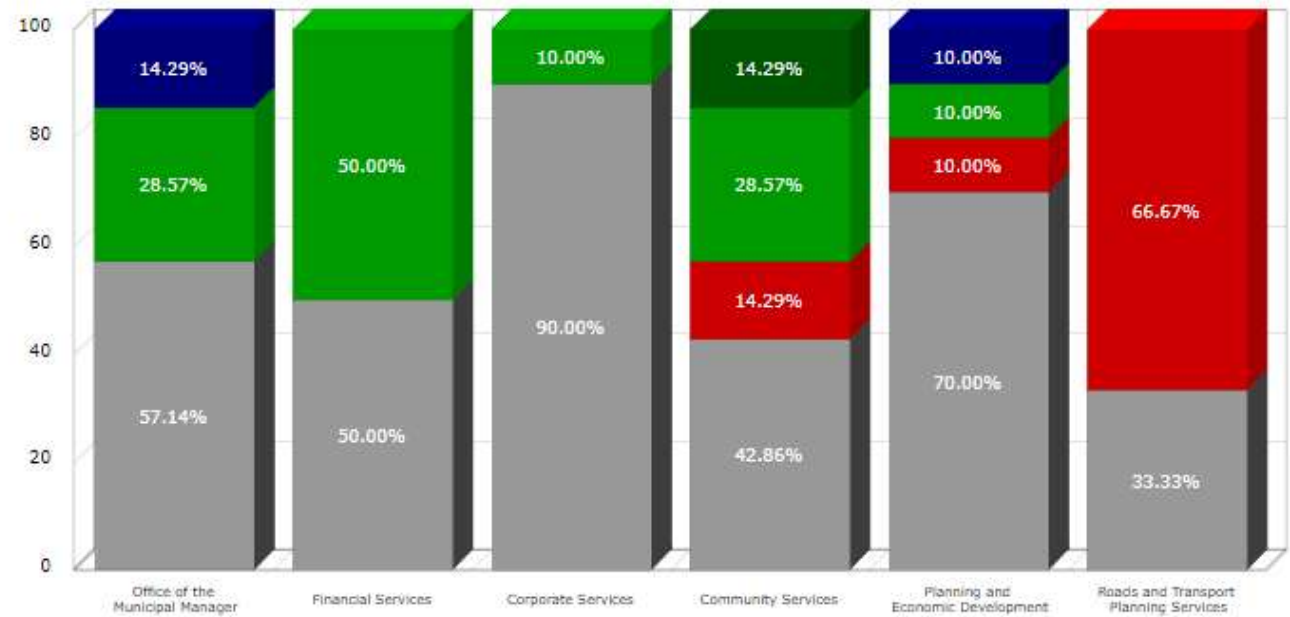
6. Recommendations

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

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate					
		Office of the Municipal Manager	Financial Services	Corporate Services	Community Services	Planning and Economic Development	Roads and Transport Planning Services
■ Not Yet Applicable	28 (62.22%)	4 (57.14%)	4 (50.00%)	9 (90.00%)	3 (42.86%)	7 (70.00%)	1 (33.33%)
■ Not Met	4 (8.89%)	-	-	-	1 (14.29%)	1 (10.00%)	2 (66.67%)
■ Almost Met	-	-	-	-	-	-	-
■ Met	10 (22.22%)	2 (28.57%)	4 (50.00%)	1 (10.00%)	2 (28.57%)	1 (10.00%)	-
■ Well Met	1 (2.22%)	-	-	-	1 (14.29%)	-	-
■ Extremely Well Met	2 (4.44%)	1 (14.29%)	-	-	-	1 (10.00%)	-
Total:	45	7	8	10	7	10	3
	100%	15.56%	17.78%	22.22%	15.56%	22.22%	6.67%

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 SDBIP which is informed by the adjustment budget, should be tabled before the end of February 2020
- The revised Top Level SDBIP should be submitted to the Executive Mayor and Council for approval
- A workshop must be held with all Councillors during the public participation process to address the revised Top Level SDBIP

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 11th of each month
- POE's should go through a quality review by the respective Executive Manager, before it is submitted to the performance office